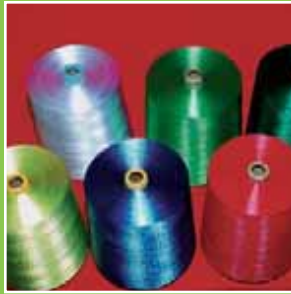


Century Textiles and Industries Limited

112th Annual Report & Accounts 2008-09



Textiles



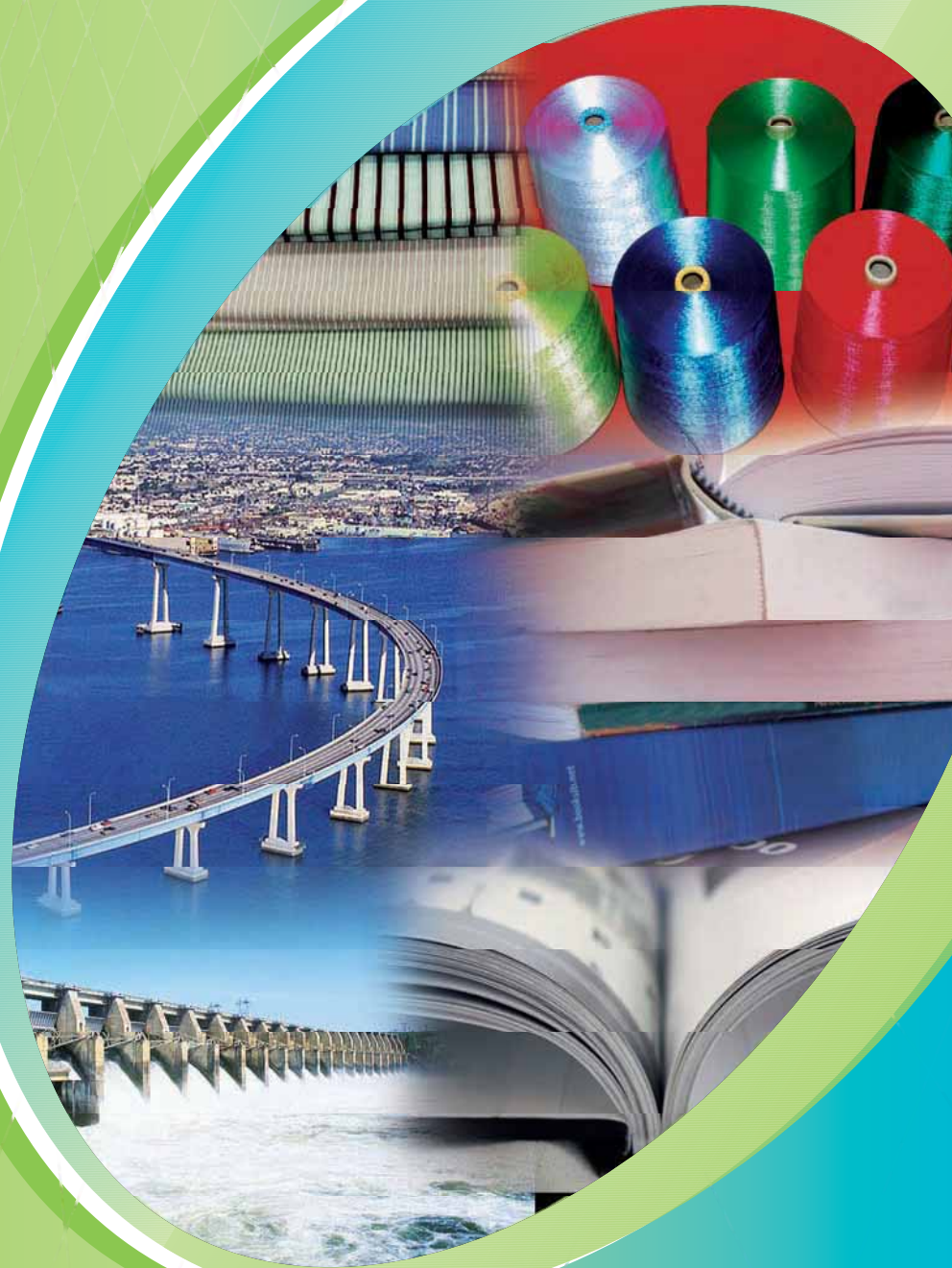
Rayon



Cement



Paper



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.

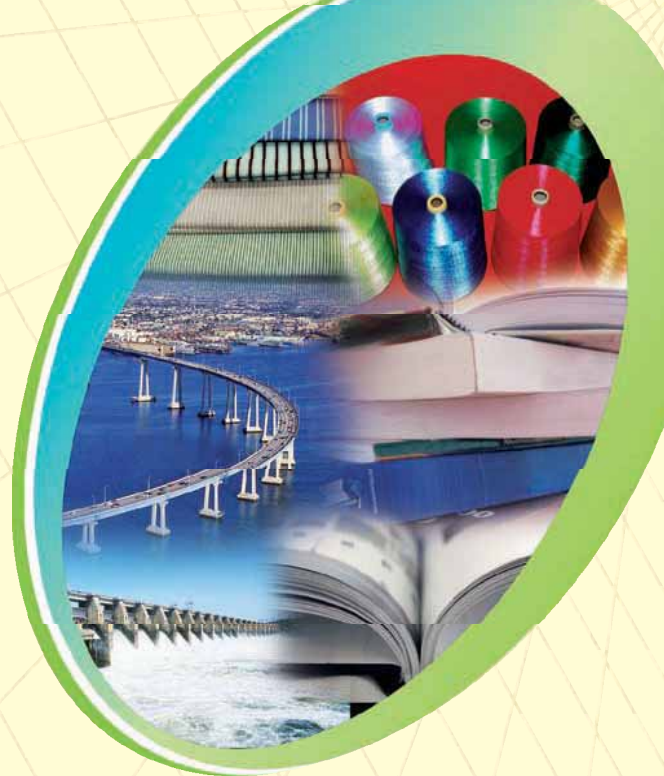
Your continuous support and confidence have in no mean measure inspired us to achieve our goals to enhance shareholders' value. I would like to extend my sincere thanks to all the shareholders, customers and the staff for their faith in the Company and unstinted support, as always.

B. K. Birla
Chairman

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

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)

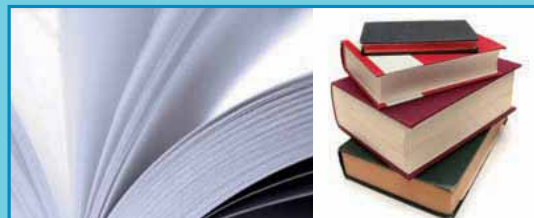
Unit II

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. Lakhota	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)
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Auditors

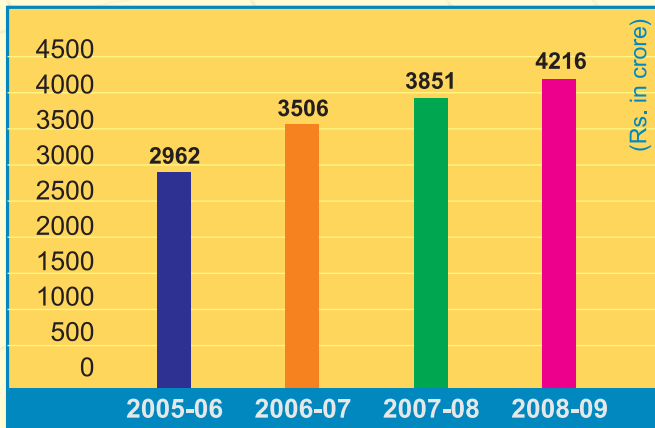
Dalal & Shah, Mumbai

Registered Office

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

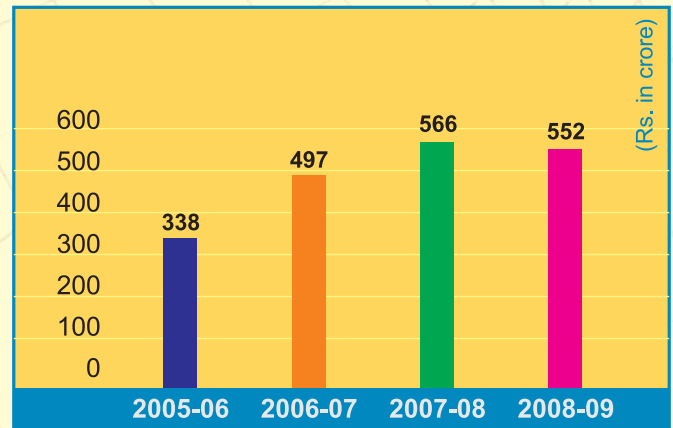
PERFORMANCE HIGHLIGHTS

Gross Sales*

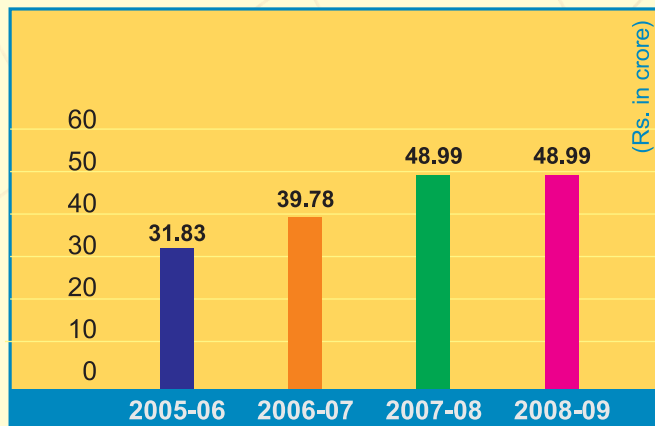


*Gross Sales are net of rebates and returns

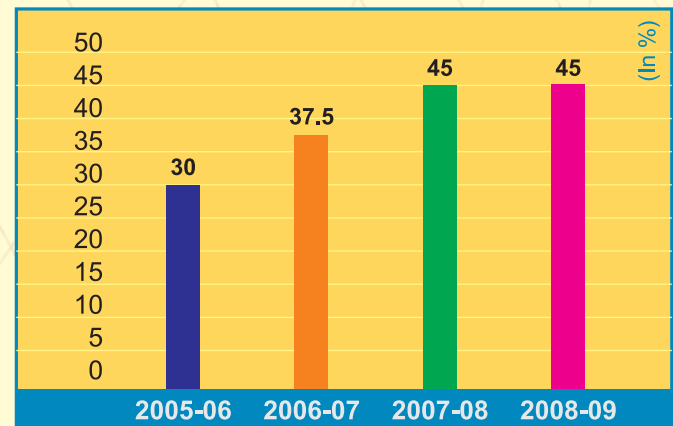
Gross Profit



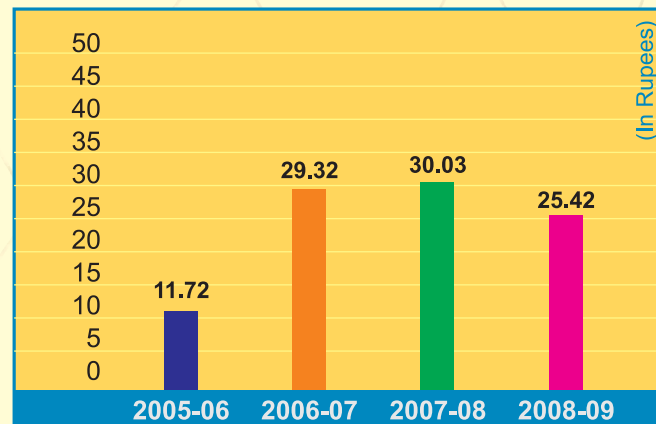
Amount of Dividend (including tax on it)



Rate of Dividend



Earning Per Share**



** Earning per share is including exceptional items

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.

”



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

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 spinnerette 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

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.



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.



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.

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 upto date 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.

Provided that where, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay the above salary and allowances and provide the perquisites as aforesaid to the Whole-time Director as and by way of minimum remuneration subject to the applicable provisions of Schedule XIII of the said Act and the approval of the Central Government, as may be required.

RESOLVED Further that the Board of Directors / Chairman of the Board be and are hereby authorised to take such steps as may be necessary or expedient in their entire discretion to give effect to this 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 Nos. 6 and 7 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 Tuesday, the 14th July, 2009 to Tuesday, the 28th July, 2009 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
4 th July, 2002	2001-2002	2 nd August, 2009
5 th August, 2003	2002-2003	4 th September, 2010
20 th July, 2004	2003-2004	18 th August, 2011
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

*(Interim treated as final)

It may be noted that no claim of the shareholders will be entertained for the unclaimed dividends which have been transferred to the credit of the Investor Education & Protection Fund of the Central Government under the provisions of Section 205(B) of the Companies Act, 1956.

In view of the above, the Shareholders are advised to send all the unencashed dividend warrants to the **Registered Office of the Company** for revalidation and encash them before the due date for transfer to the Central Government.

- (f) Members are requested to send all their documents and communications pertaining to shares to **Link Intime India Pvt. Ltd. (Formerly known as Intime Spectrum Registry Limited), Share Transfer Agent of the Company at their address** at "C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (West), Mumbai 400 078, (Maharashtra) Telephone No. 022 – 2596 3838, Fax No. 022 – 2594 6969 for both physical and demat segments of Equity Shares. Please quote on all such correspondence – "Unit – Century Textiles and Industries Limited."
- (g) Members holding shares in the same name under different Ledger Folios are requested to apply for consolidation of such Folios and send the relevant share certificates to Link Intime India Pvt. Ltd. for their doing the needful.
- (h) Members are requested to notify change in address, if any, immediately to Link Intime India Pvt. Ltd. quoting their folio numbers.
- (i) It is observed that many members have still not surrendered their old Share Certificates for Equity Shares of Rs.100/- each for exchange with the new Share Certificates for Equity Shares of Rs.10/- each. They are once again requested to surrender the Share Certificates for Equity Shares of Rs.100/- each at the **Registered Office of the Company** so as to enable the Company to do the needful.
- (j) Pursuant to the recommendation of the SEBI Committee on Corporate Governance for reappointment of the retiring Directors, the relevant details of the concerned Directors are given in the Report on Corporate Governance forming part of the Annual Report.

Mumbai,
Dated : 1st June, 2009

By Order of the Board,
D. K. AGRAWAL
Secretary

ANNEXURE TO THE NOTICE

Explanatory Statement under Section 173(2) of the Companies Act, 1956

Item Nos. 6 & 7

Shri B.L. Jain was reappointed as the Whole-time Director of the Company for a further period of three years with effect from 1st April, 2007 and his reappointment was also confirmed by a Special Resolution passed by the members at their meeting held on 24th July, 2007.

The shareholders whilst approving payment of remuneration to Shri B.L. Jain at the aforesaid Annual General Meeting of the Company also authorized the Board/Chairman of the Board to revise the same from time to time up to the limits set out in the said resolution.

Accordingly, his remuneration was revised from time to time with the result that the limits of remuneration fixed as aforesaid had been reached. Subject to the approval of the members, like all other senior executives of the Company, Shri Jain was also given an increment for the remaining period of his office expiring on 31st March, 2010 as fixed by the Chairman pursuant to the authority given in his favour, earlier by the Board, the broad details of which are as under.

1. Basic salary increased from Rs.2,25,000/- per month to Rs. 2,60,000/- per month.
2. Allowances per month
 - i) Entertainment Allowance increased from Rs.40,000/- to Rs. 45,000/-
 - ii) City Compensatory and House Upkeepment Allowance increased from Rs.85,000/- to Rs. 1,05,000/-
3. Performance-cum-Long Term Allowance being Rs.45 lakhs for the financial year 2009-10 as decided by the Board/Chairman of the Board, the said allowance being Rs. 40 lakhs for the year ended 31st March, 2009.

The other components of remuneration viz. House Rent Allowance 80% of basic salary and perquisites and other

amenities payable/provided to him has remained the same as approved by the members at the Annual General Meeting held on 24th July, 2007. Accordingly members' approval is requested to the payment of this increment in Shri. Jain's remuneration as to referred to in item 6 of the notice.

With reference to resolution in item 7 of the notice, considering his long and vast experience with the Company extending to more than 47 years, the Board, subject to the approval of the members, has also approved the reappointment of Shri Jain as Wholetime Director for a further period with effect from 1st April, 2010 on such terms as to remuneration and otherwise as may be decided by the chairman. His appointment is presently fixed for a period of two years and details of his remuneration have now been finalised as set out in the Resolution.

Shri Jain who has recently attained the age of 72 years has been in the service of the Company for the last over 47 years holding very senior positions and has considerable experience about the business and affairs of the Company. It is, therefore, desirable and in the interest of the Company that it should continue to avail of his services as such Whole-time Director for the further period as aforesaid.

With regard to the upward revision and remuneration payable to him for a further term incidental to his employment with the Company, the same is in line with the modern corporate trend keeping in mind Shri B.L. Jain's rich experience and managerial skills. It is in the above circumstances that approval of the members is now sought to Shri B.L. Jain's reappointment for a further term as mentioned in the resolution in item no. 7 of the notice.

The above along with this Explanatory Statement may also be treated as an abstract required to be circulated to the members under the provisions of Section 302 of the Companies Act, 1956.

Shri B.L. Jain is deemed to be interested in the relevant resolutions as they concern him.

By Order of the Board,

Mumbai,
Dated : 1st June, 2009

D. K. Agrawal
Secretary

DIRECTORS' REPORT

Dear Shareholders,

We have pleasure in presenting the 112th Annual Report of the Company along with the audited statements of Accounts for the year ended 31st March, 2009. The summarised financial results are given below. Working and operational parameters at all the plants of the Company were satisfactory but profitability was adversely affected due to demand recession and increasing costs. The prices of Cement, Paper and Textiles remained dull for a major part of the year. The general expectation is that the Indian economy is likely to begin to recover after the present temporary stagnant phase and it is hoped that the ensuing year may portend comparatively more favourable trends.

1. SUMMARISED FINANCIAL RESULTS:

	(Rs. in crore)	
	2008-09	2007-08
Profit after interest, VRS payments, gratuity, ex-gratia / compensation etc.	552.23	566.33
<u>Less:</u>		
Depreciation	205.28	168.60
Arrears of Depreciation	26.31	26.85
Prior Period Adjustments (Net)	0.71	0.81
Provision for taxation (including Fringe Benefit Tax)	44.14	98.24
Deferred Tax Debit/(Credit)	39.25	(7.60)
Net Profit	236.54	279.43
<u>Add:</u>		
Balance brought forward	140.55	110.11
Available Profit dealt with as under	377.09	389.54
<u>Transfers & Appropriations:</u>		
Proposed Equity Dividend	41.87	41.87
Corporate Dividend Tax	7.12	7.12
General Reserve	150.00	200.00
Balance carried forward	178.10	140.55
	377.09	389.54

The performance of each business segment of the Company has been comprehensively discussed in the Management Discussion and Analysis Report (forming part of this Directors' Report) based on the reports of the Wholetime Director of the Company and Senior President / President of each of the units of the Company.

2. DIVIDEND:

The Board of Directors has recommended dividend of Rs.4.50 (Rupees four and paise fifty) per share of Rs.10/- each equivalent to 45% (forty five percent) on the paid up equity share capital of the Company for the year ended 31.03.2009. In the previous year, the same amount was paid as dividend. The dividend will be paid when declared by the shareholders in accordance with the law. The dividend will be free of tax in the hands of the shareholders. However, the Company will have to pay dividend distribution tax @ 15% plus applicable surcharge and education cess, aggregating to about 17% on the dividend amount so distributed, subject to relevant laws as applicable at appropriate time.

3. EXPORTS:

The total exports of the Company amounted to Rs.352 crore (Previous year Rs.292 crore) representing about nine percent of the net sales.

4. EXPANSION & MODERNISATION:

a) Cement

i) Cement Grinding Unit at Sagardighi, West Bengal

The Company has taken possession of 159 acres of land for setting up the grinding unit at Sagardighi in Dist. Murshidabad, West Bengal. The environmental clearance has also been received from the Pollution Control Board, West Bengal. A Memorandum of Understanding has been entered into with West Bengal Power Development Corporation Ltd. for assured supply of fly ash from their thermal power plant adjacent to the Company's site. A work order has been placed on RITES Ltd., Kolkata for the construction of railway siding. An agreement has also been entered into with the West Bengal Electricity Distribution Company Ltd. for supply of 132 KV of bulk power.

The grinding unit with a capacity of 1.50 million tonne capacity per annum is expected to be operational within a period of about two years from the date of placement of orders for the plant and machinery which are expected to be finalized within next three months. The total outlay on the project is expected to be Rs.425 crore.

ii) Manikgarh Cement expansion

Environmental clearance from the Ministry of Environment and Forests, New Delhi has been received for the expansion of cement manufacturing capacity by installing a new clinker line of capacity of 2.50 million tonnes and an equivalent cement grinding facility adjacent to the existing plant of Manikgarh Cement at Gadchandur, Maharashtra along with a captive thermal power plant of 40 MW. The clearance for forest land measuring 7.06 hectares for pipe/belt conveyor system has also been received from Ministry of Environment and Forests, New Delhi.

The placing of orders for this project has been deferred for the time being.

b) Pulp and Paper

A prime grade tissue paper plant at Lalkua, Dist. Nainital, Uttarakhand with a capacity of 100 tonnes per day for manufacture of a number of varieties of tissue paper has been commissioned and full production achieved.

Orders for purchase of major machinery have been placed for the multi-layer Packaging Board Plant, 40 MW power generation plant as well as the Fibre Line (Pulp Plant) involving a capital outlay on all above projects amounting to about Rs.1425 crore. Civil construction of buildings for both the projects is in progress.

c) General

Modernisation and technological upgradation programmes are a continuing activity in all the units of the Company to maintain competitiveness and achieve better quality. Stringent cost control measures remain in place in all possible areas and are regularly reviewed.

5. LAND DEVELOPMENT AT WORLI, MUMBAI:

The land development at Worli, Mumbai, where Century Mill was situated, is under process for various commercial uses and permissions from Municipal Corporation, Government of Maharashtra and other related agencies are being pursued so as to commence physical construction work in the near future. The existing old buildings are in the process of being demolished to the extent possible and further appropriate action will be taken in due course. The expected cost of development in the first phase would be about Rs.625 crore.

6. CORPORATE GOVERNANCE:

A separate report on Corporate Governance is enclosed as a part of this Annual Report. A certificate from the Auditors of the Company regarding compliance with Corporate Governance norms stipulated under Clause 49 of the Listing Agreement is annexed to the Report on Corporate Governance.

7. GENERAL – AWARDS, SPORTS & WELFARE ACTIVITIES:

Various Divisions of the Company have received numerous awards for environmental excellence, efficiency in energy, safety provisions etc. Some of such important awards are set out below:-

a) Century Cement:

- First Prize for "Overall Performance", "Standard of Working" and "Publicity & Propaganda" for the limestone mines, from the Directorate General of Mines Safety, Bilaspur Region.
- First Prize for "Noise Vibration and Aesthetic Beauty" for the limestone mines, from Indian Bureau of Mines, Nagpur Region.
- Century Cement plant at Chhattisgarh has been awarded Second Best Eco – friendly Industry Award - 2008 in the area of reducing industrial pollution.

b) Maihar Cement and Maihar Cement Unit II :

- First prize in "Fire Safety Provision & Organisation" (Mechanical Mines) for the limestone mines, from the Directorate General of Mines Safety, Jabalpur Region.
- Sonbhadra award in Publicity Propaganda and first prize for "Overall Performance", "Reclamation & Rehabilitation", "Top Soil Management" and "Air Quality Management" for the limestone mines, from Indian Bureau of Mines, Jabalpur Region.
- National Safety Award for outstanding performance in Industrial Safety during the performance year 2006 based on "Lowest Average Frequency Rate".
- National Safety Award for outstanding performance in Industrial Safety during the performance year 2006 based on "Accident Free Year".
- Awards from Ministry of Labour, Government of Madhya Pradesh as under:
 - i) "Uttam Shramik Puraskar 2007" to our worker Mr. Maheshwar Bhatt;
 - ii) "Shramik Sahitya Puraskar 2007" to our following workers:
 - (a) Mr. Luv Kush Prasad Tiwari, (b) Mr. S.B. Mishra,
 - (c) Mr. Maheshwar Bhatt and (d) Mr. B.K. Shukla.
- Miss Rubee Singh of our School 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"

c) Manikgarh Cement :

- First Prize in the "Opencast working, Explosives and Vocational Training" for the limestone mines, from Directorate General of Mines Safety, Nagpur Region (I & II).
- First Prize in the "Air Quality Management", "Noise Vibration Studies" and "Aesthetic Beauty and Waste Dump Management" for the limestone mines, by Indian Bureau of Mines, Nagpur.

d) Pulp and Paper:

- The unit has bagged on 10th November, 2008 the Certificate of Export Recognition, a 'Special Award' in recognition of outstanding export performance in respect of Paper for the year 2007-08, by CAPEXIL (Sponsored by Ministry of Commerce & Industry, Govt. of India), Kolkata.

8. ENVIRONMENT AND POLLUTION CONTROL:

The Company is well aware of its responsibility towards a better and clean environment. Our efforts in environment management go well beyond mere compliance with statutory requirements. The Company has always maintained harmony with nature by adopting eco-friendly technologies and upgrading the same from time to time incidental to its growth programmes.

Top priority continues to be given to preservation of the environment by all the units of the Company. To combat pollution and strengthen the area ecology, considerable emphasis is placed on plantation of fragrant and shady trees. We are cautious of preserving water through recycling and rainwater harvesting to the extent possible. All manufacturing facilities possess the required environmental clearance from the respective Pollution Control Boards and do comply with the relevant legislation.

9. DIRECTORS:

Under Article 130 of the Articles of Association of the Company Shri B.K. Birla and Shri Kumar Mangalam Birla retire by rotation and being eligible, offer themselves for re-election.

10. AUDITORS:

The retiring Auditors, M/s. Dalal & Shah, Chartered Accountants, are eligible for re-appointment and have expressed their willingness to accept re-appointment. In terms of Section 224A of the Companies Act, 1956, their re-appointment needs to be approved by the members and their remuneration has to be fixed.

11. AUDITORS' REPORT:

The Auditors' Report to the Shareholders does not contain any reservation, qualification or adverse remark.

12. COST AUDITORS:

Pursuant to the directives of the Central Government under the provisions of Section 233B of the Companies Act, 1956, qualified Cost Auditors have been appointed to conduct cost audits relating to several products manufactured by the Company.

13. DIRECTORS' RESPONSIBILITY STATEMENT:

On the basis of compliance certificates received from the concerned executives of the respective Divisions of the Company and subject to disclosures in the annual accounts, as also on the basis of the discussion with the Statutory Auditors of the Company from time to time, we state:

- i) that in the preparation of the annual accounts, the applicable accounting standards have been followed and proper explanations provided relating to material departures, if any;
- ii) that the Directors have followed appropriate accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for that period;
- iii) that the Directors have taken proper and sufficient care to ensure the maintenance of adequate accounting records in accordance with the provisions of the Companies Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities, if any;
- iv) that the Directors have prepared the annual accounts on a going concern basis.

14. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO:

a) Energy Conservation Awards:

Century Rayon has been awarded MEDA (Maharashtra Energy Development Agency) state level Award 2006 for Energy Conservation.

In appreciation of the achievements in Energy Conservation, the Pulp & Paper unit was adjudged '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.

b) General:

A statement giving details of conservation of energy, technology absorption, foreign exchange earnings and outgo, in accordance with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 is annexed and marked Annexure 'A' and forms part of this Report.

15. PARTICULARS OF EMPLOYEES:

In accordance with the provisions of Section 217(2A) read with Companies (Particulars of Employees) Rules, 1975, the names and other particulars of employees are to be set out in the Directors' report, as an addendum thereto. However, as per the provisions of Section 219(1)(b)(iv) of the Companies Act, 1956, the Report and accounts as set out therein, are being sent to all members of the Company excluding the aforesaid information about the employees. Any member, who is interested in obtaining such particulars about employees, may write to the Company Secretary at the Registered Office of the Company, and the same will be forwarded by post.

16. CASH FLOW ANALYSIS:

In conformity with the provisions of clause 32 of the Listing Agreement the Cash Flow Statement for the year ended 31.03.2009 is annexed hereto.

17. APPRECIATION:

The Company places on record its deep appreciation of the devoted services of the loyal workers, executives and other staff of the Company, who have contributed in no small measure to the performance and the Company's continued inherent strength. It also extends grateful thanks to Central and various State Governments, the investors, the banking circles, financial institutions and district level authorities for their continued support extended to the Company from time to time. Shareholders' appreciation of the managements' efforts expressed at the general meetings of the Company and otherwise, is a great fillip to strive for better performance year after year.

Registered Office:
Century Bhavan,
Dr. Annie Besant Road,
Worli, Mumbai – 400 030

On behalf of the Board,

B.K. Birla

Chairman

Dated: 4th May, 2009

ANNEXURE 'A' TO THE DIRECTORS' REPORT

Additional information as required under the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988.

A. CONSERVATION OF ENERGY:

(a) Energy Conservation Measures Taken

Yarn and Denim

- The V-Belt driven IHE10NL-2 compressor converted into Flat Belt drive.
- By installing Capacitor bank, the power factor maintained to unity.

Rayon, Tyre Cord & Chemicals Divisions

- Installation of Lenzing make fine grinders for Viscose.
- Multi fuel boiler for Caustic Soda.
- Installation of Energy efficient motors on conning machine.
- Segregation of Low and High Pressure compressed air streams.

Cement Divisions

- Installation of solar water heating system in colony at all Cement Units.
- Replacement of traditional lamp with compact fluorescent lamps at all the cement units.
- Installation of intersecting high efficiency cyclone before booster fan of the coal mill circuit at Manikgarh Cement Unit.
- Installation of high efficiency impeller and DC motor for sepol fan in the roll press circuit of Cement Mill No.3 at Manikgarh Cement Unit.
- Installation of SPRS and 2800 KW motor for pre-heater fan at Manikgarh Cement Unit.
- Installation of ECS/process expert system for Vertical Roller Mill and Ball Mill at Maihar Cement Unit.

Pulp & Paper Division

- Existing gear boxes of Chip Screens, Bifer screen and dewatering screw conveyor in chips washing plant were replaced by helical gear boxes resulting in power saving.
- Excess Bagasse conveyor of depither plant eliminated.
- All agitators in stock preparation area interlocked with 10% level.
- Supply pump and agitator of Paper Machine interlocked.
- Heat exchanger installed in WPP Pulp mill to recover heat from flash steam.

(b) Additional investments and proposals, if any, being implemented by the Company for reduction of consumption of energy.

- Acid absorption crystallization system.
- Energy efficient screw compressor.
- Installation of Vertical Roller Mill for coal grinding at Maihar Cement Unit.
- Installation of belt bucket elevator for raw mill at Maihar Cement Unit.
- Upgradation of fuzzy logic control room for coal mill and raw mill circuits at Manikgarh Cement Unit.
- Installation of high efficiency booster fan for coal mill circuit at Manikgarh Cement Unit.
- Installation of high efficiency coal mill vent fan at Manikgarh Cement Unit.

(c) Impact of measures at (a) & (b) for reduction of energy consumption and consequent impact on the cost of production of goods.

- Increase in Productivity.
- Reduction in energy consumption.
- Optimum loading of captive water sources.
- Rebate in electricity charges from Electricity Board.

(d) Total energy consumption and energy consumption per unit of production as per Form 'A' of the Annexure in respect of industries specified in the Schedule thereto.

As per Form 'A' attached.

B. TECHNOLOGY ABSORPTION :

(e) Efforts made in Technology Absorption as per Form 'B' given below:

Form 'B'

Research and Development (R & D)

1. Specific areas in which R & D has been carried out by the Company:
 - Improvement in quality of 120 Denier in Viscose Filament Yarn.
 - Installation of hybrid filters for 5 MW FBC Boiler at Maihar Cement Unit.
 - Installation of hybrid filters as combination of ESP bag house at Manikgarh Cement Unit.
 - Development of indigenous planetary gear box for vertical raw mill and coal mill drive at Manikgarh Cement and Maihar Cement Unit No.2.
 - Pigmented paper trial taken in Bagasse based Paper Plant for improved print quality.
 - Trial of Pigment dye taken for improvement in optical properties of paper in Bagasse based Paper Plant.
2. Benefits derived as a result of the above R & D :
 - Improved productivity and cost reduction.
 - Air pollution abatement.
 - Development of new market segment.
 - Improvement in product quality.
3. Future Plan of Action :
 - Continuous improvement in the product quality.
 - Conversion of 15 MW FBC boiler ESP into hybrid filter at Maihar Cement Unit.
 - Conservation of mineral, power, fuel and water.
 - Augmentation and optimization by absorption of fly ash and slag in cement.
 - Close circuiting of cement mill No.3 at Manikgarh Cement Unit.
 - Installation of XRF-XRD combined unit for measuring clinker phases at Maihar Cement Unit.
 - Cost reduction of Paper Chemicals.
4. Expenditure on R & D (Rs. in Crore)

(a) Capital	10.03
(b) Recurring (including contribution)	5.53
(c) Total	15.56
(d) Total R&D expenditure as a percentage of total turnover	0.37

Technology absorption, adaptation and Innovation

1. Efforts, in brief, made towards technology absorption, adaptation and innovation:

Rayon, Tyre Cord & Chemicals Divisions

- Installation of lenzing make fine grinders for Viscose.

Cement Divisions

- Installation of fully integrated Oxford's Bench Top XRF cement Analyser Model Lab x 3500 C sample preparation at all cement units.
- Installation of LASER DIFFRACTION Particle size Analyser Model CILAS 930 LD at laboratory for Analysis of Linister and Cement Analysis at Century and Maihar cement units.
- Solid flow feeders of accurate dozing at Manikgarh Cement Unit.
- Coriolis feeding system for fly ash to cement mills at Manikgarh Cement Unit.

Pulp & Paper Division

- A modern 100 TPD Prime Quality Soft Tissue Machine (PM-5) installed and commissioned to manufacture soft tissue.
- Depithier basket perforation has been reduced from 9/8/7 to 8/7/6 mm to reduce fibre loss in bagasse street.
- Paper machine centricleaner's rejects of All machines are being used in DIP Plant.
- QCS Scanner of PM-2 upgraded.
- Rectifiers of ESP of BHEL Recovery Boiler are replaced with latest SIR units resulting in significant reduction in dust emission level and alkali saving.

2. Benefits derived as a result of above efforts :

Rayon Division

- Power Saving.

Cement Divisions

- Improved productivity and cost reduction.
- Air pollution abatement.

Pulp and Paper Division

- Reduction in wastage.
- Improvement in quality of pulp & paper.

3. Information regarding technology imported during the last 5 years :

- | | | | | |
|------|----|--|---|---|
| i) | a) | Technology imported during last five years | - | Technical know-how agreement signed with Cordenka, GmbH, Germany, for improvement in productivity and quality of Tyre Yarn. |
| | b) | Year of import | - | 2004 - 05 |
| | c) | Has technology been fully absorbed. | - | Yes |
| | d) | If not fully absorbed, areas where this has not taken place, reasons therefore and future plans of action. | - | N. A. |
| ii) | a) | Technology imported during last five years | - | Simplexes, Dye Preparation & Injection System from M/s. Fabelta, Belgium. |
| | b) | Year of import | - | 2007 - 08 |
| | c) | Has technology been fully absorbed. | - | Yes |
| | d) | If not fully absorbed, areas where this has not taken place, reasons therefore and future plans of action. | - | N.A. |
| iii) | a) | Technology imported during last five years | - | Flash Dearator from M/s. Lenzing, Austria. |
| | b) | Year of import | - | 2007 - 08 |
| | c) | Has technology been fully absorbed. | - | Yes |
| | d) | If not fully absorbed, areas where this has not taken place, reasons therefore and future plans of action. | - | N.A. |
| iv) | a) | Technology imported during last five years | - | Fine Grinders Homoginizer from M/s. Lenzing, Austria. |
| | b) | Year of import | - | 2008 - 09 |
| | c) | Has technology been fully absorbed. | - | Yes |
| | d) | If not fully absorbed, areas where this has not taken place, reasons therefore and future plans of action. | - | N.A. |

C. FOREIGN EXCHANGE EARNINGS AND OUTGO:

(f) Activities relating to exports, initiatives taken to increase exports, developments of new export markets for products and services, and export plans.

Cement/Clinker has been exported to Nepal, for which payment is made in Indian Rupees by the purchaser. Demand for paper from overseas market was quite good and order position was satisfactory from April to September. However, from 3rd quarter onwards, demand for paper from overseas market started coming down due to worldwide economic recession.

We have started exploring new segments and launching new products in global market and expect to retain our market share in overseas market.

(g) Total Foreign Exchange used and earned.

The information on Foreign Exchange used and earned is contained in note no.16 & 17 of Schedule 17 of the accounts.

Mumbai,
Date: 4th May, 2009

On behalf of the Board,
B. K. Birla
Chairman

FORM 'A'

Form for disclosure of particulars with respect to conservation of energy.

	Textiles (Birla Century)	Yarn	Denim	Cement	Paper	Rayon & Tyreyarn / Fabric & Chemicals
A. POWER AND FUEL CONSUMPTION :						
1. Electricity						
(a) Purchased Unit (KWH in lacs)	-	219.66	208.48	1142.11	218.37	873.48
	(-)	(208.91)	(26.58)	(1229.21)	(154.33)	(753.06)
Total Amount (Rs.in Crore)	-	8.52	8.68	58.48	8.91	35.45
	(-)	(8.24)	(1.11)	(59.94)	(5.12)	(29.68)
Rate/Unit (Rs.)	-	3.88	4.16	5.12	4.08	4.06
	(-)	(3.95)	(4.18)	(4.88)	(3.32)	(3.94)
(b) Own Generation						
(i) Through Diesel Generator Unit (KWH in lacs)	-	1.66	153.97	29.52	3.68	402.82
	(-)	(4.00)	(366.92)	(91.45)	(37.09)	(591.25)
Units per Kg./Ltr. of LSHS & Diesel Oil	-	4.13	4.10	3.52	3.48	4.12
	(-)	(4.03)	(4.25)	(3.57)	(3.57)	(4.47)
Cost/Unit (Rs.)	-	4.61	5.02	20.91	14.75	7.30
	(-)	(4.42)	(4.51)	(10.96)	(8.71)	(5.41)
(ii) Through Steam turbine/generator Unit (KWH in lacs)	-	-	-	4853.82	2386.81	510.41
	(-)	(-)	(-)	(4502.58)	(2411.51)	(506.69)
Units per ton of Coal	-	-	-	905.58	817.00	*
	(-)	(-)	(-)	(893.13)	(1002.00)	*
Cost/Unit (Rs.)	-	-	-	3.83	1.80	*
	(-)	(-)	(-)	(3.38)	(1.25)	*
(iii) Through Gas Turbine Unit (KWH in lacs)	315.77	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)	(-)
Units per SCM of Gas	3.30	-	-	-	-	-
(KWH per SCM)	(-)	(-)	(-)	(-)	(-)	(-)
Cost/Unit(Rs.)	4.88	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)	(-)
	Textiles (Birla Century)	Cotton Yarn	Denim	Cement	Paper	Rayon & Tyreyarn / Fabric & Chemicals
2. Coal (Grade B,C,D and E)						
Quantity (in lac M. Tons)	-	-	-	9.51	1.55	0.84
	(-)	(-)	(-)	(9.29)	(1.19)	(0.84)
Total Cost (Rs.in Crore)	-	-	-	266.62	42.29	42.60
	(-)	(-)	(-)	(210.00)	(25.95)	(31.73)
Average Rate (Rs. per M.T.)	-	-	-	2804.86	2728.68	5084.61
	(-)	(-)	(-)	(2259.72)	(2186.19)	(3772.35)
3. Furnace Oil / Diesel Oil						
Quantity in M.T. (incl. LSHS & Diesel Oil & per thousand SCM)	-	-	2217.88	4248.46	3653.00	-
	(-)	(-)	(1546.15)	(5036.42)	(3443.00)	(72.38)
Total Cost (Rs. in Crore)	-	-	4.56	13.67	10.76	- **
	(-)	(-)	(2.95)	(11.62)	(8.16)	(0.13)
Average Rate (Rs. per M.T.)	-	-	20585.00	32180.30	29448.23	-
	(-)	(-)	(19050.00)	(23076.93)	(23698.00)	(18119.48)

	Textiles (Birla Century)	Yarn	Denim	Cement	Paper	Rayon & Tyreyarn / Fabric & Chemicals
4. Coal for producer Gas (Grade B, C & E)						
Quantity (MT in lacs)	-	-	-	-	0.14	-
	(-)	(-)	(-)	(-)	(0.11)	(-)
Total Cost (Rs. In Crore)	-	-	-	-	3.84	-
	(-)	(-)	(-)	(-)	(2.45)	(-)
Average Rate (Rs. In MT)	-	-	-	-	2728.68	-
	(-)	(-)	(-)	(-)	(2186.22)	(-)
5. LP Gas						
Quantity (MT)	-	-	-	-	206.72	-
	(-)	(-)	(-)	(-)	(-)	(-)
Total Cost (Rs. In Crore)	-	-	-	-	0.77	-
	(-)	(-)	(-)	(-)	(-)	(-)
Average Rate (Rs. Per MT)	-	-	-	-	37048.25	-
	(-)	(-)	(-)	(-)	(-)	(-)

Note:

1 Figures in respect of previous year are given in brackets and have been regrouped/rearranged wherever necessary.

* Incidental to generation of Steam, hence no cost allocable.

** Net of tax

B. CONSUMPTION PER UNIT OF PRODUCTION :

	Production Unit	Standards if any	Current Year	Previous Year	Reasons for variations
1. Electricity (KWH)					
Cotton Fabrics	Per 1000 Sq. Mtrs.	-	2147.90	-	(b)
Cotton Yarn (M.P.)	Per 100 Kgs.	-	486.73	426.64	(c)
Denim Fabrics	Per 1000 Sq. Mtrs.	-	1599.18	1615.17	(a)
Rayon Yarn	M.T.	-	4317.56	4261.57	(a)
CSY (Continuous Spg. Yarn)	M.T.	-	5370.23	6119.67	(c)
Tyre Yarn/Fabric/Fibre	M.T.	-	3695.61	3280.66	(d)
Caustic Soda	M.T.	-	2614.29	2617.00	(a)
Carbon-di-sulphide	M.T.	-	1099.71	1081.19	(a)
Sulphuric Acid	M.T.	-	49.21	48.43	(a)
Cement	M.T.	-	81.10	82.82	(a)
Paper	M.T.	-	1241.00	1253.00	(a)
2. Furnace Oil / Diesel Oil (M.T.)					
Cotton Fabrics	Per 1000 Sq. Mtrs.	-	-	0.107	-
Denim Fabrics	Per 1000 Sq. Mtrs.	-	0.125	0.116	(a)
Rayon Yarn	M.T.	-	-	0.003	-
CSY (Continuous Spg. Yarn)	M.T.	-	-	0.007	-
Tyre Yarn/Fibre	M.T.	-	-	0.003	-
Paper	M.T.	-	0.017	0.017	-
Cement	M.T.	-	0.001	0.001	-
3. Coal - B, C, D & E Grades (M.T.)					
Rayon Yarn	M.T.	-	3.498	3.410	(a)
CSY (Continuous Spg. Yarn)	M.T.	-	7.656	7.658	(a)
Tyre Yarn/Fibre	M.T.	-	3.602	3.210	(d)
Cement	M.T.	-	0.126	0.130	(a)
Paper	M.T.	-	0.737	0.572	(e)
4. Coal for Producer Gas (Grade B,C & E) (M.T.)					
Paper	M.T.	-	0.067	0.054	(e)
5. LP Gas (M.T.)					
Paper	M.T.	-	0.001	-	-

Notes:

(a) Minor variations.

(b) Production at new Unit at Bharuch started in September, 2008.

(c) Due to change in denier/market mix

(d) Due to low production

(e) Due to commissioning of Tissue Paper plant.

Previous year's figures have been regrouped, wherever necessary.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

This report embraces the operations and financial performance of the Company and forms part of the Directors' Report.

1. OVERALL REVIEW:

During the year under review, the profitability of the Company has been adversely affected due to demand recession. The stimulus packages brought out from time to time by the Central Government and the Reserve Bank of India have shown some positive impact on industries, yet, it is still too early to foresee the extent of the beneficial effects of these measures. It seems that the industry may take some time to reap the benefits substantially. Despite the infusion of liquidity into the economy from time to time, the banks have been slow to reduce interest rates. However, with the drop in inflation and crude oil prices, it is expected that the Indian economy should recover its momentum in due course and more favourable trends are expected from later this year.

The new textile unit of the Company viz. "Birla Century" in District Bharuch in the State of Gujarat and the tissue paper plant at Pulp & Paper Division at Lalkua, Dist. Nainital, Uttarakhand have started commercial production during the year.

Interest cost is likely to increase during the next few years due to higher borrowings for the various expansion programmes at hand, including setting up of the new multi layer packaging Board and fibre line (pulp plant) at Lalkua in District Nainital, in the State of Uttarakhand.

2.1 BUSINESS SEGMENT – TEXTILES

COTTON TEXTILES, YARN AND DENIM:

a) Industry Structure & Development:

Our major markets in the world such as USA, Europe and Japan are still passing through deep recession and they are facing an almost unprecedented financial crisis. The textile industry across the globe is suffering severely from weaker demand and high input costs. Moreover, the changing economic scenario has made the trade highly competitive. Sustaining and nurturing the culture of continuous improvements in operations to meet consumer demands and improve quality has now become imperative rather than a point of differentiation.

b) Opportunities and Threats:

The Central Government has recently made revisions in the EPCG Scheme, the DEPB Scheme and the Export Obligation Scheme for promoting exports, which should benefit the industry to some extent. The special financial package for modernization should also promote growth. However, pressures on export prices due to lower demand and severe competition from neighbouring countries such as China, Indonesia, Vietnam, Turkey, Bangladesh etc. do continue.

c) Segmental Review and Analysis:

Our new textile mill named "Birla Century", a greenfield project in District Bharuch in the State of Gujarat, has already begun operations with state-of-the-art machinery. This Unit manufactures high value products such as elite shirtings, an eye catching range of suitings, fancy and finer fabrics and dress materials, and a wide range of bed linen and home furnishings with innovative finishes and attractive designs keeping in focus the niche market for these products. The Company does not foresee difficulty in promoting sales of the Company's textile fabrics in the domestic as well as international markets.

The Company's ready to wear products under the brand name "Cottons by Century" are now well known among leading national brands. With the new superfine fabrics on offer from "Birla Century", the Apparel Division is poised to create its own niche in the high-end customers.

The domestic and export markets for cotton yarn and denim remained quite depressed. We are making every possible effort to develop new varieties of denim to suit the fast changing fashion trends as also regulating the production as per market needs.

d) Risks and Concerns:

Exports have declined due to lack of demand and financial crisis in USA, Europe and Japan. Further, the high minimum support price for cotton which does not allow the crop price to come down, increases the cost of production. This makes it difficult for Indian exporters to compete with those in other countries.

e) Outlook:

At present, the scenario does not seem to be encouraging. It is necessary to implement consolidation strategies such as cost reduction measures, improving productivity, exploring new markets, maintaining high quality and introduction of new products from time to time to suit the consumers' taste and these measures are under way. We expect the textile segment to turn favourably in the coming years.

Century Rayon – Viscose Filament Yarn (VFY), Continuous Spun Yarn (CSY) and Rayon Tyre Yarn

a) Industry Structure and Development:

During the year, overall demand for viscose filament yarn (VFY) has reduced. However, in view of closure of two Rayon producing units in the country, industry was able to utilize its full capacity and also reduce inventories. The decline in demand is attributed to continuous in-roads being made by polyester yarn, which is cheaper than VFY.

Imports from China and other countries have increased resulting in pressures on the domestic prices.

b) Opportunities and Threats:

China has resorted to more aggressive pricing in the Indian market and despite the weakness of rupee against the US dollar, prices of VFY are lower than the comparable domestic prices. China has further enhanced fiscal incentives to its domestic producers of VFY to support and enable them to compete globally.

The anti dumping duty imposed by our Government earlier to check cheaper imports from China has currently lost its relevance and desired effect. A review petition has been filed for appropriate revision in anti dumping duties.

During the year, the Government has reduced excise duty on VFY from 8% to 4% and on chemical products from 10% to 8% which resulted in reduction in prices of yarn, thus benefiting the consumers.

The demand for rayon tyre yarn continues to remain depressed in view of the sharp decrease in consumption by the automobile industry, which is witnessing a recessionary trend. This has resulted in high inventory due to which production of rayon tyre yarn had to be suspended from end February 2009. The present signals indicate that the market may remain depressed which would adversely affect operations.

c) Segmental Review and Analysis:

Pot spun yarn (PSY), continuous spun yarn (CSY), rayon tyre yarn and all chemical products manufactured by the Company are well accepted in the market and our PSY is preferred over other available similar yarns. This Division possesses certification for ISO 14001:2004, OSHAS 18001:1999 and ECOTEX standards.

Unprecedented fluctuations witnessed in prices of raw materials coupled with the weakening of Indian rupee against US dollar led to a sharp increase in the cost of wood pulp and sulphur which are the major constituents of overall cost.

Closure of rayon tyre yarn production and the accumulated high inventory have adversely affected the overall performance of the Division, which may continue for some time to come.

In order to offer new and better quality of tyre yarn, we are introducing shortly zero twist yarn for use by the tyre manufacturing companies, which is expected to enhance our customer base.

d) Risks and Concerns:

Lower price of imported yarn and availability of polyester yarn at a cheaper price continue to pose a high risk and can lead to further downward pressure in the consumption of PSY and CSY.

Continuous weakening of the Indian rupee against the US dollar has impacted the cost of pulp and sulphur thus further increasing the already high production cost. Continued volatility on the exchange front would pose additional challenges. High cost of labour remains a cause of concern, which has further gone up with increase in dearness allowances.

Downward trend in industrial production may erode demand for chemical products, which may build up pressure on pricing of these products.

e) Outlook:

The outlook for viscose filament yarn is expected to be better in view of the relatively low stock level, reduction in domestic capacity and anticipated revision in anti dumping duties. The future of rayon tyre yarn industry will largely depend on demand for tyre yarn growing in export markets, which is presently uncertain.

2.2 BUSINESS SEGMENT – CEMENT DIVISIONS

a) Industry Structure and Development:

The Indian Cement Industry has grown significantly in the last 4 years ranking second after China, with an installed capacity of 211.81 million tonnes per annum (mtpa). During 2008-09, cement production in the country stood at 181.42 million tonnes as against 168.31 million tonnes during the previous year, a growth of 7.79%. The Indian economy grew around 9% in each of the last 3 fiscal years. The positive demand prospects had encouraged major players to ramp up capacities aggressively. The financial crisis witnessed from mid-2008 has resulted in sagging economic confidence and uncertainty in the job market. Real estate developers have adopted a wait and watch attitude reducing demand for cement. In this backdrop, several cement companies deferred their expansion plans.

b) Opportunities and Threats:

India is the sixth biggest economy in the world and the third biggest economy in Asia. Per capita consumption of cement in India is still very low at about 120 kg per year while the global average is 250 kg. This underlines the scope for substantial growth. The cement industry is expected to witness an increase in demand due to fund allocation to the "Bharat Nirman Scheme" which is a time bound plan for building rural infrastructure. The Government of India has announced various fiscal stimulating measures including an across-the-board cut in Cenvat and Service Tax rates, and increased investments in infrastructure projects. The requirements of the housing sector, constituting about 60% of the total, is the key driver for growth in cement consumption. The softening of interest rates is expected to boost demand for cement. However, the real estate sector is expected to make only a gradual recovery and growth in demand for cement is unlikely to exceed about 7% in 2009-10.

In view of capacity additions in the pipeline which was planned earlier on the basis of the country's economic growth in the last three years, the pace of capacity expansion during 2009-10 and 2010-11 is expected to exceed the growth in offtake. This will result in lower capacity utilization from current levels, the major impact of which is likely to be felt in 2010 when utilization could potentially drop to 80%.

c) Segmental Review and Analysis:

All Cement units of the Company have operated at optimum levels and their performance is satisfactory. During the current year the Company produced 72.16 lac tonnes as against 68.98 lac tonnes during the previous year. In view of spiralling input prices particularly of coal, power, raw material, railway freight and polypropylene bags the cost of production has gone up. Considerable emphasis is being placed on the production of environment friendly blended cement which constitutes about 92% of total cement production of the Company, well exceeding the industry average of about 75% in the country.

d) Risks and Concerns:

Greenfield projects and capacity expansion planned by the cement companies may create excess supply, especially in northern and central India. The availability of coal against linkage is only 60% necessitating procurement of market/e-auction coal at a substantial premium. Continuous deterioration in the quality of coal remains a cause for concern.

Restricted carrying capacity of trucks, increases in power tariffs and freight cost are other hurdles faced by the cement industry.

e) Outlook:

While it is not possible to escape fully the impact of the worldwide financial melt down, the Indian economy is better placed comparatively than other countries to withstand the shock, as it is driven more by domestic consumption and has a sound banking system, a younger population and a strong saving culture. Growth is likely to be bolstered by the country's sound macro economic fundamentals and the pressing need for extensive development of infrastructure and mass residential housing. The long term outlook for the Indian economy and especially for the cement industry looks attractive.

2.3 BUSINESS SEGMENT – CENTURY PULP AND PAPER

a) Industry Structure & Development:

The Indian paper industry is today among the top fifteen globally and produces about 80 lac tonnes of paper annually with a turnover of over Rs.25,000 crore. Various domestic producers have recently augmented their capacities and have started commercial production. The main growth in the industry is in quality papers like duplex board, copier paper, tissue paper etc. However, the prospects for the paper industry are closely linked to structural economical factors like improvement in the literacy rate, the Government thrust on education and the health of the print and media industry. Due to these factors, the demand for paper ought to increase at a moderate rate and by 2010 per capita consumption of paper in India is expected to be about 9 Kg. (currently 8 Kg.).

b) Opportunities and Threats:

Due to weak global business conditions, the demand for paper is weak at present and markets are under considerable pressure. This situation is likely to persist in the coming months, though Indian paper industry's prospects appear positive in the long term. Due to favourable Government policies such as the thrust on education, a growing economy and young population, increasing urbanization, a clear preference for print media and widespread interest in books and publishing, consumption of paper can only increase and the biggest opportunity is hidden in India's low per capita paper consumption as compared to the global average consumption of 53 Kg.

A deficit in raw materials is the major threat for the domestic industry. In addition, reduction in customs duty by the Government of India on import of paper has helped major global players to dump their paper in India at cheaper rates and this obviously affects the indigenous manufacturers.

c) Segmental Review and Analysis:

Prices of Pulp & Paper were under pressure during the year due to prevailing depressed economic conditions. The quality of existing products has improved keeping in tune with changing consumer preferences. Tissue paper has been launched and is well accepted in the market. This premium segment should be beneficial in future. There is continuous interaction with customers and an attempt to increase market share. The Company's emphasis on achieving higher market share covers both the branded as well as the premium segments.

d) Risks and Concerns:

The customs duty on pulp and paper has already been lowered recently. For import of newsprint, it has come down to zero, which means large imports of paper at low rates resulting in increased competition in the domestic market and consequent lower realization. Scarcity of quality raw materials at attractive prices is another major concern for the industry. Smaller mills who enjoy low cost of production due to considerable low taxes and expenses, have upgraded the quality of their products, and provide tough competition to large units in terms of both quality and price. Macro economic factors like the economic slowdown, sluggish demand, government policies etc., may affect the Company's business.

e) Outlook:

At present, the prices in domestic paper market are under pressure due to poor demand and availability of cheaper imported material in abundance. However, in future, the demand for paper should improve.

3. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:

The Company has proper and adequate systems of internal controls, to safeguard all assets against loss from unauthorised use or disposition. These systems also ensure that all transactions are authorised, recorded and reported correctly. Regular internal audits and checks are carried out to provide assurance that adequate systems are in place and that the responsibilities at various levels are discharged effectively. The Management continuously reviews the internal control systems and procedures to obtain comfort regarding orderly and efficient conduct of business. The review includes overseeing adherence to management policies, safeguarding the assets of the Company as well as ensuring the preparation of timely and accurate financial information. The emphasis on internal control prevails across functions and processes, covering the entire gamut of activities including finance, supply chain, sales and distribution, marketing and the like. A strong system of internal audit and effective and comprehensive reviews by the Audit Committee of the Board have strengthened the internal controls within the organisation.

4. THE COMPANY'S FINANCIAL PERFORMANCE & ANALYSIS:

Highlights

(Rs. in crore)

Particulars	2008-2009	2007-2008
1. Gross Turnover	4215.91	3850.64
2. Net Sales	3815.69	3442.61
3. PBIDT	685.86	749.44
4. Interest	- 97.20	- 89.18
5. Profit before depreciation, VRS, gratuity, exit payments, exgratia/compensation, etc. and taxation	588.66	660.26
6. Depreciation	- 205.28	- 168.60
7. Arrears of Depreciation	- 26.31	- 26.85
8. Prior Period Adjustments (Net)	- 0.71	- 0.81
9. Profit before VRS, gratuity, exit payments, exgratia/compensation etc. and taxation	356.36	464.00
10. Voluntary Retirement Scheme (VRS), gratuity, exit payments, exgratia/compensation, etc.	- 91.57	- 93.93
11. Surplus on sale of assets	55.14	-
12. Profit before taxation	319.93	370.07
13. Provision for taxation (including Fringe Benefit Tax)	- 44.14	- 98.24
14. Deferred Tax (Debit (-) / Credit)	- 39.25	7.60
15. Net Profit	236.54	279.43

Net Sales

Net Sales of the Company have increased by 11%, during the year under review.

Arrears of Depreciation

The Company hitherto charged off arrears of depreciation with respect to fixed assets of its three Divisions - Maihar Cement Unit II, Century Pulp & Paper and Century Denim - for the accounting years 1999-2000 and 2000-2001 over the remaining useful life of the respective assets. The balance of such arrears of depreciation remaining to be charged off as at 31st March, 2007 aggregate to Rs.53.23 crore, which would require more than 10 years to absorb fully on the current basis of absorption. As a matter of prudence and in accordance with the relevant accounting standards, supported by a legal opinion, the Company had decided to charge the arrears of depreciation over two accounting years - 2007-2008 and 2008-2009. As a result of this change, the charge for arrears of depreciation for the year is higher by Rs.18.16 crore and the profit before tax for the year is lower by the same amount.

Net Profit

After providing depreciation for the year under review and arrears of depreciation and tax liability, the resultant net profit is reasonable in spite of adverse market conditions.

5. HUMAN RESOURCE DEVELOPMENT / INDUSTRIAL RELATIONS:

The total number of employees as on 31.03.2009 was 11,710 (12,016 as on 31.03.2008). Employees are the key to achievement of the Company's objectives and strategies. The Company provides to the employees a fair and equitable work environment and support from their peers with a view to develop their capabilities leaving them with the freedom to act and to take responsibilities for the tasks assigned. The Company strongly believes that its team of capable and committed manpower, which is its core strength, is the key factor behind its achievements and success.

We are continuously working to create and nurture an organisation that is highly motivated, result-oriented and adaptable to the changing business environment. In our multi-business context, the employees undergo various training programmes to help them upgrade their professional and inter-personal skills.

Our relationship with the employees continues to remain cordial at all units.

6. HEALTH AND SAFETY MEASURES:

Century is fully committed to the safety, health and well-being of its employees and to minimizing the environmental impact on its business operations. A safe and healthy environment is maintained, and appropriate steps are taken with the object of minimizing the environmental impact on all processes and practices. The Company has a range of policies, including on quality, safety and health aspects to guide the employees work practices, actions and decisions. The Company strives to continuously improve the effectiveness of its policies and the employees are encouraged to contribute their mite in this direction. All employees are obliged to ensure that they fully understand all policies and that they do fully comply with the requirements.

7. CAUTIONARY STATEMENT:

Statements in this report on Management Discussion and Analysis, describing the Company's objectives, projections, estimates, expectations or predictions may be forward looking, considering the applicable laws and regulations. These statements are based on certain assumptions and expectation of future events. Actual results could, however, differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include global and domestic demand-supply conditions, finished goods prices, raw materials costs and availability, fluctuations in exchange rates, changes in Government regulations and tax structure, economic developments within India and the countries with which the Company has business contacts, as well as other factors such as, litigation and industrial relations.

The Company assumes no responsibility in respect of the forward looking statements herein, which may undergo changes in future on the basis of subsequent developments, information or events.

CORPORATE GOVERNANCE REPORT

In compliance with the Corporate Governance requirements as stipulated in Clause 49 of the Listing Agreement with the Stock Exchanges a report on Corporate Governance is set out below.

I. THE COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE :-

Corporate Governance denotes process, structure and relationship through which fairness, transparency and accountability are ensured in attaining corporate goal. It is a best tool to create and enhance shareholders' value and giving what is due to other stakeholders.

II. BOARD OF DIRECTORS

(a) Composition of the Board:

The Board of Directors comprised seven members consisting of six Non-executive Directors who account for more than eighty five percent of the Board's strength as against the minimum requirement of fifty percent as per the listing agreement. The Non-executive Directors are eminent professionals, drawn from amongst persons with experience in business & industry, finance, law & public enterprises. The composition is as under:-

Name of the Directors	Category of Directors	No. of outside Directorships held #		No. of other Board Committee(s) of which he is a member @	No. of Other Board Committee(s) of which he is a Chairman @	No. of Shares Held in The Company As at 31.03.2009
		Public	Private			
Shri B.K. Birla – Chairman	Promoter – Non Executive	4	-	-	-	1,21,900
Shri Kumar Mangalam Birla	Promoter – Non Executive	9	13	-	-	Nil
Shri Pradip Kumar Daga	Independent – Non Executive	6	-	1	1	80
Shri E.B. Desai	Independent – Non Executive	8	2	5	2	12,680
Shri Arvind C. Dalal	Independent – Non Executive	2	2	2	-	820
Shri Amal Ganguli	Independent – Non-Executive	11	3	9	5	Nil
Shri B.L. Jain	Executive – Wholtime Director	-	-	-	-	500

Excluding Directorships in Foreign Companies and Companies under Section 25 of the Companies Act, 1956.

@ Committee positions only of the Audit Committee and Shareholders' / Investors' Grievance Committee have been considered.

No Director is related to any other Director on the Board in terms of the provisions of the Companies Act, 1956, except for Shri B.K. Birla and Shri Kumar Mangalam Birla who are related to each other. Shri B.K. Birla is the grandfather of Shri Kumar Mangalam Birla.

All the directors who are on various Committees are within the permissible limits of the listing agreement. The directors have intimated from time to time their membership in the various Committees in other Companies.

(b) Details of sitting fees, commission and remuneration paid/payable to Directors:

Name of the Directors	Remuneration paid/payable for the year 2008-2009 (All figures in Rupees)		
	Commission Payable for the Year	Sitting fees paid during the year*	Total
(i) Shri B.K. Birla	16,66,667	40,000	17,06,667
Shri Kumar Mangalam Birla	16,66,667	50,000	17,16,667
Shri Pradip Kumar Daga	16,66,667	90,000	17,56,667
Shri E.B. Desai	16,66,667	1,60,000	18,26,667
Shri Arvind C. Dalal	16,66,666	1,60,000	18,26,666
Shri Amal Ganguli	16,66,666	1,10,000	17,76,666
(ii) Shri B.L. Jain (Wholtime Director)			Remuneration**
Salary and allowances			1,08,43,000
Contributions to :			
Provident Fund			3,24,000
Superannuation Fund			4,05,000
Perquisites			1,66,539
Total			1,17,38,539

* Sitting fees for attending meetings of the Board and/or Committee thereof.

** As the employee – wise break up of liability on account of Employee Benefits based on actuarial valuation is not available, the amounts relating to the Whole-time Director is not considered.

Notes :

- 1) In view of the responsibilities undertaken by the non-executive Directors and in keeping with the best Corporate Governance practices, the Company pays commission to the non-executive Directors as approved by the shareholders by special resolution and subject to a limit fixed by the Board each year, within the overall ceiling of 1% of the net profits under Section 198 of the Companies Act, 1956.
- 2) None of the non-executive Directors has any material financial interest in the Company apart from the remuneration by way of fees and commission received by them. Certain professional services are rendered to the Company by a firm in which a non-executive director is a partner. In the opinion and judgement of the Board, this does not affect the independence of the said director.

(c) Board Meetings and attendance of Directors:

- i) The members of the Board have been provided with the requisite information mentioned in the listing agreement well before the Board Meetings and the same were dealt with appropriately.
- (ii) Five Meetings of the Board of Directors were held during the year ended 31st March, 2009. These were held on :-
(1) 5th May, 2008 (2) 5th May, 2008 (3) 22nd July, 2008
(4) 22nd October, 2008 (5) 27th January, 2009
- (iii) The attendance recorded for each of the Directors at the Board Meetings during the year ended on 31st March, 2009 and of the last Annual General Meeting is as under:-

Directors	No. of Board Meetings attended	Attendance at the last AGM
Shri B.K. Birla	4	No
Shri Kumar Mangalam Birla	5	Yes
Shri Pradip Kumar Daga	4	No
Shri E.B. Desai	5	Yes
Shri Arvind C. Dalal	5	Yes
Shri Amal Ganguli	5	Yes
Shri B.L. Jain (Wholetime Director)	5	Yes

d) Code of Conduct:

The Company has framed a code of conduct for the members of the Board of Directors and Senior Management personnel of the Company. The said code of conduct is available on the website of the Company. The declaration by Shri B.L. Jain, Whole-time Director of the Company regarding compliance by the Board members and Senior Management personnel, with the said code of conduct is given as Annexure I to this report. In addition to this a separate code of conduct for dealing in equity shares and other securities having voting rights of the Company is also in place.

III. Audit Committee

- (i) The Audit Committee was constituted by the Board at its meeting held on 27th May, 2000. Member Directors of the Audit Committee are as under :-
(1) Shri E.B. Desai (2) Shri Arvind C. Dalal
(3) Shri Pradip Kumar Daga (4) Shri Amal Ganguli

All the members of the Audit Committee are Non-executive Directors. The Committee has elected Shri E.B. Desai as its Chairman. All the members of Audit Committee are financially literate and one member has accounting and related financial management expertise.

- (ii) The Audit Committee meetings were held on 5th May, 2008, 22nd July, 2008, 22nd July, 2008, 22nd October, 2008, 27th January, 2009 and 27th January, 2009. The attendance of each Audit Committee member is as under:-

Name of the Audit Committee Members	No. of meetings attended
Shri E.B. Desai	6
Shri Arvind C. Dalal	6
Shri Pradip Kumar Daga	4
Shri Amal Ganguli	6

- (iii) At the invitation of the Company, representatives from various divisions of the Company, internal auditors, cost auditors, statutory auditors and President (Corporate Finance) & Secretary, who is acting as Secretary to the Audit Committee, also attended the Audit Committee meetings to respond to queries raised at the Committee meetings.
- (iv) The role and terms of reference of the Audit Committee cover the matters specified for Audit Committees under Clause 49 of Listing Agreement as well as in Section 292A of the Companies Act, 1956.

IV Subsidiary Companies

The Company does not have any subsidiary company.

V. Disclosures

- (i) All related party transactions have been entered into in the ordinary course of business and were placed periodically before the audit committee in summary form. There were no material individual transactions with related parties which were not in the normal course of business, required to be placed before the audit committee and that may have potential conflict with the interest of the Company at large. All individual transactions with related parties or others were on an arm's length basis. Related party transactions have been audited by the Statutory Auditors.
- (ii) All Accounting Standards mandatorily required have been followed without exception in preparation of the financial statements.
- (iii) Risk assessment and its minimisation procedures have been laid down by the Company and reviewed by the Board. These procedures are periodically reassessed to ensure that executive management controls risks through means of a properly defined framework.
- (iv) No money was raised by the Company through public issue, rights issue, preferential issues, etc. in the last financial year and hence provisions contained in this behalf in Clause 49 of the listing agreement are not applicable.
- (v) (a) All pecuniary relationship or transactions of the non-executive directors vis-à-vis the Company have been disclosed in item II (b) of this report.
- (b) The Company has one Whole-time Director on the Board whose appointment and remuneration has been fixed by the Board in terms of resolution passed by the members.
The remuneration paid/payable is mentioned in item II(b) of this report.
- (c) The number of shares held by each director is mentioned in item II(a) of this report.
- (vi) (a) Management Discussion and Analysis forms part of the Annual Report to the shareholders and it includes discussion on matters as required under the provisions of clause 49 of the listing agreement with Stock Exchanges.
- (b) There were no material financial & commercial transactions by Senior Management as defined in Clause 49 of the listing agreement where they have personal interest that may have a potential conflict with the interests of the Company at large requiring disclosure by them to the Board of Directors of the Company.
- (vii) No penalties or strictures have been imposed on the Company by Stock Exchanges or SEBI or any statutory authority on any matter related to capital markets during the last three years.

VI. Shareholders

- (a) The Company has constituted a Share Transfer and Shareholders/Investors Grievance Committee consisting of non-executive directors of which Shri E.B. Desai is the Chairman. The Company Secretary has been designated as the Compliance Officer. During the year ended 31st March, 2009, 99 investor complaints/queries were received and as at 31st March, 2009 there were two complaints/queries pending reply. However, the same have since been resolved. There were no share transfers pending for registration for more than 30 days as on the said date.

- (b) Details of Directors seeking re-appointment at the ensuing Annual General Meeting fixed on 28th July, 2009 are given hereunder :-

Name of Director	Shri B.K. Birla	Shri Kumar Mangalam Birla
Date of appointment	23.05.1973	07.02.2006
Expertise in specific Functional areas	Industrialist having rich business experience	Industrialist having rich business experience
List of other Directorships held Excluding foreign Companies, Companies under Section 25 of the Companies Act, 1956 and Private Companies	Century Enka Ltd. Jay Shree Tea & Industries Ltd. Kesoram Industries Ltd. Pilani Investment & Industries Corpn. Ltd.	Grasim Industries Ltd. Aditya Birla Nuvo Ltd. Hindalco Industries Ltd. Birla Sunlife Asset Management Co. Ltd. Birla Sunlife Insurance Co. Ltd. Essel Mining & Industries Ltd. Ultra Tech Cement Ltd. Idea Cellular Ltd. Aditya Birla Minacs Worldwide Ltd.
Chairman/Member of the committees of the Board of other Companies in which he/she is a Director	Nil	Nil

VII. Compliance Certificate

Compliance Certificate for Corporate Governance from Auditors of the Company is given as Annexure – II to this report.

VIII. General Body Meetings

- (a) **The details of Annual General Meetings held in last three years are as under:-**

AGM	Day	Date	Time	Venue
109th	Wednesday	12.07.2006	3.30 P.M.	Birla Matushri Sabhagar, Mumbai
110th	Tuesday	24.07.2007	3.30 P.M.	Birla Matushri Sabhagar, Mumbai
111th	Wednesday	23.07.2008	3.30 P.M.	Birla Matushri Sabhagar, Mumbai

- (b) **Whether any special resolutions passed in the previous 3 AGMs.**

Yes, details of which are given hereunder :-

Date	Matter
24.07.2007	Re-appointment of Whole-time Director.
24.07.2007	Keeping of Register and Index of members and debentureholders etc. at a place other than the Registered Office of the Company.
23.07.2008	Authorising payment of commission to non whole-time Directors of the Company.
23.07.2008	Commencement of business of designers, engineers, builders, contractors of all kinds of buildings and to establish super markets and departmental stores etc.

- (c) **Whether any special resolution passed last year through postal ballot and details of voting pattern?**

Special Resolutions passed at the last Annual General Meeting of the Company were not put through postal ballot.

- (d) **Person who conducted the postal ballot exercise ?**

Not applicable.

- (e) **Whether any special resolution is proposed to be conducted through postal ballot ?**

Special Resolutions to be passed at the ensuing Annual General Meeting of the Company are not proposed to be put through postal ballot. However, for other special resolutions, if any, in the future, the same will be decided at the relevant time.

(f) Procedure for postal ballot ?

The procedure for postal ballot is as per the provisions contained in this behalf in the Companies Act, 1956 and rules made thereunder namely Companies (passing of the resolution by Postal Ballot) Rules, 2001.

IX. Means of communication

(a) Quarterly results :

- (i) Which newspapers normally published in The Economic Times, Mumbai, Business Standard, Kolkata, Maharashtra Times, Mumbai.
- (ii) Any web site, where displayed www.centurytextind.com
Whether it also displays official Official news releases are
News releases and presentations displayed on the web site.
made to Institutional investors/analysts

(b) Shareholders' grievances/complaints:

Grievance redressal division's investorrelations@centurytext.com
E-mail ID for investors

X. General Shareholder Information

(a) Annual General Meeting to be held:

Day, Date, time and venue:

Day : Tuesday
Date : 28th July, 2009
Time : 3.30 P.M.
Venue : Ravindra Natya Mandir, P.L. Deshpande Maharashtra Kala Academy, Sayani Road, Prabhadevi, Mumbai-400 025.

(b) Financial Year : 2009-2010

First Quarterly Results : Before end of July, 2009
Second Quarterly Results : Before end of October, 2009
Third Quarterly Results : Before end of January, 2010
Audited Yearly Results for the : Before end of June, 2010
Year ended 31st March, 2010

(c) Dates of Book Closure:

14th July, 2009 to 28th July, 2009 (Both days inclusive).

(d) Dividend payment date:

Dividend on Equity Shares when sanctioned will be made payable on or after Friday, the 31st July, 2009 to those Shareholders in physical form whose names stand on the Company's Register of Members on 28th July, 2009 and to whom dividend warrants will be posted. In respect of shares held in electronic form, the dividend will be paid on the basis of beneficial ownership position as at the end of the day on Monday, the 13th July, 2009 as per the data to be furnished by National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) for this purpose.

(e) Listing on Stock Exchanges :

The Equity Shares of the Company are listed at the following Stock Exchanges:-

- (i) Bombay Stock Exchange Ltd. (ii) National Stock Exchange of India Ltd.
Phiroze Jeejeebhoy Towers, "Exchange Plaza",
Dalal Street, Bandra Kurla Complex,
Mumbai -400 001. Bandra (East), Mumbai - 400 051.

The Global Depository Receipts (GDRs) each representing one equity share of the face value of Rs.10/- are listed at :-

Societe de la
Bourse de, Luxembourg,
Societe Anonyme,
R.C. B6222, B.P. 165,
L-2011, Luxembourg

Note : Listing fees have been paid to the Indian Stock Exchanges for the year 2009-2010. Listing fee to the Societe de la Bourse de Luxembourg for GDRs has been paid for the calendar year 2009.

(f) Stock/Company/Security/Common Code:

Equity Shares

Bombay Stock Exchange Ltd.	-	40
Luxembourg Stock Exchange	-	005321026
National Stock Exchange of India Ltd.	-	CENTURYTEX

(g) Market price Data:

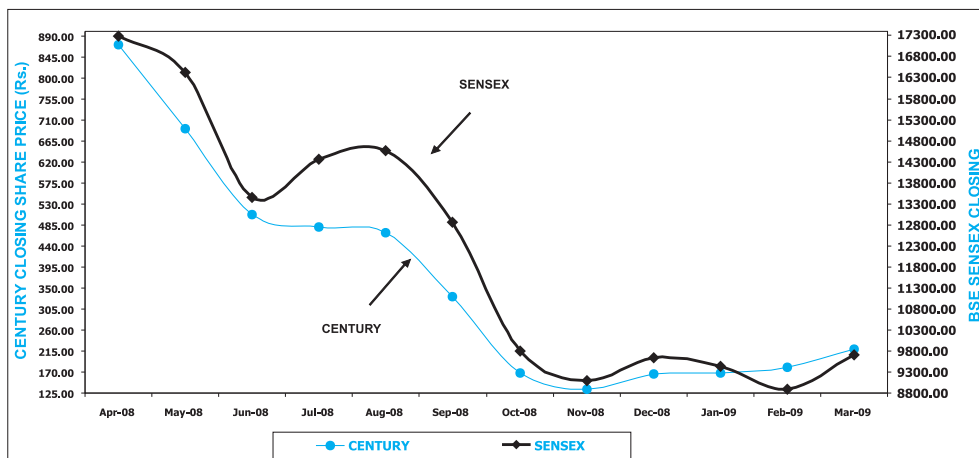
The details of monthly highest and lowest closing quotations of the equity shares of the Company during financial year 2008-2009 are as under :-

(In Rs. Per share)

Month	Bombay Stock Exchange Ltd.		National Stock Exchange of India Ltd.	
	High	Low	High	Low
April, 2008	872.30	713.65	872.60	713.50
May, 2008	871.95	683.60	873.10	678.95
June, 2008	668.90	507.40	668.95	508.75
July, 2008	515.85	425.85	515.70	424.55
August, 2008	548.15	449.35	548.65	450.50
September, 2008	504.70	323.00	504.90	323.05
October, 2008	333.95	154.45	334.00	154.65
November, 2008	225.40	132.85	226.55	133.05
December, 2008	191.35	120.65	191.60	120.85
January, 2009	197.25	155.30	197.25	154.85
February, 2009	181.40	150.60	181.50	150.75
March, 2009	219.90	168.80	219.95	169.15

(h) Performance in comparison to broad based indices :

CENTURY Vs BSE SENSEX



(i) Registrar and Transfer Agents:

The Company has appointed Link Intime India Pvt. Ltd. (Formerly known as Intime Spectrum Registry Limited) as its Share Transfer Agent for both physical and demat segments of Equity Shares.

The Address, Telephone no., Fax no. of the Share Transfer Agent is :

Link Intime India Pvt. Ltd. Unit – Century Textiles and Industries Ltd., C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (West), Mumbai – 400 078, (Maharashtra) Telephone No. 022 – 2596 3838 Fax No. 022 – 2594 6969. Please quote on all the correspondence – Unit – Century Textiles and Industries Limited.

(j) Share Transfer System:

Share transfers are registered and returned within a period of 30 days from the date of receipt, if the documents are clear in all respects. Executives of the Company have been authorised to approve transfers in addition to the Committee.

(k) Distribution of share holding :

The shareholding distribution of equity shares of face value of Rs.10/- each as at 31st March, 2009 is given below:-

Sr. No.	No. of Equity Shares held	No. of Folios	No. of Shares	Percentage of Shareholding
1.	1 to 100	50,750	21,84,413	2.35
2.	101 to 500	17,004	43,32,038	4.66
3.	501 to 1000	3,362	26,11,863	2.81
4.	1001 to 5000	2,914	63,34,283	6.81
5.	5001 to 10000	390	27,99,430	3.00
6.	10001 to 100000	354	92,12,110	9.90
7.	100001 to 500000	59	1,33,86,546	14.39
8.	500001 & above	19	5,21,84,997	56.08
9.	Total	74,852	9,30,45,680	100.00

(l) Share holding pattern as at 31st March, 2009

Sr. No.	Category	No. of Folios	% of Folios	No. of shares Held	% of share holding
1.	Promoters	20	0.02	3,75,14,560	40.31
2.	Resident Individuals	71,697	95.79	2,21,57,482	23.82
3.	Private Corporate Bodies	2,118	2.83	1,24,31,857	13.36
4.	Financial Institutions	5	0.01	24,35,812	2.62
5.	Nationalised Banks, Govt. Insurance Companies and Mutual Funds	103	0.14	1,40,44,798	15.09
6.	FIIIs	48	0.06	29,95,240	3.22
7.	NRIIs and OCBs	859	1.15	9,86,111	1.06
8.	GDRs	2	0.00	4,79,820	0.52
9.	Total	74,852	100.00	9,30,45,680	100.00

(m) Dematerialisation of equity shares:

About 57.50% of total equity share capital is held in dematerialised form with NSDL and CDSL.

(n) Outstanding GDRs:

The outstanding GDRs as at 31st March, 2009 that are being traded on the Luxembourg Stock Exchange are 4,79,820 which are approximately 0.52% of subscribed and paid up equity share capital of the Company.

(o) Plant (Manufacturing Units):

BIRLA CENTURY
Plot No. 826,
GIDC Industrial Estate,
Jhagadia – 393 110,
Dist. Bharuch (Gujarat)

CENTURY RAYON
Rayon, Tyre Cord & Chemical Plants,
Murbad Road, Kalyan - 421 103, (Maharashtra).

CENRAY MINERALS AND CHEMICALS
Nawa Nagna, Jamnagar - 361 007, (Gujarat).

CENTURY CEMENT
P.O. Baikunth - 493 116, Dist. Raipur,(Chhattisgarh)

MAIHAR CEMENT UNITS I & II
P.O. Sarlanagar - 485 772
Maihar, Dist. Satna, (Madhya Pradesh)

MANIKGARH CEMENT
P.O. Gadchandur - 442 908
Dist. Chandrapur, (Maharashtra)

CENTURY PULP & PAPER
Ghanshyamdham, P.O. Lalkua - 262 402, Dist. Nainital (Uttarakhand)

CENTURY YARN
CENTURY DENIM
Satrati 451 660, Dist. Khargone, (Madhya Pradesh)

(p) Address for correspondence:

Century Textiles and Industries Ltd.
Century Bhavan,
Dr. Annie Besant Road,
Worli, Mumbai- 400 030.

(q) Non-Mandatory Requirements

1. The Board
 - (a) An office for the use of the Chairman is made available whenever required.
 - (b) At present there is no policy fixing the tenure of independent Directors.
2. Remuneration Committee
The Company has one Whole-time Director on the Board whose appointment and remuneration has been fixed by the Board in terms of resolution passed by the members.
In view of this, no Remuneration Committee is constituted.
3. Shareholders' Rights
Half yearly financial results including summary of the significant events in last six months are presently, not being sent to shareholders of the Company.
4. Audit Qualifications
There are no qualifications in the Auditor's report on the financial statements to the Shareholders of the Company.
5. Training of Board Members
There is no formal policy at present for training of the Board members of the Company as the members of the Board are eminent and experienced professional persons.
6. Mechanism for evaluating non-executive board members
There is no formal mechanism existing at present for performance evaluation of non-executive directors.
7. Whistle Blower Policy
The Company has not established any formal whistle blower policy.

The above report has been placed before the Board at its meeting held on 4.5.2009 and the same was approved.

ANNEXURE I

DECLARATION ON COMPLIANCE OF THE COMPANY'S CODE OF CONDUCT

To,

Century Textiles and Industries Limited
Century Bhavan,
Dr. Annie Besant Road,
Worli, Mumbai - 400 030.

The Company has framed a specific Code of Conduct for the members of the Board of Directors and the Senior Management Personnel of the Company pursuant to Clause 49 of the Listing Agreement with Stock Exchanges to further strengthen corporate governance practices of the Company.

All the members of the Board and Senior Management Personnel of the Company have affirmed due observance of the said Code of Conduct in so far as it is applicable to them and there is no non compliance thereof during the year ended 31st March, 2009.

Mumbai,
4th May, 2009

B. L. Jain
Whole-time Director

ANNEXURE II

COMPLIANCE CERTIFICATE

To the Members
Century Textiles and Industries Limited
Century Bhavan, Dr. Annie Besant Road,
Worli, Mumbai - 400 030.

We have reviewed the records concerning the Company's compliance of conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement entered into, by the Company, with the Stock Exchanges of India, for the financial year ended 31st March, 2009.

The compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

We have conducted our review on the basis of the relevant records and documents maintained by the Company and furnished to us for the review, and the information and explanations given to us by the Company.

Based on such a review, and to the best of our information and according to the explanations given to us, in our opinion, the Company has complied with the conditions of Corporate Governance, as stipulated in Clause 49 of the said Listing Agreements.

We further state that, such compliance is neither an assurance as to the future viability of the Company, nor as to the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For and on behalf of
DALAL & SHAH
Chartered Accountants

Mumbai: 4th May, 2009

Ashish Dalal
Partner
Membership No: 33596

REPORT OF THE AUDITORS TO THE MEMBERS

We have audited the attached Balance Sheet of CENTURY TEXTILES AND INDUSTRIES LIMITED, as at 31st March, 2009, the annexed Profit and Loss Account and the Cash Flow Statement for the year ended on that date. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

1. We conducted our audit in accordance with the Auditing Standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from any material misstatement. An audit includes, examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.
2. As required by the Companies (Auditor's Report) Order, 2003 and the Companies (Auditor's Report) (Amendment) Order, 2004 issued by the Central Government in terms of Section 227(4A) of the Companies Act, 1956, we annex hereto a statement on the matters specified in paragraphs 4 and 5 of the said Order.
3. Further to our comments in the annexure referred to above, we report that:
 - (i) We have obtained all the information and explanations, which, to the best of our knowledge and belief, were necessary for the purposes of our audit;
 - (ii) In our opinion, proper books of account, as required by law, have been kept by the Company so far as appears from our examination of the books of the Company;
 - (iii) The Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this report are in agreement with the books of account of the Company;
 - (iv) In our opinion, the Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956;
 - (v) Based on the representations made by the Directors and taken on record by the Board of Directors of the Company and the information and explanations given to us, none of the Directors is, as at 31st March, 2009, prima-facie disqualified from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956;
 - (vi) Without qualifying our opinion, we draw attention to Note No.12 in Schedule 17 to the Accounts, relating to revision in accounting policy;
 - (vii) In our opinion and to the best of our information and according to the explanations given to us, the said financial statements, read together with the notes thereon, give the information required by the Companies Act, 1956, in the manner so required and present a true and fair view in conformity with the accounting principles generally accepted in India:
 - (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2009;
 - (b) in the case of the Profit and Loss Account, of the profit for the year ended on that date; and
 - (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

For and on behalf of
DALAL & SHAH
Chartered Accountants

Ashish Dalal
Partner
Membership No: 33596

Mumbai: 4th May, 2009

ANNEXURE TO THE AUDITORS' REPORT

ANNEXURE REFERRED TO IN PARAGRAPH 2 OF OUR AUDITORS' REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2009 OF CENTURY TEXTILES AND INDUSTRIES LIMITED

On the basis of such checks as we considered appropriate and in terms of the information and explanations given to us, we state that:-

- i. (a) The Company has generally maintained proper records showing particulars, including quantitative details and situation of its fixed assets;
- (b) As explained to us, fixed assets, according to the practice of the Company, are physically verified by the management at reasonable intervals, in a phased verification-programme, which, in our opinion, is reasonable, looking to the size of the Company and the nature of its business. According to the information and explanations given to us, discrepancies noticed on physical verification have been adjusted in the books of account;
- (c) The disposal of fixed assets by the Company during the year, and also the cessation of its Textile operations at Worli, Mumbai, have not affected its going concern;
- ii. (a) As explained to us, inventories have been physically verified during the year by the management, except for inventories lying with outside parties, which have, however, been confirmed by them. The intervals at which the inventories have been verified are, in our opinion, reasonable in relation to the size of the Company and the nature of its business;
- (b) The procedures explained to us, which are followed by the management for physical verification of inventories, are, in our opinion, reasonable and adequate in relation to the size of the Company and the nature of its business;
- (c) On the basis of our examination of the inventory records of the Company, we are of the opinion that, the Company is maintaining proper records of its inventory. Discrepancies noticed on physical verification as compared to book records, which were not material, have been properly dealt with in the books of account;
- iii. According to the information and explanations given to us, the Company has not granted/ taken any loan, secured or unsecured, to/ from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956;
- iv. In our opinion and according to the information and explanations given to us, there are generally adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchase of inventory, fixed assets and with regard to sale of goods and services. During the course of our audit, we have not come across any major weaknesses in the internal control system;
- v. (a) On the basis of the audit procedures performed by us, and according to the information, explanations and representations given to us, we are of the opinion that, the transactions in which directors were interested, and which were required to be entered in the register maintained under Section 301 of the Companies Act, 1956, have been so entered;
- (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under Section 301 of the Companies Act, 1956 exceeding the value of Rupees five lac in respect of any party during the year have been made at prices which are reasonable having regard to market prices prevailing at that time;
- vi. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Section 58A of the Companies Act, and its Rules, and also the directives of Reserve Bank of India. Since the Company has not defaulted in repayment of deposits, compliance of Section 58AA or obtaining any order from the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal, does not arise;
- vii. On the basis of the internal audit reports broadly reviewed by us, we are of the opinion that, the coverage of internal audit functions carried out by firms of Chartered Accountants appointed by the management, is commensurate with the size of the Company and the nature of its business;

- viii. We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under Section 209(1)(d) of the Companies Act, 1956 in respect of the Company's products to which the said rules are made applicable, and are of the opinion that, prima-facie, the prescribed accounts and records have been made and maintained. We have, however, not made a detailed examination of the records with a view to determine whether they are accurate;
- ix. (a) According to the records of the Company, it has been generally regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income tax, Sales tax, Wealth tax, Service Tax, Custom Duty, Excise Duty, Cess and other statutory dues with the appropriate authorities;
- (b) On the basis of our examination of the documents and records, the disputed statutory dues, which have not been deposited with the appropriate authorities, are as under:

Nature of the Dues	Rs. in Crore	Forum where dispute is pending
Income Tax	0.27	Tribunal
Customs Duty	0.58	High Court
	0.24	Tribunal (CESTAT)
	0.73	Departmental Authorities
Excise Duty	5.96	Supreme Court
	0.08	High Court
	3.05	Tribunal
	15.01	Departmental Authorities
Sales Tax, Entry Tax, etc.	23.15	Supreme Court
	1.45	High Court
	19.40	Departmental Authorities
Service Tax	1.18	Tribunal
	0.70	Departmental Authorities
Cess on Water, Royalty, Energy, etc.	0.98	Supreme Court
	22.68	High Court
	7.99	Departmental Authorities

There were no disputed amounts due towards Wealth tax;

- x. The Company, neither has accumulated losses at the end of the financial year nor has incurred cash losses, both, in the financial year under report and in the immediately preceding financial year;
- xi. On the basis of the records examined by us and the information and explanations given to us, the Company has not defaulted in repayment of dues to financial institutions, banks or debenture holders;
- xii. As explained to us, the Company has not granted any loans or advances on the basis of security by way of pledge of shares, debentures or any other securities;
- xiii. In respect of shares, securities, debentures or other investments dealt in or traded by the Company, proper records are maintained in respect of transactions and contracts, and timely entries have been made therein. All the investments are held by the Company in its own name;
- xiv. According to the information and explanations given to us, and the representations made by the management, the Company has not given any guarantee for loans taken by others from any bank or financial institution;
- xv. On the basis of the records examined by us, and relying on the information compiled by the Company for correlating the funds raised to the end use of term loans, we have to state that, the Company has, prima-facie, applied the term loans for the purposes for which they were obtained;

- xvi. According to the information and explanations given to us and on an overall examination of the financial statements of the Company and after placing reliance on the reasonable assumptions made by the Company for classification of usage of funds, we are of the opinion that, prima-facie, as at the close of the year, short term funds have not been utilised for long term investment;
- xvii. The Company has, during the year, not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Companies Act, 1956;
- xviii. On the basis of the records and documents examined by us, the Company has, during the year, issued short term privately placed secured debentures from time to time, aggregating Rs.4,198 Crore (maximum balance outstanding during the year Rs.320 Crore), which have been repaid prior to creation of any security in favour of the debentureholders;
- xix. The Company has not raised any money by way of public issue, during the year;
- xx. According to the information and explanations given to us, and to the best of our knowledge and belief, no significant fraud on or by the Company, has been noticed or reported by the Company during the year.

Looking to the nature of activities being carried on, at present, by the Company and also considering the nature of the matters referred to in the various clauses of the Companies (Auditor's Report) Order, 2003, and the Companies (Auditor's Report) (Amendment) Order, 2004, clauses (iii)(b), (iii)(c), (iii)(d), (iii)(e), (iii)(f), (iii)(g) and (xiii) of paragraph 4 of the aforesaid Order, are, in our opinion, not applicable to the Company.

For and on behalf of
DALAL & SHAH
Chartered Accountants

Ashish Dalal
Partner
Membership No: 33596

Mumbai: 4th May, 2009

BALANCE SHEET AS AT 31st MARCH, 2009

	Schedule		31.3.2009 (Rs. in Crore)	31.3.2008 (Rs. in Crore)
I. SOURCES OF FUNDS :				
Shareholders' Funds :				
a) Share Capital	1		93.04	93.04
b) Reserves and Surplus	2		1402.48	1210.86
			1495.52	1303.90
Loan Funds :				
a) Secured Loans	3		1714.98	1341.39
b) Unsecured Loans	4		43.31	75.39
			1758.29	1416.78
Deferred Tax Liability (Net) [See Note 18]			290.08	250.83
Total :			3543.89	2971.51
II. APPLICATION OF FUNDS :				
Fixed Assets :				
a) Gross Block	5		4549.78	3698.55
b) Less: Depreciation			1970.03	1984.27
c) Net Block			2579.75	1714.28
d) Capital work in progress			231.08	627.14
			2810.83	2341.42
Investments				
	6		46.54	27.70
Current Assets, Loans and Advances :				
a) Inventories			670.57	612.88
b) Sundry Debtors			150.89	164.91
c) Cash and Bank Balances			66.54	47.46
d) Other Current Assets			33.78	22.60
e) Loans and Advances			672.24	432.99
			1594.02	1280.84
Less:				
Current Liabilities and Provisions :				
a) Liabilities	8		681.02	581.84
b) Provisions			327.74	278.12
			1008.76	859.96
Net Current Assets			585.26	420.88
Miscellaneous Expenditure				
(to the extent not written off or adjusted)	9		101.26	181.51
Total :			3543.89	2971.51
Notes forming part of the Accounts				
	17			

As per our report of even date
For and on behalf of
DALAL & SHAH
Chartered Accountants

ASHISH DALAL
Partner

Mumbai :
4th May, 2009

D. K. AGRAWAL
Secretary

B. L. JAIN
Whole-time Director

B. K. BIRLA, Chairman

Directors
KUMAR MANGALAM BIRLA
PRADIP KUMAR DAGA
E. B. DESAI
ARVIND C. DALAL
AMAL GANGULI

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH, 2009

	Schedule	2008-2009 (Rs. in Crore)	2007-2008 (Rs. in Crore)
INCOME :			
Sales, etc.	10	4215.91	3850.64
Less : Excise Duty		400.22	408.03
Net Sales		3815.69	3442.61
Other Income	11	69.16	70.13
		3884.85	3512.74
EXPENDITURE :			
Cost of Materials consumed, Purchases and Manufacturing expenses	12	2329.99	1976.34
(Increase)/Decrease in Inventories	13	(74.87)	(19.07)
Payments to and provisions for Employees	14	308.95	276.73
Selling and Other Expenses	15	655.45	538.04
		3219.52	2772.04
Less: Expenditure transferred to capital account		20.53	8.74
		3198.99	2763.30
Interest and Finance charges	16	97.20	89.18
		3296.19	2852.48
PROFIT BEFORE DEPRECIATION AND EXCEPTIONAL ITEMS		588.66	660.26
Depreciation and Amortisation		205.40	168.74
Less : Amount withdrawn from Revaluation Reserve		0.12	0.14
		205.28	168.60
PROFIT BEFORE EXCEPTIONAL ITEMS			
- From Continuing Operations		383.38	520.60
- From Discontinuing Operations [See Note 23(a)]		-	(28.94)
		383.38	491.66
Exceptional Items [See Note 23 (b)]		(36.43)	(93.93)
PROFIT FOR THE YEAR BEFORE TAXATION		346.95	397.73
Add / (Less) : Provision for Taxation * :			
Current Tax		(39.00)	(99.00)
Deferred Tax (See Note 18)		(39.25)	7.60
Fringe Benefit Tax		(3.30)	(2.35)
Wealth Tax		(0.60)	(0.55)
* (Provision for Tax is net of Rs. 9.84 Crore tax shield in the Previous year, due to losses from ordinary activities of discontinuing operations)			
PROFIT FOR THE YEAR		264.80	303.43
Add / (Less) :			
Excess/(Short) Provision for taxation (Net)		(1.24)	3.66
Prior Period Adjustments (Net) (See Note 22)		(0.71)	(0.81)
Installment of Arrears of Depreciation [See Note 11]		(26.31)	(26.85)
		236.54	279.43
Add : Balance as per last account		140.55	110.11
Balance Available for Appropriation		377.09	389.54
APPROPRIATIONS :			
Proposed Equity Dividend		41.87	41.87
Tax on Proposed Equity Dividend		7.12	7.12
Transferred to General Reserve		150.00	200.00
Balance Carried to Balance Sheet		178.10	140.55
		377.09	389.54
Weighted average number of Equity Shares outstanding during the year		93045680	93045680
Basic and diluted earnings per share of Rs. 10 each (in Rupees)			
- Including Exceptional Items		25.42	30.03
- Excluding Exceptional Items (Net of Tax)		29.24	36.69
Notes forming part of the Accounts	17		

As per our report of even date
For and on behalf of
DALAL & SHAH
Chartered Accountants

ASHISH DALAL
Partner

Mumbai :
4th May, 2009

D. K. AGRAWAL
Secretary

B. L. JAIN
Whole-time Director

B. K. BIRLA, Chairman

Directors
KUMAR MANGALAM BIRLA
PRADIP KUMAR DAGA
E. B. DESAI
ARVIND C. DALAL
AMAL GANGULI

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2009

	2008-2009 (Rs. In Crore)	2007-2008 (Rs. In Crore)
A. CASH FLOW FROM OPERATING ACTIVITIES :		
PROFIT FOR THE YEAR BEFORE TAXATION	346.95	397.73
Add / (Less) :		
Depreciation and Amortisation	206.42	170.16
(Surplus) / Loss on sale / discardment of Fixed Assets (Net)	(54.09)	2.88
Interest and Finance Charges (Net)	97.20	89.18
Dividend on Investments	(2.74)	(8.10)
Proportionate amounts written off against Miscellaneous Expenditure	99.99	92.60
Prior Period Adjustments (Net)	(0.71)	(0.50)
	<u>346.07</u>	<u>346.22</u>
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	693.02	743.95
Adjustments for :		
Trade and other receivables	(4.76)	(30.91)
Inventories	(57.69)	(138.51)
Trade Payables	107.55	175.08
	<u>45.10</u>	<u>5.66</u>
CASH GENERATED FROM OPERATIONS	738.12	749.61
Add / (Less) :		
Voluntary Retirement Compensation	(16.00)	(54.35)
Direct Taxes Paid	(48.32)	(110.10)
	<u>(64.32)</u>	<u>(164.45)</u>
NET CASH GENERATED FROM OPERATING ACTIVITIES	<u>673.80</u>	<u>585.16</u>
B. CASH FLOW FROM INVESTING ACTIVITIES :		
Purchase of Fixed Assets (Includes Borrowing Costs Capitalised)	(892.33)	(694.35)
Sale of Fixed Assets	72.37	2.37
Interest Received	6.59	3.89
Dividend on Investments	2.74	8.10
Long Term Investments Acquired	(18.84)	(11.76)
Current Investments Acquired	(798.67)	(1,531.06)
Current Investments Sold	798.67	1,531.06
NET CASH USED IN INVESTING ACTIVITIES	<u>(829.47)</u>	<u>(691.75)</u>

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2009 (contd.)

	2008-2009 (Rs. In Crore)	2007-2008 (Rs. In Crore)
C. CASH FLOW FROM FINANCING ACTIVITIES :		
Working Capital and Short Term Borrowings	(37.93)	17.94
Repayment of Other Borrowings	(368.64)	(576.49)
Other Loans Taken	748.08	674.95
Interest and Finance Charges paid	(117.89)	(100.56)
Dividend Paid	(41.78)	-
Tax on Dividend	(7.12)	-
NET CASH GENERATED FROM FINANCING ACTIVITIES	<u>174.72</u>	<u>15.84</u>
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	19.05	(90.75)
CASH AND CASH EQUIVALENTS - Opening Balance	<u>46.64</u>	<u>137.39</u>
CASH AND CASH EQUIVALENTS - Closing Balance	<u>65.69</u>	<u>46.64</u>
Reconciliation to Cash and Bank Balances given in Schedule 7, is as follows :		
Cash and Bank Balances	66.54	47.46
Less: Lien marked deposits and interest accrued thereon	0.85	0.82
Cash and Cash Equivalents - Closing Balance	<u>65.69</u>	<u>46.64</u>

As per our report of even date
For and on behalf of
DALAL & SHAH
Chartered Accountants

ASHISH DALAL
Partner

Mumbai :
4th May, 2009

D. K. AGRAWAL
Secretary

B. L. JAIN
Whole-time Director

B. K. BIRLA, Chairman

Directors
KUMAR MANGALAM BIRLA
PRADIP KUMAR DAGA
E. B. DESAI
ARVIND C. DALAL
AMAL GANGULI

SCHEDULES "1" TO "17" ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT AND THE PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 ST MARCH, 2009

SCHEDULE "1"	31.3.2009 (Rs. in Crore)	31.3.2008 (Rs. in Crore)	
SHARE CAPITAL :			
Authorised :			
14,80,00,000	Equity Shares of Rs. 10 each.	148.00	148.00
1,00,00,000	Redeemable Cumulative Non-Convertible Preference Shares of Rs. 100 each.	100.00	100.00
		248.00	<u>248.00</u>
Issued :			
9,30,61,090	Equity Shares of Rs. 10 each.	93.06	93.06
		93.06	<u>93.06</u>
Subscribed :			
9,30,45,680	Equity Shares of Rs. 10 each, fully paid up [including 8,78,90,120 Equity Shares, issued as fully paid up Bonus Shares by way of capitalisation of Reserves and Securities Premium Account]	93.04	93.04
Total :		93.04	<u>93.04</u>

SCHEDULE "2"

RESERVES AND SURPLUS :		
Capital Reserve Account		
As per last Balance Sheet	0.25	0.25
Less: Transferred to General Reserve	<u>0.25</u>	<u>-</u>
	-	0.25
Capital Redemption Reserve Account		100.00
Revaluation Reserve :		
As per last Balance Sheet	17.17	17.31
Less : Transferred to Profit and Loss Account	<u>0.12</u>	<u>0.14</u>
	17.05	17.17
General Reserve :		
As per last Balance Sheet	952.89	752.89
Add :		
a) Transferred from Profit and Loss Account	150.00	200.00
b) Transferred from Capital Reserve	0.25	-
c) Exchange Fluctuation Capitalised [See Note 12]	<u>4.19</u>	<u>-</u>
	1107.33	952.89
Less :		
Payment against Fractional Bonus Coupons (Rs 457)		
Previous year (Rs 6,141)	<u>-</u>	<u>-</u>
	1107.33	952.89
Balance as per annexed Profit and Loss Account		178.10
Total :	1402.48	<u>1210.86</u>

SCHEDULE "3"	31.3.2009 (Rs. in Crore)	31.3.2008 (Rs. in Crore)
SECURED LOANS :		
Sales Tax Loan from Madhya Pradesh Audyogik Vikas Nigam (Interest free) [See Note 1 (a)]	0.09	0.23
Term Loans from Banks [See Note 1 (b)] :		
- Rupee Loans	1300.96	850.89
- Foreign Currency Loans	<u>91.60</u>	<u>144.47</u>
	1392.56	995.36
Short Term Rupee Loan from a Bank [See Note 1 (b)]	150.00	200.00
Working Capital Loans from Banks [See Note 1 (c)]	172.33	145.80
Total :	<u>1714.98</u>	<u>1341.39</u>

SCHEDULE "4"

UNSECURED LOANS :		
Fixed Deposits [See Note 4 (a)]	25.71	22.53
Short Term Borrowings from Banks under Buyer's Credit Arrangement	17.60	35.24
Deferred Payment Liability	-	17.62
Total :	<u>43.31</u>	<u>75.39</u>

**SCHEDULE "5"
FIXED ASSETS :**

(Rs. in Crore)

DESCRIPTION OF ASSETS	GROSS BLOCK AT COST OR BOOK VALUE		DEPRECIATION/AMORTISATION				NET BLOCK		
	As at 31.03.2008	As at 31.03.2009	Upto 31.03.2008	For the year	Arrears of Depreciation	Deductions/ Adjustment	Upto 31.03.2009	As at 31.03.2009	As at 31.03.2008
A. ASSETS									
Land :									
Freehold and Leasehold, Worli, Mumbai	9.99	9.99	-	-	-	-	-	9.99	9.99
Land Others:-									
Freehold (a)	17.45	17.61	-	-	-	-	-	17.61	17.45
Leasehold (l)	43.54	41.22	0.17	0.01	-	-	3.69	36.93	39.85
Buildings (b), (c) and (d)	282.71	420.71	0.58	2.90	-	-	82.37	329.00	200.34
Improvement to Leased Premises	10.28	8.59	140.00	2.00	1.78	-	5.56	2.45	4.72
Water Pipe Lines and Tanks	20.28	44.34	1.54	3.23	0.04	-	7.25	35.68	13.03
Plant and Machinery (j)	3,060.09	3,705.10	24.06	248.89	23.52	-	1,731.74	2,017.88	1,328.35
Floral Plantation	2.21	1.96	893.90	0.26	166.52	-	1.20	0.72	1.01
Railway Siding and Locomotives	27.24	29.54	0.01	0.21	0.22	-	1.24	13.48	12.23
Ropeway	4.06	4.06	2.51	0.21	0.22	-	16.06	3.85	0.21
Reservoir and Pans, etc.	0.27	0.27	3.85	-	-	-	0.27	-	-
Electric Installation (d)	102.62	140.51	40.06	2.17	0.67	-	58.61	81.90	48.09
Air-conditioning Plant	1.97	1.12	0.85	0.85	-	-	1.09	0.03	0.07
Furniture, Fixtures, Equipments, etc.	39.13	45.34	10.74	4.53	0.08	-	22.84	22.50	15.06
Software Development	-	2.73	2.73	-	-	-	0.18	2.55	-
Air-craft	4.92	4.92	-	-	-	-	3.63	1.01	1.29
Vehicles	9.74	9.72	0.56	0.58	(Rs.495)	-	3.91	4.70	5.00
Sub Total :	3,636.50	4,487.73	1,116.86	265.63	26.31	247.11	1,911.09	2,576.64	1,696.69
Assets Given on Lease:									
Railway Wagons (e)	62.05	62.05	-	-	-	-	58.94	3.11	17.59
Total :	3,698.55	4,549.78	1,116.86	265.63	(g) 26.31	(f) 247.11	1,970.03	2,579.75	1,714.28
Previous Year's Total :	3,526.38	3,698.55	1,90.52	18.35	26.85	12.79	1,984.27	1,714.28	
B. CAPITAL WORK IN PROGRESS									
Less : Impairment in book value									
								303.67	699.73
								72.59	72.59
								231.08	627.14

FIXED ASSETS NOTES :

- Includes Rs. 0.38 Crore (Previous year Rs. 0.63 Crore) for which sale and conveyance deeds and other transfer formalities are yet to be executed. Stamp duty and other incidental expenses will be capitalised on execution of the same.
- Includes premises on ownership basis Rs.3.61 Crore (Previous year Rs. 3.61 Crore), leasehold premises Rs.0.01 Crore (Previous year Rs. 0.01 Crore) and cost of shares in co-operative societies (Rs.750 /-) [Previous year (Rs.750/-)].
- Includes cost of premises Rs. 3.93 Crore (Previous year Rs. 3.93 Crore) in possession of the Company for which sale and conveyance deed and other transfer formalities are yet to be executed. Stamp duty and other incidental expenses will be capitalised on execution of the same.
- Includes the cost of an electric sub-station and other related assets taken by the Company from Madhya Pradesh Electricity Board aggregating Rs. 0.95 Crore (Previous year Rs. 0.95 Crore) for which conveyance deed is yet to be executed [Electrical installation Rs. 0.63 Crore (Previous year Rs. 0.63 Crore), Building Rs.0.32 Crore (Previous year Rs. 0.32 Crore)].
- Wagons acquired under "Own Your Wagon" scheme have been given on lease to railways.
- Rs.Nil [Previous year Net of Rs.0.31 Crore short depreciation provided].
- See Note 11.
- Additions to Plant and Machinery is net of Rs. 10.53 crore (Previous year Rs.Nil) being Capital Subsidy received.
- Includes Rs.8.45 Crore(Previous year Rs.8.45 Crore) for which lease deed and other transfer formalities are yet to be executed. Stamp duty and other incidental expenses will be capitalised on execution of the same.
- See Note 12.
- Break-up of depreciation for the year:-

	2007-08	
2008-09		
(Rs. in Crore)	(Rs. in Crore)	
	168.74	
0.02	0.01	
1.14	1.56	
206.56	170.31	

- In Profit and Loss Account
- Capitalised
- Through Cost of raising and transporting Limestone,Shale and Laterite
[See Note10 (a)] in Schedule 17

SCHEDULE "6"	31.3.2009 (Rs. in Crore)	31.3.2008 (Rs. in Crore)
INVESTMENTS :		
LONG TERM INVESTMENTS (AT COST) :		
TRADE :		
Unquoted :		
Fully Paid :		
2 Equity Shares of Rs. 5,000 each, of Maharashtra Co-operative Floriculture Development Society Ltd. (Rs.10,000); [31.3.2008 (Rs. 10,000)].		
OTHER THAN TRADE :		
Government and Trust Securities :		
Quoted :		
1,66,200 12.32 % Government of India Bonds	1.88	1.88
50,000 11.83 % Government of India Bonds	0.56	0.56
50,000 10.70 % Government of India Bonds	0.53	0.53
75,000 7.95 % Government of India Bonds	0.91	0.91
25,000 7.95 % Government of India Bonds	0.30	0.30
2,00,000 6.95 % Tamil Nadu State Development Loan	2.07	2.07
25,000 11.00 % Andhra Pradesh State Development Loan	<u>0.31</u>	<u>0.31</u>
	6.56	6.56
Unquoted :		
6 Years National Savings Certificates of the aggregate face value of (Rs. 36,000); [31.3.2008 (Rs. 25,000)] [Matured but not encashed (Rs. 11,000); 31.3.2008 (Nil)][@] [@] Deposited with Government Departments [31.03.2009 (Rs. 36,000) ; 31.03.2008 (Rs. 25,000)]	<u>6.56</u>	<u>6.56</u>
Shares and Other Investments :		
Quoted :		
Fully paid :		
4,538 Equity Shares of Rs. 10 each, of Tata Motors Ltd.	0.01	0.01
1,50,000 Equity Shares of Rs. 10 each, of Jayshree Tea and Industries Ltd.	0.19	0.19
18,75,000 Equity Shares of Rs. 10 each, of Mangalam Cement Ltd.	3.23	3.23
7,60,000 Equity Shares of Rs. 10 each, of Mangalam Timber Products Ltd.	0.76	0.76
2,55,477 Equity Shares of Rs. 10 each, of Century Enka Ltd. (1,36,250)	3.49	2.73
21,32,000 Equity Shares of Rs. 10 each, of Kesoram Industries (7,32,000) Ltd .	<u>31.60</u>	<u>13.52</u>
	39.28	20.44
Carried Over	45.84	27.00

SCHEDULE "6" (Contd.)		31.3.2009 (Rs. in Crore)	31.3.2008 (Rs. in Crore)
	Brought Over	45.84	27.00
	Unquoted :		
	Fully paid :		
85	Equity Shares of Rs.100 each, of Maharashtra State Financial Corporation (Rs.8,500); [31.3.2008 (Rs.8,500)]		
2	Shares of Rs. 50 each, of The Maharashtra State Co-operative Bank Ltd. (Rs. 114); [31.3.2008(Rs.114)]		
5,625	Equity Shares of Rs. 100 each, of Industry House Ltd.	0.04	0.04
12,000	Equity Shares of Rs. 10 each, of Birla Consultants Ltd.	0.01	0.01
4,22,496	Shares of Pesos 10 each, of Indo Phil Textile Mills Inc., Republic of Philippines.	0.04	0.04
2,500	Ordinary Shares of Swiss Francs 100 each, of Birla International Ltd.	0.52	0.52
2,25,000	Equity Shares of Rs. 10 each, of Kesoram Insurance Broking Services Ltd. (Formerly known as Kesoram Insurance Management Ltd.)	0.05	0.05
1,25,000	Equity Shares of Rs. 2 each, of Kesoram Textile Mills Ltd. (alloted without any consideration in terms of the Scheme of Arrangement against holding of 1,25,000 Shares of Rs. 10 each, held in Kesoram Industries Ltd)	-	-
41,400	Equity Shares of Rs. 10 each, of Vasavadatta Services Ltd.	0.04	0.04
		0.70	0.70
	Total :	46.54	27.70

Note : All the above Long Term Investments have been so classified by the Company, in view of its intention to hold the same on long term basis.

During the year the Company acquired and sold the following Current Investments :

	Nos.	Acquisition cost (Rs. In Crore)	
Dividend Option (Units of Rs. 10 each)			
SBI Mutual Fund	696,744,900	798.67	
	<u>696,744,900</u>	<u>798.67</u>	
		Book-Value	Market-Value
		31.3.2009	31.3.2008
		(Rs. in Crore)	(Rs. in Crore)
Quoted		45.84	27.00
Unquoted		0.70	0.70
Total :		46.54	27.70

SCHEDULE "7"	31.3.2009 (Rs. in Crore)	31.3.2008 (Rs. in Crore)
CURRENT ASSETS , LOANS AND ADVANCES :		
a) Inventories :		
Stores, Spares, etc., at cost less amounts written off	218.03	184.22
Stock in trade, at cost or net realisable value, whichever is lower :		
Raw Materials	155.66	207.43
Materials in process	112.89	63.45
Finished Goods	139.44	113.50
Goods for Trade	<u>17.52</u>	<u>19.23</u>
	425.51	403.61
Goods in transit, at cost to date	<u>27.03</u>	<u>25.05</u>
	670.57	612.88
b) Sundry Debtors, Unsecured :		
(i) Outstanding for a period exceeding six months :		
Good	2.10	5.16
Doubtful	3.98	3.68
Less : Provision	<u>3.98</u>	<u>3.68</u>
	-	-
	2.10	5.16
(ii) Other, Good	<u>148.79</u>	<u>159.75</u>
	150.89	164.91
c) Cash and Bank Balances :		
Cash on hand [including cheques on hand Rs. 2.12 Crore (31.03.2008 Rs. 0.79 Crore)]	2.57	1.79
Remittances in Transit	1.38	0.34
Bank Balances with Scheduled Banks :		
In Current Accounts	61.74	44.51
In Margin Money Accounts	-	0.01
In Deposit Accounts	0.79	0.78
Add : Interest accrued thereon	<u>0.06</u>	<u>0.03</u>
	0.85	0.81
	<u>62.59</u>	<u>45.33</u>
	66.54	47.46
d) Other Current Assets :		
Interest accrued on Investments	0.10	0.10
Interest and subsidy receivable	26.66	14.33
Other Receivables	<u>7.02</u>	<u>8.17</u>
	33.78	22.60
e) Loans and Advances, Unsecured, Good, unless otherwise specified :		
Advances recoverable in cash or in kind or for value to be received :		
Good	392.33	211.97
Doubtful	1.47	1.47
Less : Provision	<u>1.47</u>	<u>1.47</u>
	-	-
	392.33	211.97
Balances with Custom, Port Trust, Central Excise, State Governments, etc.	15.58	3.77
Tax paid in Advance	<u>264.33</u>	<u>217.25</u>
	672.24	432.99
Total :	<u>1594.02</u>	<u>1280.84</u>

SCHEDULE "8"	31.3.2009 (Rs. in Crore)	31.3.2008 (Rs. in Crore)
CURRENT LIABILITIES AND PROVISIONS :		
a) Liabilities :		
* Sundry Creditors [See Notes 3 and 4 (a) and (b)]	673.32	574.99
Overdrawn Bank Balance as per books	4.06	1.47
Interest accrued but not due on loans	3.64	5.38
	681.02	581.84
b) Provisions :		
Taxation	244.01	201.11
Employee Benefits	34.74	28.02
Proposed Equity Dividend	41.87	41.87
Tax on Proposed Equity Dividend	7.12	7.12
	327.74	278.12
Total :	1008.76	859.96
* Includes Rs.0.89 Crore being commission payable to the Non-Whole time Directors (31.03.2008 Rs. 0.71 Crore).		

SCHEDULE "9"

MISCELLANEOUS EXPENDITURE (to the extent not written off or adjusted) :		
a) Front-End Fees on Borrowings :		
As per last Balance Sheet	-	-
Incurred during the year	3.74	-
	3.74	-
Less : Written off	0.53	-
	3.21	-
b) Compensation under Voluntary Retirement Scheme and Exit payments :		
As per last Balance Sheet	181.51	219.76
Incurred during the year	16.00	54.35
	197.51	274.11
Less : Written off [Includes Rs 89.10 Crore (Previous year Rs. 89.98 Crore) written off as an exceptional item]	99.46	92.60
	98.05	181.51
Total :	101.26	181.51

SCHEDULE "10"

SCHEDULE "10"	2008-2009 (Rs. in Crore)	2007-2008 (Rs. in Crore)
SALES, etc. :		
Sales (See Note 8)	4256.69	3895.33
Less: Rebates	39.24	32.01
Returns	1.54	12.68
	40.78	44.69
Total :	4215.91	3850.64

SCHEDULE "11"	2008-2009 (Rs. in Crore)	2007-2008 (Rs. in Crore)
OTHER INCOME :		
Dividend (On Investments Other than Trade) :		
From Mutual Funds	0.67	6.59
From Domestic Companies	2.00	1.45
From a Foreign Company	<u>0.07</u>	<u>0.06</u>
	2.74	8.10
Rent from Properties (Gross, Tax Deducted at Source Rs. 2.26 Crore; 2007-2008 Rs. 1.73 Crore)	10.48	9.33
Lease Rent received under ' Own Your Wagon ' scheme	0.49	0.54
Surplus on sale of Fixed Assets	0.62	0.86
Bad debts previously written off, now recovered	0.01	0.29
Gain on Foreign Currency Fluctuation (Net)	-	2.43
Export Benefits	8.83	7.44
Sale of Scrap	17.14	19.35
Insurance and Other Claims	1.15	1.34
Miscellaneous Income [Gross, Tax Deducted at Source (Rs. 31,852) 2007-2008 (Rs. 20,959)]	15.70	11.87
Provisions no longer required	12.00	8.58
Total :	<u>69.16</u>	<u>70.13</u>

SCHEDULE "12"		
COST OF MATERIALS CONSUMED, PURCHASES , MANUFACTURING AND OPERATING EXPENSES :		
a) Raw Materials Consumed :		
Opening Stock	207.43	128.16
Add : Purchases (Net of Sales)(including cost of raising and transporting Limestone, Shale and Laterite Rs. 90.80 Crore ; 2007-2008 Rs 77.77 Crore) [See Note 10 (a)]	<u>872.79</u>	<u>863.25</u>
	1080.22	991.41
Less : Closing Stock	<u>155.66</u>	<u>207.43</u>
	924.56	783.98
b) Purchase of Finished Goods for Trade [See Note 9 (B)]	26.61	31.88
c) Manufacturing Expenses :		
Stores and Spare Parts consumed	509.43	457.16
Job Work Charges	1.70	2.15
Power, Fuel and Water	790.51	630.76
Building Repairs	16.56	14.56
Machinery Repairs (excluding stores and spare parts consumed)	53.20	49.57
Floriculture Cultivation Expenses [See Note 10 (b)]	1.27	1.33
Other Expenses	<u>6.15</u>	<u>4.95</u>
	1378.82	1160.48
Total :	<u>2329.99</u>	<u>1976.34</u>

SCHEDULE "13"	2008-2009	2007-2008
	(Rs. in Crore)	(Rs. in Crore)
(INCREASE)/DECREASE IN INVENTORIES		
Opening Stocks :		
Finished Goods	113.50	93.52
Materials in process	63.45	64.54
Construction and other Work in Progress	-	0.09
Goods for Trade	<u>19.23</u>	<u>19.16</u>
	196.18	177.31
Closing Stocks :		
Finished goods	139.44	113.50
Materials in process	112.89	63.45
Construction and other Work in Progress	-	-
Goods for Trade	<u>17.52</u>	<u>19.23</u>
	269.85	196.18
	(73.67)	(18.87)
Add/(Less): Variation in Excise Duty on Closing and Opening Stock of Finished Goods	(1.20)	(0.20)
Total :	<u>(74.87)</u>	<u>(19.07)</u>

SCHEDULE "14"

PAYMENTS TO AND PROVISIONS FOR EMPLOYEES :		
Salaries, Wages, Bonus, etc.	252.93	227.32
Contribution to Provident and Other Funds	33.63	28.83
Welfare Expenses	21.80	20.01
Provident and Other Fund Expenses	0.59	0.57
Total :	<u>308.95</u>	<u>276.73</u>

SCHEDULE "15"	2008-2009 (Rs. in Crore)	2007-2008 (Rs. in Crore)
SELLING AND OTHER EXPENSES :		
Rent	17.48	14.44
Rates and Taxes	2.85	2.63
Insurance	9.42	9.26
Freight, Forwarding, Octroi, etc.	443.17	338.36
Advertisement and Publicity	9.65	12.97
Miscellaneous Expenses	104.24	92.42
Loss on Foreign Currency Fluctuation (Net) [See Note 12]	10.57	-
Advances, Loans and other debit balances, written off	0.92	0.78
Donations	-	2.50
Commission	24.88	21.15
Brokerage, Discount, Incentives, etc.	16.33	14.16
Directors Commission, Fees and Travelling Expenses	1.10	0.89
Bad Debts	0.83	0.33
Loss on sale / discardment of Fixed Assets	1.67	3.74
Provision for :		
Doubtful Debts and Advances	1.08	0.29
Duties, Taxes etc.	<u>0.37</u>	<u>21.50</u>
	1.45	21.79
Proportionate amounts written off against "Miscellaneous Expenditure"	10.89	2.62
Total :	<u>655.45</u>	<u>538.04</u>

SCHEDULE "16"

INTEREST AND FINANCE CHARGES :		
Interest :		
Debentures	13.18	6.83
Fixed Loans *	106.07	76.79
Others	<u>24.29</u>	<u>15.53</u>
	143.54	99.15
Other Finance Charges	<u>1.26</u>	<u>1.60</u>
	144.80	100.75
Less :		
Borrowing Costs Capitalised	<u>41.79</u>	<u>7.89</u>
	103.01	92.86
Interest Received (Gross, Tax Deducted at Source Rs. 0.49 Crore; 2007-2008 Rs. 0.40 Crore) :		
On Government Securities	0.57	0.57
On Income Tax Refund	1.97	-
Others	<u>3.27</u>	<u>3.11</u>
	5.81	3.68
Total :	<u>97.20</u>	<u>89.18</u>

* Net of subsidy Rs. 35.45 Crore (Previous year Rs.14.19 Crore) under the Technology Upgradation Fund Scheme of the Government of India.

SCHEDULE "17"

NOTES FORMING PART OF THE ACCOUNTS :

1. Secured Loans :

- (a) Sales Tax Interest free loan from Madhya Pradesh Audyogik Vikas Nigam is secured by hypothecation and mortgage on the movable and immovable properties of Century Cement at Raipur and Maihar Cement at Maihar, present and future and such charge to remain subsequent to the charges created / to be created by the Company in favour of Rupee/ Foreign Currency Term Loans from Banks. (Due within one year Rs. 0.08 Crore).
 - (b) Rupee / Foreign Currency loans from Banks are secured / to be secured by first pari passu mortgage / hypothecation of all the immovable / movable fixed assets, present and future, of the Company's Birla Century, Cement, Pulp & Paper (excluding leasehold land) and Rayon Divisions and second charge created / to be created in favour of certain term lenders on the current assets of the Company. Loans for the Company's Century Denim Division are also secured by mortgage / hypothecation of all the immovable / movable fixed assets of the Denim Division. Short Term Rupee Loan is secured by way of second and subservient charge on movable fixed assets of the Company (Due within one year Rs. 648.01 Crore).
 - (c) Pre-shipment, Post-shipment, Cash Credits, Working Capital Demand Loans and Export Bills Discounting facilities are secured against the hypothecation of the whole of the Company's Raw Materials, Finished Goods, Stock-in-process, Stores and Spares, present and future Book Debts, Receivables, etc. and second charge created / to be created over movable and immovable fixed assets of Birla Century, Cement, Pulp & Paper (excluding leasehold land) and Rayon Divisions of the Company. Inland Bills discounting facilities from Banks are secured against Railway Receipts, Lorry Receipts, etc.
 - (d) The charge by way of hypothecation of Raw Materials, Finished and Semi-finished goods and Stores and Spares in favour of banks, also extends to the guarantees given by the banks on behalf of the Company, aggregating Rs. 119.62 Crore (31.3.2008 Rs. 78.51 Crore).
- 2**
- (a) 44 hectares of land were acquired at Manikgarh Cement Division and were subsequently surrendered to the Forest Department, Government of India, pursuant to the provisions of the Forest Conservation Act, 1980. The amount of compensation payable will be accounted for when determined by the Collector.
 - (b) In respect of Manikgarh Cement Division, Land measuring 41.20 hectares occupied by the Forest Department and disputed by the Company was adjudicated by the Collector and the Divisional Commissioner (Appeals) in favour of the Company. The Government of Maharashtra on a reference made by the Forest Department directed the Collector for a fresh demarcation of the site boundaries and has also directed the Forest Department to refund the compensation paid by the Company along with interest for the land falling within their boundary. The Revisional Authority has since observed that approx. 17 hectares of land falls within the boundaries of the reserved forest. The Company has filed a writ petition before the Bombay High Court, Nagpur bench against the said order. Adjustments, if any will be made, in the year in which the matter is finally settled.
 - (c) In respect of Manikgarh Cement Division, The Ministry of Environment & Forests (FC Division) Government of India, New Delhi has conveyed their conditional approval for diversion of 7.064 hectares of Forest Land for construction of Conveyor System from Mines to Plant area. While persuing the aforesaid conditions, the Division has been asked to surrender equivalent Non-forest land against the same and accordingly the division has surrendered 7.064 hectares of Non-Forest land to the Forest Department. The amount of compensation payable will be accounted for when finally determined by the appropriate authority and on fulfillment of all the conditions.
- 3**
- (a) 'Sundry Creditors' in Schedule '8' to the Accounts include (i) Rs. 0.02 Crore (31.03.2008 - Rs. Nil) due to micro and small enterprises registered under the Micro, Small and Medium Enterprises Development Act, 2006 (MSME); and (ii) Rs. 673.30 Crore (31.03.2008 - Rs. 574.99 Crore) due to other creditors.
 - (b) No interest is paid / payable during the year to any enterprise registered under the MSME.
 - (c) The above information has been determined to the extent such parties could be identified on the basis of the information available with the Company regarding the status of suppliers under the MSME.
- 4**
- (a) Unclaimed Fixed deposits amounting to (Rs. 22,500) and (Rs. 3,150) being interest accrued and due thereon remain unpaid in view of the internal disputes between the claimants which has been referred to the Court whose decision is awaited.
 - (b) Unclaimed Dividends amounting to Rs.0.02 Crore (31.3.2008 Rs. 0.02 Crore) is pending on account of litigation among claimants / Notices from Tax Recovery Officer.

SCHEDULE "17" (Contd.)
NOTES FORMING PART OF THE ACCOUNTS : (Contd.)

	31.3.2009 (Rs. in Crore)	31.3.2008 (Rs. In Crore)
5 Contingent Liabilities not provided for in respect of :		
(a) Guarantees given by Company's bankers (Guarantees have been given by the Company's bankers in the normal course of business and are not expected to result in any liability on the Company)	22.34	9.81
(b) (i) Claims against the company not acknowledged as debts in respect of :		
- Custom Duty and Excise Duty	24.24	8.07
- Sales Tax and Entry Tax	28.78	25.87
- Power Charges	276.41	184.97
- Royalty	143.31	121.88
- Others	36.07	24.49
(ii) Claims not acknowledged as debts jointly with other members of "Business Consortium of Companies" in which the Company had an interest (proportionate)	17.19	17.19
(c) Registration and Road Tax on Dumper of Cement Division-Amount not determinable at present		
(d) Disputed tax matters in appeal [Paid there against Rs. Nil ;(31.3.2008 Rs. Nil)]	0.46	2.31
(e) Liability on account of Jute packaging obligation upto 30th June, 1997 under the Jute Packaging Materials (Compulsory use in Packing Commodities) Act, 1987 - Amount not determinable at present		
Note : Item No.5(b) to 5(e) (The Company has taken legal and other steps necessary to protect its position in respect of these claims, which based on legal advice are not sustainable. It is not possible to make any further determination of the liabilities which may arise or the amounts which may be refundable in these respects).		
6 (a) Estimated amount of contracts remaining to be executed on Capital account and not provided for (net of advances)	977.87	281.59
(b) Lease rental obligation :		
- not later than one year	7.11	11.21
- later than one year and not later than five years	8.17	11.60
- later than five years	2.45	4.19
(c) Lease rental income :		
- not later than one year	8.66	4.19
- later than one year but not later than five years	10.55	5.41
- later than five years	1.27	1.77

SCHEDULE "17" (Contd.)

NOTES FORMING PART OF THE ACCOUNTS : (Contd.)

7. Capacity, Production, Turnover and Stocks :

(A) Licensed and Installed Capacity and Production :

Class of Goods	Licensed/Registered Capacity		Installed Capacity (c)		Production (a)	
	31.03.2009	31.03.2008	31.03.2009	31.03.2008	2008-2009	2007-2008
Cloth	31608000 Mtrs	- Mtrs	31608000 Mtrs	- Mtrs	51627 Mtrs	- Mtrs
Cotton Yarn/Blended Yarn	25200 Spindles	25200 Spindles	24960 Spindles	24960 Spindles	4540909 Kgs.	4992519 Kgs.
Denim Cloth	21000000 Mtrs.	21000000 Mtrs.	21000000 Mtrs.	21000000 Mtrs.	14551346 Mtrs.	15567532 Mtrs.
	M.T.	M.T.	M.T.	M.T.	M.T.	M.T.
Viscose Filament Yarn and Viscose Tyre Yarn/Industrial Yarn	(b) 30000	30000	25000	25000		
	(i)					
Rayon Yarn					17336	17215
Tyre Yarn and Fabric)					(d) 4527	(d) 5955
) (b)						
High Performance)						
Viscose Staple Fibre)					-	-
Sulphuric Acid (i)	71000	71000	71000	71000	65787	68398
Carbon di-sulphide (i)	20000	20000	18000	18000	15192	16788
Caustic Soda (i)	28426	28426	20500	20500	20254	20486
Liquid Chlorine (i)	25000	25000	17500	17500	16950	17139
Hydrochloric Acid	47241	47241	19241	19241	3380	3569
Refined Salt (h)	100000	100000	100000	100000	55135	69564
Salt					31707	68115
Cement (e) & (k)	7800000	7800000	7800000	7800000	7215610	6898400
Paper including Paper Board/ Straw Board	29800	29800	37250	37250	(n) 39234	(n) 39245
Rayon and/or Paper Grade Pulp (f)	20000	20000	31320	31320	36865	38098
Bagasse based Paper	(g)	(g)	84600	84600	(o) 84670	(o) 87657
Newsprint	20000	20000	-	-	-	-
Recycle Based Paper	(l)	(l)	75960	75960	(p) 83627	(p) 80775
Prime Grade Tissue Paper	(m)	(m)	36000	-	2636	-
Compressed Hydrogen M ³ (i)	8000000	8000000	6200000	6200000	5991767	6005213
	Nos.	Nos.				
Spinning Machines and other equipments	74	74	(j)	(j)	-	-
					Nos.	Nos.
Cut Rose Flowers	Not applicable	Not applicable	375000 Mother Plants equivalent to 6000000 Flowers per annum	375000 Mother Plants equivalent to 6000000 Flowers per annum	4715673 Flowers	4895773 Flowers

SCHEDULE "17" (Contd.)

NOTES FORMING PART OF THE ACCOUNTS : (Contd.)

7. Capacity, Production, Turnover and Stocks : (Contd.)

(A) Licensed and Installed Capacity and Production : (Contd.)

Class of Goods	Licensed/Registered Capacity		Installed Capacity (c)		Production (a)	
	31.03.2009	31.03.2008	31.03.2009	31.03.2008	2008-2009	2007-2008
Carnation Flowers	Not applicable	Not applicable	25000 Mother Plants equivalent to 190000 flowers per annum	25000 Mother Plants equivalent to 190000 flowers per annum	26954 Flowers	82275 Flowers
Carnation Plants	Not applicable	Not applicable	7500 Mother Plants equivalent to 375000 Plants per annum	7500 Mother Plants equivalent to 375000 Plants per annum	102275 Plants	97525 Plants
Gerbera Flowers	Not applicable	Not applicable	10000 Mother Plants equivalent to 360000 Flowers per annum	10000 Mother Plants equivalent to 360000 Flowers per annum	130175 Flowers	255790 Flowers
Rose Plants	Not applicable	Not applicable	1200000 Rose Plants per annum	1200000 Rose Plants per annum	408650 Plants	630517 Plants

- (a) Including production for internal consumption and regenerated and/or reprocessed production.
- (b) Licensed and Installed capacity includes for High Performance Viscose Staple Fibre and Tyre Yarn Fabric.
- (c) As certified by the Management and being a technical matter accepted by the Auditors as correct.
- (d) Includes 97 M.T. for Captive Consumption (2007-2008, 64 M.T.).
- (e) Memorandum / Applications for enhanced capacities are filed with Appropriate Authorities for Century Cement.
- (f) Company holds letter of Intent No. 16(1997) dated 28.1.1997 for enhancement of capacity upto 31320 M.T.
- (g) For Bagasse based Paper Plant, Company has filed memorandum to manufacture 84600 M.T. of paper with Department of Industrial Development, Ministry of Industry, Government of India.
- (h) Capacity as per registration given by Dy.Salt Commissioner vide its office letter No.18(9) salt/91/1143 dated 19th January, 1999.
- (i) Company has filed memorandum with the Department of Industrial Development, Ministry of Industry for additional capacity Vide letter No. 1839/SIA/IMO/2003 dated 9th July, 2003, letter No. 1977/SIA/IMO/2003 dated 24th July, 2003 and letter No. 2032/SIA/IMO/2007 dated 17th July, 2007.
- (j) Central workshop facilities have been closed.
- (k) Licensed/Registered and Installed capacity increased by 600000 M.T. w.e.f. 01.01.2008 and 400000 M.T. w.e.f. 01.03.2008
- (l) For Recycle based Paper Plant, Company has filed memorandum to manufacture 75960 M.T. of paper with Ministry of Commerce & Industry, Government of India.
- (m) For Prime Grade Tissue Paper Plant, Company has filed memorandum to manufacture 36000 M.T. of paper with Ministry of Commerce & Industry, Government of India.
- (n) Net after Reprocessing / Repulping - 2 M.T. (2007-2008, 83 M.T.)
- (o) Net after Reprocessing / Repulping - 100 M.T. (2007-2008, 70 M.T.)
- (p) Net after Reprocessing / Repulping - 3031 M.T. (2007-2008, 394 M.T.)

SCHEDULE "17" (Contd.)
NOTES FORMING PART OF THE ACCOUNTS : (Contd.)

7. Capacity, Production, Turnover and Stocks:- Contd.
B) Stocks and Turnover :

Class of Goods	Unit	Opening stock		Closing stock		Turnover (c)		Sundries (a)	
		1.04.2008	1.04.2007	31.03.2009	31.03.2008	2008-2009	2007-2008	2008-2009	2007-2008
Goods Manufactured :		Quantity (Rs. in Crore)	Quantity (Rs. in Crore)	Quantity (Rs. in Crore)	Quantity (Rs. in Crore)	Quantity (Rs. in Crore)	Quantity (Rs. in Crore)	Quantity	Quantity
Cloth (@)	Mtrs.	160731	1215691	113824	160731	46907	1054502	-	458
Cloth - Birla Century	Mtrs.	-	-	15397	-	36230	-	-	-
Cotton Yarn/Blended Yarn	Kgs.	429676	318306	380031	429676	4017195	4646553	573359	234596
Denim Cloth	Mtrs.	822700	730867	763287	822700	14610759	15475699	-	-
Rayon Yarn	M.T.	821	1419	689	821	17467	17816	1	(3)
Tyre Yarn and Fabric	M.T.	2570	1113	2860	2570	4233	4497	4	1
Sulphuric Acid	M.T.	597	379	392	597	44134	45335	21858	22845
Carbon-di-sulphide	M.T.	45	81	40	45	8743	9807	6454	7017
Cauatic Soda	M.T.	183	93	111	183	4806	3807	15520	16589
Liquid Chlorine	M.T.	62	131	179	62	16770	17103	63	105
Hydrochloric Acid	M.T.	99	94	194	99	2091	2647	1194	917
Refined Salt	M.T.	3162	6666	2955	3162	55335	72951	7	117
Salt	M.T.	2317	9343	1839	2317	-	-	32185	75141
Cement	M.T.	105932	75016	105364	105932	7169442	6823208	46736	44276
Paper (including Paper Board/Straw Board)	M.T.	303	108	1101	303	38428	39042	8	8
Rayon and/or Paper	M.T.	4966	2825	2047	4966	11483	14772	28301	21185
Grade Pulp	M.T.	565	396	4989	565	80243	87484	3	4
Bagasse Based Paper	M.T.	4591	2413	3879	4591	84336	78595	3	2
Recycle Based Paper	M.T.	-	-	1407	717	1229	633	-	-
Prime Grade Tissue Paper	M.T.	-	-	-	-	-	-	-	-
Compressed Hydrogen	M3	4969	3980	11749	4969	5980387	6000279	4600	3945
Cut Rose Flowers	Nos.	55835	107650	140135	55835	4440230	4572083	265392	375505
Carnation Flowers	Nos.	9086	380	-	9086	36040	72465	-	1104
Carnation Plants	Nos.	110975	289129	-	110975	12226	74775	201024	200904
Gerbera Flowers	Nos.	278	450	4781	278	124144	253921	1528	2041
Rose Plants	Nos.	95535	89875	98005	95535	243493	329925	168937	294932
Waste (Rayon)		-	-	-	-	-	-	-	-
By-products		-	-	-	-	-	-	-	-
Clinker		-	-	-	-	-	-	-	-
Others		-	-	-	-	-	-	-	-
Goods traded in :									
Garments	Pcs	532741	539848	538936	532741	720103	859063	(2478)	43912
Fabrics	Mtrs.	81130	36370	50761	81130	254100	145476	183	53
Cut Rose Flowers	Nos.	-	-	-	-	1665182	708282	-	-
Carnation Flowers	Nos.	-	-	-	-	-	2940	-	-
Gerbera Flowers	Nos.	-	-	-	-	2430	22060	-	-
Rose Plants	Nos.	-	-	-	-	35489	95500	-	-
Refined Salt	M.T.	-	-	-	-	1831	-	-	-
Others		-	-	-	-	-	-	-	-
Total :		133.05	112.85	157.36	133.05	4256.69	3895.33	183	53

(a) Sundries include Interunit / self consumption, Damages, Loss in transit, Free Samples, Moisture gain, loss due to rain wash, Handling, Cutting and Fire Loss, etc.

(b) Included in Materials in process.

(c) See Note 8

(@) Including Conversions

SCHEDULE "17" (Contd.)

NOTES FORMING PART OF THE ACCOUNTS : (Contd.)

8. Sales are net of cash discounts Rs. 28.91 Crore (2007-2008 Rs. 29.89 Crore).

9. Raw Materials Consumed, Purchase of Finished Goods for Trade and Imported and Indigenous material consumption:

(A) Raw Materials Consumed :

	Unit	2008-2009		2007-2008	
		Quantity	(Rs. in Crore)	Quantity	(Rs. in Crore)
Cotton	Kgs.	16927867	109.11	17523350	95.92
Cotton Yarn	Kgs.	1452847	17.11	646731	4.91
Wood Pulp	M.T.	7823	50.80	10837	53.47
Salt	M.T.	75465	8.13	51448	5.51
Sulphuric Acid	M.T.	21857	(a)	22845	(a)
Zinc and Zinc Oxide	M.T.	197	1.75	212	3.17
Sulphur	M.T.	35553	71.54	37518	45.17
Charcoal	M.T.	4462	5.88	4757	5.76
Caustic Soda	M.T.	15520	(a) (b) 0.58	16589	(a) (b) 0.61
Carbon - di - Sulphide	M.T.	6454	(a)	7018	(a)
Limestone	M.T.	7653873	105.11	7192798	98.50
Gypsum	M.T.	300507	57.44	225731	31.70
Pozzolana	M.T.	1592363	74.65	1574521	69.65
Slag	M.T.	256498	12.13	215678	9.25
Laterite	M.T.	253992	6.19	209694	4.59
Shale	M.T.	3342	0.03	7935	0.06
Iron Ore	M.T.	11995	1.64	16821	1.38
Eucalyptus Wood	M.T.	211724	98.42	208241	86.94
Bamboo	M.T.	10272	5.01	14834	5.87
Pulp for Paper	M.T.	19037	68.37	16500	59.82
Bagasse	M.T.	255143	57.00	396404	59.01
Poplar	M.T.	4	(Rs.14752)	3545	1.43
Waste Paper	M.T.	99330	167.65	87538	141.15
Others			6.02		0.11
Total :			924.56		783.98

(a) Internal Consumption

(b) Octroi Duty on Internal Consumption.

(B) Purchase of Finished Goods for Trade :

	Unit	2008-2009		2007-2008	
		Quantity	(Rs. in Crore)	Quantity	(Rs. in Crore)
Garments	Pcs	723820	20.64	895868	27.84
Fabrics	Mtrs	223914	3.35	190289	3.00
Cut Rose Flowers	Nos.	1739431	0.96	708282	0.25
Carnation Flowers	Nos.	-	-	2940	(Rs.8810)
Rose Plants	Nos.	41739	0.01	95500	0.06
Gerbera Flowers	Nos.	2430	(Rs. 8330)	22060	0.01
Refined Salt	M.T.	1831	0.26	-	-
Others			1.39		0.72
Total :			26.61		31.88

SCHEDULE "17" (Contd.)
NOTES FORMING PART OF THE ACCOUNTS : (Contd.)

9. (C) Imported and Indigenous Consumption:

	2008-2009		2007-2008	
	(Rs. in Crore)	Percentage	(Rs. in Crore)	Percentage
a) Raw Materials				
Imported	204.05	22.07	183.06	23.35
Indigenous	720.51	77.93	600.92	76.65
	<u>924.56</u>	<u>100.00</u>	<u>783.98</u>	<u>100.00</u>
b) Spare Parts				
Imported	51.43	26.84	25.14	17.80
Indigenous	140.19	73.16	116.08	82.20
	<u>191.62</u>	<u>100.00</u>	<u>141.22</u>	<u>100.00</u>

	2008-2009 (Rs. in Crore)	2007-2008 (Rs. in Crore)
10. (a) Expenditure incurred during the year on Cost of raising and transporting Limestone, Shale and Laterite :		
Stores and Spare Parts consumed	10.22	9.03
Power and Fuel	10.89	9.73
Repairs to Plant and Machinery	1.15	1.17
Payments to and Provisions for employees	9.29	8.21
Insurance	0.06	0.04
Royalty and Cess	35.11	30.37
Building Repairs	0.95	1.72
Rates and Taxes	(Rs. 27673)	0.03
Hire Charges of Mining Equipments	18.44	12.93
Payments to Contractors	1.16	-
Other Expenses	2.39	2.98
	<u>89.66</u>	<u>76.21</u>
Depreciation and Amortisation	1.14	1.56
Total :	<u>90.80</u>	<u>77.77</u>
(b) Floriculture Cultivation Expenses :		
* Stores, Spares and Packing Material Consumed	0.62	0.56
Carnation, Propagation and Cultivation Expenses	0.02	0.04
Polyhouse Repairs and Maintenance	0.12	0.24
Salaries, Wages, etc.	0.47	0.44
Contribution to Provident and Other Funds	0.02	0.02
Provident and Other Fund Expenses	(Rs.13,431)	(Rs.8,879)
Welfare Expenses	0.02	0.03
Floral Maintenance	-	(Rs.39,536)
	<u>1.27</u>	<u>1.33</u>
* Includes Pesticides, Chemicals, Manures and Fertilizers.		
(c) Indirect Expenditure incurred during Construction period Capitalised :		
Salary and Wages	4.34	0.31
Power and Fuel	2.56	0.07
Insurance Premium	0.75	0.16
Carried Over	<u>7.65</u>	<u>0.54</u>

SCHEDULE "17" (Contd.)
NOTES FORMING PART OF THE ACCOUNTS : (Contd.)

	2008-2009 (Rs. in Crore)	2007-2008 (Rs. in Crore)
10. (c) Indirect Expenditure incurred during Construction period Capitalised : (Contd.)		
Brought Over	7.65	0.54
Rates & Taxes	0.24	-
Legal and Professional Fees	1.29	1.30
Miscellaneous Expenses	6.04	0.51
Depreciation	0.02	0.01
	15.24	2.36

(d) Captial Work in progress includes material in transit Rs. 0.09 Crore (31.03.2008 Rs. 11.24 Crore)

11. The arrears of depreciation for the accounting years 1999-2000 and 2000-2001 in respect of assets of certain divisions have, as a matter of prudence and in accordance with relevant accounting standards, supported by a legal opinion, been charged off over two accounting years viz. 2007-2008 and 2008-2009.

12. The Company has, retrospectively, with effect from 1st April, 2007, opted to recognise exchange differences arising on reporting of long term foreign currency monetary items in line with paragraph 46 of Accounting Standard 11 inserted vide Notification No. GSR 225E dated 31st March, 2009 as per Companies (Accounting Standards) Amendment Rules, 2009.

Pursuant to the above, the effect of exchange differences on long term foreign currency monetary items, so far as they relate to acquisition of depreciable capital assets, have been adjusted to the cost of such assets and depreciated over their remaining useful life.

Accordingly, the exchange difference amounting to Rs. 4.43 Crore, debited to Profit and Loss Account during the financial year 2007-2008, has been added to the cost of fixed assets by crediting the General Reserve and the depreciation thereon amounting to Rs. 0.24 Crore, has been debited to the General Reserve. Similarly, net exchange difference relating to the financial year 2008-2009 amounting to Rs. 36.64 Crore, has been added to the cost of fixed assets.

As a result of this change, depreciation for the year is higher by Rs. 2.31 Crore, loss on foreign currency fluctuation (net) is lower by Rs. 36.64 Crore and profit for the year is higher by Rs. 34.33 Crore. The aggregate impact of these changes has resulted in the 'Reserve and Surplus' being higher by Rs. 35.42 Crore.

There are no long term foreign currency monetary items which require exchange differences to be amortised.

13. Revenue expenditure on Research and Development activities relating to Government recognised in-house Research and Development laboratories incurred and charged out during the year through the natural heads of account, aggregate Rs. 0.51 Crore (2007-2008 Rs. 0.40 Crore). No Capital expenditure on Research and Development has been incurred during the year.

	2008-2009 (Rs. in Crore)	2007-2008 (Rs. in Crore)
14. (a) Managerial Remuneration under Section 198 of the Companies Act, 1956 to the Whole-time Director :		
Salary	1.08	0.93
Contribution to:		
Provident Fund	0.03	0.03
Superannuation Fund	0.04	0.03
Perquisites	0.02	0.02
Total :	1.17 *	1.01 *

* As the employee-wise break-up of liability on account of Employee Benefits based on actuarial valuation is not available, the amounts relating to the whole-time Director are not considered.

SCHEDULE "17" (Contd.)
NOTES FORMING PART OF THE ACCOUNTS : (Contd.)

	2008-2009 (Rs. in Crore)	2007-2008 (Rs. in Crore)
14. (b) Statement showing the computation of Net Profit in accordance with Section 198(1) of the Companies Act, 1956 :		
Profit before Tax as per Profit and Loss Account	346.95	397.73
Add / (Less) :		
Managerial Remuneration	2.17	1.81
Directors Sitting Fees	0.06	0.06
Surplus on Sale of Fixed Assets as per Section 349	(55.37)	-
Prior Period Adjustments	(0.71)	(0.81)
Installment of Arrears of Depreciation	(26.31)	(26.85)
	266.79	371.94
Commission Payable to Non - whole time Directors @ 1%	2.67	3.72
Restricted to :	1.00	0.80
15. Auditors' Remuneration :		
(a) Statutory Auditors :		
As Auditors	0.89	0.82
In Other Capacity :		
Tax Audit Fees	0.17	0.17
Certificates and other jobs	0.20	0.18
	0.37	0.35
For Expenses	0.09	0.07
Total :	1.35	1.24
(b) Cost Auditor :		
As Auditor	0.03	0.03
For Expenses	(Rs.15,750)	(Rs.23,836)
Total :	0.03	0.03
16. C.I.F. value of Imports and Expenditure in Foreign Currency :		
a) C.I.F. Value of Imports (Including in Transit) :		
Raw Materials	155.18	181.49
Spare Parts	66.57	32.82
Capital Goods	169.76	352.42
(b) Expenditure in Foreign Currency : (including expenses capitalised)		
Interest and Finance charges	11.46	11.09
Technical Supervision charges	13.96	0.70
Commission	1.54	1.43
Legal and Professional	0.47	0.09
Management Fees	1.06	-
Compensation paid	0.43	6.74
Other Matters	3.20	3.26

SCHEDULE "17" (Contd.)
NOTES FORMING PART OF THE ACCOUNTS : (Contd.)

	2008-2009 (Rs. in Crore)	2007-2008 (Rs. in Crore)
17. (a) Earnings in Foreign Currency :		
F.O.B. value of exports	229.29	197.57
Dividend	0.07	0.06
Sale proceeds of assets	0.04	-
 (b) Total exports during the year :		
Exports in Foreign Currency	238.30	206.82
Exports in Indian Currency	44.55	35.54
	282.85	242.36
Sales to Merchants - For exports	33.15	29.02
Deemed exports	36.28	20.66
	352.28	292.04

18. Deferred Taxation : (Rs.in Crore)

	As at 31.3.2008	Charge/Credit during the year	As at 31.3.2009
Deferred Tax Liability on account of :			
(i) Depreciation	301.68	63.51	365.19
	<u>301.68</u>	<u>63.51</u>	365.19
Deferred Tax Asset on account of :			
(i) Deferred Revenue	(1.09)	11.97	10.88
(ii) Expenses allowable for Tax Purpose when paid	39.90	10.11	50.01
(iii) Earned Leave	8.90	0.78	9.68
(iv) Provision for Doubtful Debts and Advances	1.84	1.40	3.24
(v) Others	1.30	-	1.30
	<u>50.85</u>	<u>24.26</u>	75.11
Net Deferred Tax Liability / (Asset) :	<u>250.83</u>	<u>39.25</u>	290.08

SCHEDULE "17" (Contd.)

NOTES FORMING PART OF THE ACCOUNTS : (Contd.)

19. Related Party Information

1 Relationships :

- (a) Where significant influence exists :
- (i) M/s Pilani Investment and Industries Corporation Limited.
 - (ii) M/s Kesoram Insurance Broking Services Limited.
 - (iii) M/s Vasavadatta Services Limited.
 - (iv) M/s Industry House Limited
- (b) Key Management Personnel :
- Shri B.L. Jain (Whole-time Director)
- (c) Other Related Parties :
- (i) Shri B.K. Birla
 - (ii) M/s Kesoram Industries Ltd.
 - (iii) M/s Century Enka Ltd.
 - (iv) M/s Jayshree Tea & Industries Ltd.

- NOTES :
- (i) The parties listed under 1(c) above, are strictly not 'related parties' as per the requirements of AS-18, but are being included herein for making the Financial Statements more transparent.
 - (ii) Related party relationship is as identified by the Company and relied upon by the Auditors.

2. Transactions with related parties:

(Rs. in Crore)

Particulars	Related parties		
	Referred in 1 (a) above	Referred in 1 (b) above	Referred in 1 (c) above
Purchases :			
Goods and Material	- (-)	- (-)	0.92 (0.69)
Sales :			
Goods and Material	- (-)	- (-)	54.68 (36.40)
Expenses :			
Rent and Other Services	0.31 (0.21)	- (-)	0.39 (0.09)
Directors Fees and Expenses	- (-)	- (-)	0.01 (0.01)
Commission to Director	- (-)	- (-)	0.17 (0.13)
Remuneration	-	See Note 14 (a) to the Accounts	-
Income :			
Rent and Other Services	0.11 (0.22)	- (-)	0.58 (0.66)
Outstandings :			
Payable	0.26 (0.18)	- (-)	0.11 (0.11)
Commission to Director	- (-)	- (-)	0.15 (0.12)
Receivable	- (-)	- (-)	4.13 (2.20)

Note : Previous Year Figures are given in brackets.

SCHEDULE "17" (Contd.)

NOTES FORMING PART OF THE ACCOUNTS : (Contd.)

20. SEGMENT INFORMATION

(Rs. in Crore)

A. Information about Business Segment - Primary											
S. No.	Particulars	Textile		Cement		Pulp and Paper		Others		Total	
		2008-09	2007-08	2008-09	2007-08	2008-09	2007-08	2008-09	2007-08	2008-09	2007-08
1	Segment Revenue										
	Sales, etc.	668.03	623.74	2,195.00	1,922.15	937.92	869.12	115.12	98.56	3,916.07	3,513.57
	Less : Inter Segment Revenue	14.30	9.38	7.52	7.51	78.55	54.03	0.01	0.04	100.38	70.96
	Net Revenue from Operations	653.73	614.36	2,187.48	1,914.64	859.37	815.09	115.11	98.52	3,815.69	3,442.61
2	Result										
	Segment Result	(91.76)	(79.22)	479.22	506.87	78.43	114.84	16.83	20.87	482.72	563.36
	Add / (Less) :										
	Inter Segment Profit									(0.70)	(0.60)
	Net Segment Result									482.02	562.76
	Unallocated Corporate Expense (Net of Income)									28.46	9.58
	Operating Profit									453.56	553.18
	Less : Interest (Net)									97.20	89.18
	Total Profit before exceptional Item and Tax									356.36	464.00
	Add / (Less) :										
	Exceptional Items relating to discontinuing operations									(36.43)	(93.93)
	Total Profit / (Loss) before Tax									319.93	370.07
	Add / (Less):										
	Excess / (Short) Provision for Income Tax									(1.24)	3.66
	Provision for Current Tax									(39.00)	(99.00)
	Deferred Tax (Charge) / Credit									(39.25)	7.60
	Fringe Benefit Tax									(3.30)	(2.35)
	Provision For Wealth Tax									(0.60)	(0.55)
	Net Profit after tax									236.54	279.43
3	Other Information										
	Segment Assets @	1,493.73	1,283.23	923.60	934.96	1,495.63	992.99	59.25	74.74	3,972.21	3,285.92
	Add : Unallocated common Assets									580.44	545.55
	Total Assets									4,552.65	3,831.47
	Segment Liabilities @	179.01	143.92	278.30	232.01	119.78	88.49	12.62	15.30	589.71	479.72
	Add : Unallocated Common Liabilities									2,467.42	2,047.85
	Total Liabilities									3,057.13	2,527.57
4	Capital Expenditure during the year (excluding advances)	270.96	604.34	86.15	47.90	343.89	38.58	7.23	0.58	708.23	691.40
	Add : Unallocated Capital Expenditure									8.14	2.96
										716.37	694.36
5	Depreciation and amortisation*	61.88	34.82	91.72	87.45	73.36	67.78	5.34	6.33	232.30	196.38
	Add : Unallocated Depreciation									0.57	0.78
										232.87	197.16
6	Non Cash Expenditure	-	-	-	-	-	-	-	-	-	-
	Add : Unallocated Non Cash Expenditure									99.99	92.60
										99.99	92.60

* Includes charged to Cost of Raising and transporting Limestone, Shale and Laterite and to Capital Account.

@ Including projects under implementation.

SCHEDULE "17" (Contd.)
NOTES FORMING PART OF THE ACCOUNTS : (Contd.)

20. SEGMENT INFORMATION (Contd.)

(Rs. in Crore)

B. Secondary Segment - Geographical by Customers

S.No.	Particulars	Total 2008-2009	Total 2007-2008
1	Segment Revenue		
	In India	3532.84	3200.25
	Outside India	282.85	242.36
	Total	3815.69	<u>3442.61</u>
2	Carrying Cost of Assets by location of Assets		
	In India	3798.42	3251.44
	Outside India	173.79	34.47
	Total	3972.21	3285.91
	Unallocated	580.44	545.56
	Total	4552.65	<u>3831.47</u>
3	Addition to Assets and Intangible Assets		
	In India	708.23	691.40
	Outside India	-	-
	Total	708.23	691.40
	Unallocated	8.14	2.96
	Total	716.37	<u>694.36</u>

C. Other Disclosures

- Company has disclosed Business Segment as the primary segment.
- Composition of the Business Segment

Name of the Segment	Types of products / services comprises of :
a. Textiles	Yarn, Cloth and Denim Cloth, Viscose Filament Yarn and Tyre Yarn.
b. Pulp and Paper	Pulp and Writing, Printing and Tissue paper.
c. Cement	Cement and Clinker.
d. Others	Salt Works, Chemicals, Floriculture, etc.
- Inter segment revenues are recognised at works / factory costs of the transferor unit / division or at Sales Price.
- The Segment Revenue, Results, Assets and Liabilities include the respective amounts identifiable to each of the segment and amounts allocated on a reasonable basis.

21. Disclosures of Derivatives

- (a) Hedging commitments outstanding :

	31.03.2009	31.03.2009	(In Million)
	Forward	Forward	31.03.2009
<u>Foreign Currency</u>	<u>USD</u>	<u>Euro to USD</u>	<u>Forward</u>
			<u>Euro</u>
1) Debtors	-	-	0.99
	(-)	(-)	(-)
2) Loan taken	1.46	3.01 (i)	8.40
	(3.78)	(12.00)	(-)
3) Other payables	0.01	-	-
	(0.01)	(-)	(-)

- (b) The aforesaid derivative contracts have been entered into for hedging purposes.

SCHEDULE "17" (Contd.)

NOTES FORMING PART OF THE ACCOUNTS : (Contd.)

21. Disclosures of Derivatives (Contd.)

(c) Uncovered risks :

Foreign Currency

	31.03.2009	31.03.2009	31.03.2009	31.03.2009	31.03.2009	31.03.2009	(In Million)
	USD	GBP	EURO	SEK	CAD	JPY	31.03.2009
1) Debtors	1.41	0.05	1.17	-	-	1.12	1.12
	(2.45)	(0.04)	(3.48)	(-)	(-)	(1.10)	(1.10)
2) Creditors	2.14	-	0.33	-	-	-	-
	(0.42)	(-)	(* EURO 705)	(-)	(-)	(-)	(-)
3) Loan taken	7.27	-	0.09	-	-	-	-
	(17.97) (i)	(-)	(11.41)	(-)	(-)	(-)	(-)
4) Bank balance							
In EEFC account	* USD 2321	* GBP 1293	* EURO 1292	-	-	-	-
	(* USD 2312)	(-)	(-)	(-)	(-)	(-)	(-)
5) Other receivables	4.96	-	18.21	0.17	1.01	0.11	0.11
	(0.07)	(0.04)	(-)	(-)	(-)	(-)	(-)
6) Other payables	4.38	-	1.28	-	-	-	-
	(0.05)	(-)	(0.03)	(-)	(-)	(-)	(-)

*At Actuals

Note -

i) USD equivalent to EURO (for which Euro to USD cover has been taken) is shown under uncovered risks

ii) Previous year figures are given in brackets.

22. Prior period adjustments represent :

	2008-2009 (Rs. in Crore)	2007-2008 (Rs. in Crore)
(a) Depreciation adjustments	-	(0.31)
(b) Credit relating to earlier years	-	0.02
(c) Debit relating to earlier years	(0.71)	(0.52)
	(0.71)	(0.81)

SCHEDULE "17" (Contd.)
NOTES FORMING PART OF THE ACCOUNTS : (Contd.)

23. (a) The Company's Textile Mill at Worli, Mumbai closed down its operations with effect from 12th January, 2008 pursuant to the State Government's approval for closure of the mill under the applicable provisions of the Industrial Disputes Act, 1947. 82 workers have challenged the decision and the matter is pending before the Industrial Tribunal at Mumbai.

Assets and liabilities, as at 31st March, 2009 and revenues, expenses and cash flows, for the year ended 31st March, 2009 contain amounts in respect of ordinary activities attributable to the discontinuing operations (reported under "Textile Segment") as under :

	2008-2009 (Rs. in Crore)	2007-2008 (Rs. in Crore)
(i) Revenue	-	5.55
(ii) Expenditure	-	34.49
(iii) Net Loss	-	(28.94)
(iv) Tax shield	-	(9.84)
(v) Cash Flows :		
- Operating	-	(9.76)
- Investing	-	-
- Financing	-	(2.70)
(vi) Total assets	-	42.35
(vii) Total liabilities	-	13.78
(b) Exceptional Items :		
(i) Voluntary Retirement Scheme	(89.10)	(89.98)
(ii) Gratuity, exit payments, etc.	(2.47)	(3.95)
(iii) Surplus on Sale of Assets	55.14	-
	(36.43)	(93.93)

24. Sundry Creditors include amounts provided in respect of known contractual risks, litigation cases and pending assessments in respect of taxes, duties and other levies, the outflow of which would depend on the cessation of the respective events.

The movement in the above are summarized below:-

(Rs. in Crore)

S No.	Nature of liability	As at 31.03.2008	Amounts provided for during the year	Amounts paid / written back during the year	As at 31.03.2009
1	Water Charges	46.45	5.96	-	52.41
2	Octroi Duty	25.74	3.31	-	29.05
3	Mandi Samiti Shulk and Interest thereon	11.33	4.49	-	15.82
4	Entry Tax	8.82	14.20	0.98	22.04
5	Excise Duty	9.80	-	2.50	7.30
6	Lease Tax and Interest thereon	6.15	1.26	0.07	7.34
7	Other Taxes	6.86	0.62	0.01	7.47
8	Cess	4.09	1.77	0.20	5.66
9	Reimbursement of Taxes to suppliers, etc	5.43	-	0.08	5.35
	Total :	124.67	31.61	3.84	152.44

SCHEDULE "17" (Contd.)

NOTES FORMING PART OF THE ACCOUNTS : (Contd.)

25 Disclosures pursuant to Accounting Standard - 15 - "Employee Benefits".

(a) An amount of Rs.13.16 Crore (2007-2008 Rs. 12.36 Crore) as contribution towards defined contribution plans is recognised as expense in the Profit and Loss Account.

(b) The disclosures in respect of the Defined Benefit Gratuity Plan are given below :

	<u>31.03.2009</u> <u>(Rs. in Crore)</u>	<u>31.03.2008</u> <u>(Rs. in Crore)</u>
(i) Changes in present value of obligations		
Present value of Obligations as at the beginning of the year	107.67	104.97
Interest Cost	7.49	7.35
Current Service Cost	6.63	7.03
Benefits Paid	(15.58)	(14.01)
Actuarial (gain) / loss on obligation	8.20	2.33
Present value of Obligations as at the end of the year	114.41	107.67
(ii) Changes in Fair Value of plan assets		
Fair value of plan assets as at the beginning of the year	107.67	104.97
Expected return on Plan Assets	7.99	8.17
Contributions	7.00	8.25
Benefits Paid	(15.58)	(14.01)
Actuarial gain / (loss) on Plan Assets	1.08	0.29
Fair value of plan assets as at the end of the year	108.16	107.67
(iii) Amounts to be recognised in the Balance Sheet and Profit and Loss Account		
Present value of Obligations as at the end of the year	114.41	107.67
Fair Value of Plan Assets as at the end of the year	108.16	107.67
Funded Status	(6.25)	-
Net Asset / (Liability) recognised in the Balance Sheet	(6.25)	-
(iv) Expense recognised in the Profit and Loss Account		
Current Service Cost	6.63	7.03
Interest Cost	7.49	7.35
Expected return on Plan Assets	(7.99)	(8.17)
Net Actuarial (gain)/loss on Plan Assets for the period	7.12	2.04
Expense recognised in the statement of Profit and Loss Account	13.25	8.25
(v) Percentage of major category of plan assets to total plan assets as at the end of the year		
Bank Deposit, etc.	32%	33%
Debt Instruments	68%	67%
(vi) Assumptions :		
Mortality	LIC(1994-96)Ult	LIC(1994-96)Ult
Discount Rate	7.50%	7.50%
Rate of Increase in compensation	3.00 to 8.00%	5.00%
Rate of return (expected) on plan assets	7.50%	8.00%
Withdrawal Plan	0.80% to 6.00%	0.80%
The estimate of future salary increases considered in actuarial valuation takes into account inflation, seniority, promotion and other relevant factors.		

SCHEDULE "17" (Contd.)
NOTES FORMING PART OF THE ACCOUNTS : (Contd.)

	2008-2009 (Rs. in Crore)	2007-2008 (Rs. in Crore)
26. Computation of Profit for Earnings per Share:		
Profit for the year after tax	264.80	303.43
Add / (Less):		
Excess / (Short) provision for taxation (Net)	(1.24)	3.66
Prior period adjustments (Net)	(0.71)	(0.81)
Installment of Arrears of Depreciation	(26.31)	(26.85)
Profit including Exceptional Items	236.54	279.43
Add : Exceptional Items (net of taxes)	35.53	62.00
Profit excluding Exceptional Items	272.07	341.43

- 27.** Figures less than Rs.50,000 have been shown at actuals in brackets, since the figures are rounded off to the nearest lac.
- 28.** Previous year's figures have been regrouped/recast wherever necessary.
- 29.** Significant Accounting Policies followed by the Company are as stated in the Statement annexed to this Schedule as Annexure I.

For and on behalf of
DALAL & SHAH
Chartered Accountants

ASHISH DALAL
Partner

Mumbai :
4th May, 2009

D. K. AGRAWAL
Secretary

B. L. JAIN
Whole-time Director

B. K. BIRLA, Chairman

Directors
KUMAR MANGALAM BIRLA
PRADIP KUMAR DAGA
E. B. DESAI
ARVIND C. DALAL
AMAL GANGULI

Statement referred to in Note 29 in Schedule – 17 to the Accounts for the year ended 31st March, 2009.

I. BASIS OF ACCOUNTING:

The financial statements are prepared under the historical cost convention on the accrual basis of accounting in accordance with the generally accepted accounting principles, the applicable mandatory Accounting Standards and the relevant provisions of the Companies Act, 1956.

II. USE OF ESTIMATES:

The preparation of financial statements in conformity with generally accepted accounting principles requires estimates and assumptions to be made that affect the reported amounts of assets and liabilities on the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Differences between actual results and estimates are recognised in the period in which the results are known.

III. REVENUE RECOGNITION:

- a) Revenue/Income and Cost/Expenditure are generally accounted for on accrual as they are earned or incurred, except in case of significant uncertainties.
- b) Export Benefits are recognised in the year of export.
- c) Share Issue Expenses are charged, first against available balance in the Securities Premium Account.
- d) Sale of goods is recognized on transfer of significant risks and rewards of ownership which is generally on the despatch of goods. Export Sales are accounted for on the basis of the dates of 'On Board Bill of Lading'. However, sales in respect of Floriculture division through foreign consignment agents, are accounted for on the basis of the Account – Sale – Notes received from such agents.

IV. FIXED ASSETS AND DEPRECIATION / AMORTISATION:

A) FIXED ASSETS:

Fixed Assets are carried at cost of acquisition or construction or at revalued amounts, less accumulated depreciation and amortisation.

B) DEPRECIATION / AMORTISATION:

a) LEASEHOLD LAND:

Cost of Leasehold land is amortised over the lease period.

b) OTHER FIXED ASSETS:

- i) Depreciation on all assets is provided on the 'Straight Line Method' in accordance with the provisions of Section 205 (2) (b) of the Companies Act, 1956.
- ii) Depreciation on Revalued Assets is calculated on their respective book values, at the rates considered applicable by the valuers. The additional charge of depreciation on account of revaluation is withdrawn from the Revaluation Reserve and credited to the Profit and Loss Account.
- iii) Depreciation Rates adopted by the Company, which are different from the rates specified in Schedule XIV to the Companies Act, 1956, are as under:-

	Rates adopted by the Company on the <u>basis of useful life</u>	Rates Specified in <u>Schedule XIV</u>
Polyhouses (Buildings)	10.00%	3.34%
Floral Plantation (Rose)	16.66%	Not Specified
Floral Plantation (Gerbera)	50.00%	Not Specified
Floral Plantation (Carnation)	50.00%	Not Specified
Floral Plantation (Orchid)	20.00%	Not Specified
iv) Depreciation on railway wagons given on lease, upto 31 st March, 2007, was provided on a Straight Line basis over the total period of lease or at rates specified under Schedule XIV to the Companies Act, 1956, whichever was higher. Balance as at 31 st March, 2007, is charged equally in accounting years 2007-2008 and 2008-2009.		
v) Arrears of depreciation for the accounting year 1999-2000 and 2000-2001 in respect of assets of three divisions, namely, Maihar Cement Unit II, Century Pulp & Paper and Century Denim, in terms of approval		

of the Central Government were, upto 31st March, 2007, provided over the remaining life of the assets. The balance of such arrears as at 31st March, 2007, is charged equally in accounting years 2007-2008 and 2008-2009.

- vi) Improvements to leased premises are amortised over the period of the lease / charged off on premature termination of lease.
- vii) Cost of Software Development Charges is amortised over a period of five years.
- viii) Depreciation on other assets, except to the extent stated in (a) and [(b) (ii), (iii), (iv), (v), (vi) and (vii)] above, has been provided on the Straight Line Method at the rates and in the manner prescribed in Schedule XIV to the Companies Act, 1956.
- ix) Depreciation on additions to assets or on sale/disposal of assets is calculated pro-rata from the month of such addition, or upto the month of such sale/disposal, as the case may be.

V. INVESTMENTS:

Investments are classified into Current and Long-term Investments. Current Investments are stated at lower of cost and fair value. Long-term Investments are stated at cost. A provision for diminution is made to recognise a decline, other than temporary, in the value of Long-term Investments.

VI. FOREIGN CURRENCY TRANSLATIONS:

All transactions in foreign currency, are recorded at the rates of exchange prevailing on the dates when the relevant transactions take place;

Monetary assets and liabilities in foreign currency, outstanding at the close of the year, are converted in Indian Currency at the appropriate rates of exchange prevailing on the date of the Balance Sheet. Resultant gain or loss, except to the extent it relates to long term monetary items, is charged to the Profit and Loss Account for the year. Such gain or loss relating to long term monetary items for financing acquisition of depreciable capital assets, is adjusted to the acquisition cost of such asset and depreciated over its remaining useful life;

In respect of forward exchange contracts entered into to hedge foreign currency risks, the difference between the forward rate and exchange rate at the inception of the contract is recognized as income or expense over the life of the contract. Further, the exchange differences arising on such contracts are recognised as income or expense along with the exchange differences on the underlying assets / liabilities. Profit or loss on cancellations / renewals of forward contracts is recognised during the year.

VII. INVENTORY VALUATION:

- a) Raw Materials, Materials in Process, Finished Goods, Goods for Trade and Stores, Spares, etc. are valued at Cost or Net Realisable value, whichever is lower.
- b) Goods in transit are valued at cost to date.
- c) 'Cost' comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventory to their present location and condition. Cost formulae used is either 'First in First Out', or 'Specific Identification', or the 'Average Cost', as applicable.
- d) Due allowances are made for obsolete inventory based on technical estimates made by the Company.
- e) Interdivisional transfers are valued, either at Works/Factory Costs of the transferor unit/division, plus transport and other charges.

VIII. EMPLOYEE BENEFITS:

- a) Short term employee benefits are recognised as an expense at the undiscounted amount in the Profit and Loss Account of the year in which the related service is rendered.
- b) Post employment benefits
 - i. Defined contribution plans:
Company's contribution to the superannuation scheme, state governed provident fund scheme, etc. are recognised during the year in which the related service is rendered.
 - ii. Defined benefit plans:
-Gratuity
The present value of the obligation is determined based on an actuarial valuation, using the Projected Unit Credit Method. Actuarial gains and losses arising on such valuation are recognised immediately in the Profit and Loss Account. The fair value of the plan assets of the Trust administered by the Company,

is reduced from the gross obligation under the defined benefit plan, to recognise the obligation on a net basis;

- Provident Fund

For certain employees, monthly contributions are made to a Trust administered by the Company. The interest rate payable by the Trust to the beneficiaries is notified by the Government. The Company has an obligation to make good the shortfall, if any, between the return on investments of the Trust and the notified interest rate.

- c) Long term compensated absences are provided on the basis of an actuarial valuation
- d) Termination Benefits

Termination benefits are amortised over their pay-back period. However, such amortisation shall not be deferred beyond 31st March, 2010.

IX. GOVERNMENT GRANTS:

Grants received against specific fixed assets are adjusted to the cost of the assets. Revenue grants are recognized in the Profit and Loss Account in accordance with the related scheme and in the period in which these are accrued.

X. RESEARCH AND DEVELOPMENT :

Revenue expenditure, including overheads on Research and Development, is charged as an expense through the natural heads of account in the year in which incurred. Expenditure which results in the creation of capital assets is capitalised and depreciation is provided on such assets as applicable.

XI. EXPENDITURE DURING CONSTRUCTION AND EXPENDITURE ON NEW PROJECTS:

In case of new projects and in case of substantial modernisation/expansion at existing units of the Company, expenditure incurred prior to commencement of commercial production is capitalised.

XII. BORROWING COSTS:

Interest and other borrowing costs attributable to qualifying assets, are capitalised. Front End Fees are amortised over the period of the related borrowing but not exceeding the period of five years. Other interest and borrowing costs are charged to revenue.

XIII. PREMISES TAKEN ON LEASE:

For premises taken on lease, lease rentals payable are charged to revenue.

XIV. TAXATION:

Income-tax expense comprises Current tax, Fringe Benefit tax (FBT) and Deferred tax charge or credit. Provision for current tax is made on the assessable income at the tax rate applicable to the relevant assessment year. Provision for FBT is made on the basis of the fringe benefits provided / deemed to have been provided during the year at the rates and values applicable to the relevant assessment year. The Deferred tax Asset and Deferred tax Liability is calculated by applying tax rate and tax laws that have been enacted or substantively enacted by the Balance Sheet date. Deferred tax Assets arising mainly on account of brought forward losses and unabsorbed depreciation under tax laws, are recognised, only if there is a virtual certainty of its realisation, supported by convincing evidence. Deferred tax Assets on account of other timing differences are recognised, only to the extent there is a reasonable certainty of its realisation. At each Balance Sheet date, the carrying amount of Deferred Tax Assets is reviewed to reassure realisation.

XV. IMPAIRMENT OF ASSETS :

The carrying amounts of assets are reviewed at each Balance Sheet date. If there is any indication of impairment based on internal / external factors, i.e. when the carrying amount of the asset exceeds the recoverable amount, an impairment loss is charged to the Profit and Loss Account in the year in which an asset is identified as impaired. An impairment loss recognized in prior accounting periods is reversed or reduced if there has been a favourable change in the estimate of the recoverable amount.

XVI. PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS :

Provisions involving a substantial degree of estimation in measurement are recognised when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent liabilities are not recognised but are disclosed in the financial statements. Contingent Assets are neither recognised nor disclosed in the financial statements.

**PART IV OF SCHEDULE VI OF THE COMPANIES ACT, 1956 (AS AMENDED)
BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE.**

I. Registration Details:

Registration No. State Code Balance Sheet Date
Date Month Year

II. Capital Raised during the year (Rs. in Crore)

Public Issue Right Issue Bonus Issue Private Placement

III. Position of Mobilisation and Deployment of Funds (Rs. in Crore)

Total Liabilities Total Assets

Source of Funds:

Paid-Up Capital Reserves & Surplus Secured Loans Unsecured Loans Deferred Tax Liability (Net)

Application of Funds:

Net Fixed Assets: Investments Net Current Assets Misc.Expenditure

Accumulated Losses

IV. Performance of Company (Rs. in Crores)

Turnover(Total Income) Total Expenditure Profit/Loss Before Tax Profit/Loss After Tax

Earning Per Share in Rs. Dividend rate % Subject to the approval of the Central Government & Banks

V. Generic Names of Three Principal Products/Service of Company(As per monetary terms)

Item Code No.(ITC Code) Product Description

Item Code No.(ITC Code) Product Description

ItemCode No.(ITC Code) Product Description



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B K BIRLA GROUP OF COMPANIES

The Group Logo - As represented by the 21st Century Atlas

Atlas, the Titan - Collective Strength

Atlas, bearer of the heavens is synonymous with vast, all encompassing strength and is used to symbolise the Group's own collective strength. It reflects the combined qualities of astute and dynamic management while emphasising the Group's tenacity, consistency, reliability and overall leadership.

The Sun - Enlightenment and Growth

The Sun, as a source of infinite energy and inspiration, is used here in conjunction with the Atlas head to represent the vitality and powerful presence of the Group - both in its industrial prowess and its financial, technological and intellectual skills.

The Earth Segments - Diversified Activities

Each of the latitudes around the Titan represent various sections - industrial, agricultural, financial and other activities of the Group. As with the infinite variety of the world, so is the strength of the Group, made up of its diverse activities.

The Globe - Global Vision

The Group's global presence and vision is reflected in the entirety of the Earth's sphere.

The Base - Solid Foundations

The strength of the entire edifice depends upon the strength of the foundation embedded in the bedrock, represented here by the Group Name.

The Symmetry - The Resilience, Versatility, and Stability

Seen in its entirety, each of the elements -Atlas, the Sun, the Earth divisions, the Globe and the Base, together sum up a well conceptualised and balanced conglomerate.

STRONG FOUNDATION • SUSTAINED GROWTH • PROVEN LEADERSHIP

CENTURY TEXTILES AND INDUSTRIES LIMITED

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