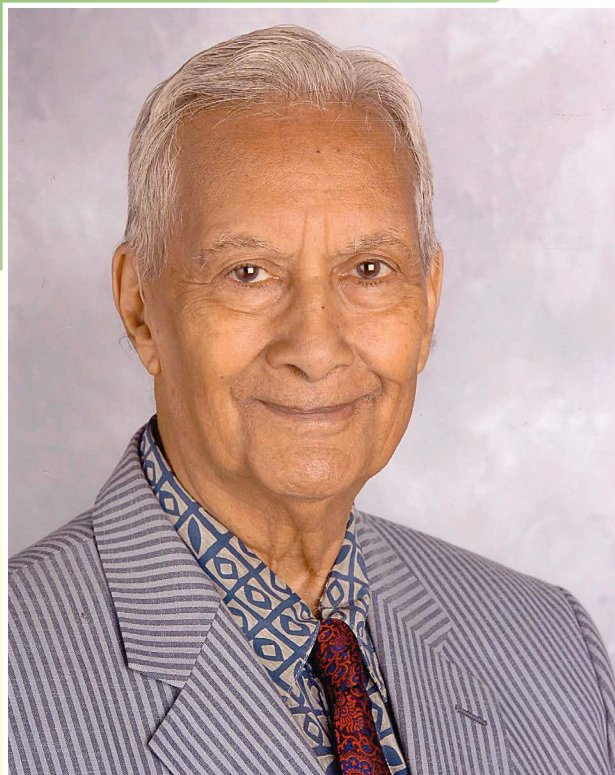




**117th
Annual Report
& Accounts
2013-2014**

CENTURY TEXTILES AND INDUSTRIES LIMITED

CHAIRMAN'S STATEMENT



Dear Shareholders,

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

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

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

B. K. Birla
Chairman

BOARD OF DIRECTORS

(As on 05/05/2014)

Shri B. K. Birla, Chairman

Smt. Saraladevi Birla

Shri Kumar Mangalam Birla

Shri Pradip Kumar Daga

Shri Amal Ganguli

Shri Y. P. Dandiwala

Shri Rajan A. Dalal

Shri B. L. Jain, (Whole-time Director)

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

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

TEAM OF EXECUTIVES

AS ON 05/05/2014

TEXTILES

**Century Textiles, H.O.,
Birla Century, Century Yarn and Denim**

Shri R.K. Dalmia	Senior President
Shri D.K. Agrawal	President (Corporate Finance) & Secretary
Shri U.C. Garg	Executive President (Purchase & Projects)
Shri R.C. Panwar	Joint President (Marketing)
Shri Sanjay Khimesra	Joint President (Works)
Shri Pradeep Kher	Vice President (Marketing)
Shri Abhijit Bhatwadekar	Vice President (Spinning)
Shri Abhay K. Nahar	Vice President (Finance)
Shri Nilay Rathi	Vice President (Commercial)
Shri Atul K. Kedia	Vice President (Legal & Secretarial)

RAYON

Century Rayon, Tyrecord and Chemicals

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

CEMENT

Century, Maihar, Manikgarh and Sonar Bangla Cements

Shri B.L. Jain	Senior President
Century Cement & Sonar Bangla Cement	
Shri Alok Patni	President (Works)
Shri Vijay Kumar	Executive President (Plant)
Shri A.K. Panja	Executive President (Plant) - Sonar Bangla Cement
Shri Satish Gurtoo	Joint President (Electrical & Instrumentation)
Shri Arun Gaur	Joint President (Finance)
Shri M.K. Jain	Senior Vice President (Plant)
Shri C.S. Vithalkar	Senior Vice President (Mechanical)
Shri A.K. Bajpai	Senior Vice President (Marketing)
Shri B.P. Mishra	Vice President (Mines)

Maihar Cement Units I & II

Unit I

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

Unit II

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

Manikgarh Cement Units I & II

Unit I

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

Unit II

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

PAPER

Century Pulp and Paper

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

AUDITORS

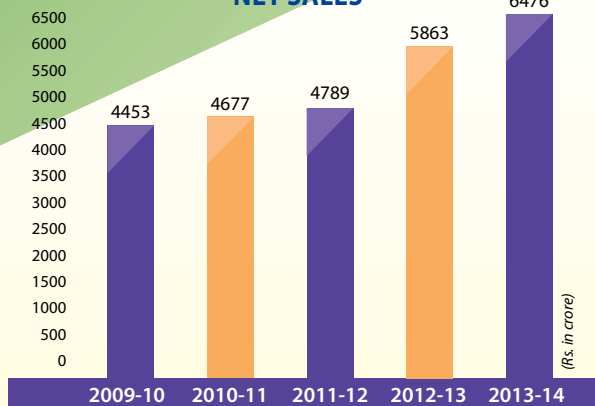
Dalal & Shah, Mumbai

REGISTERED OFFICE

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

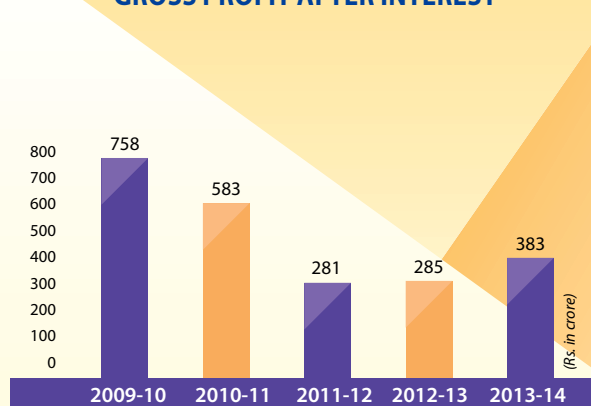
PERFORMANCE HIGHLIGHTS

NET SALES*



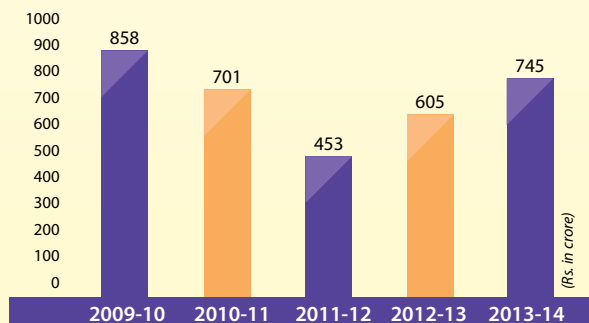
*Net Sales are net of excise duty

GROSS PROFIT AFTER INTEREST



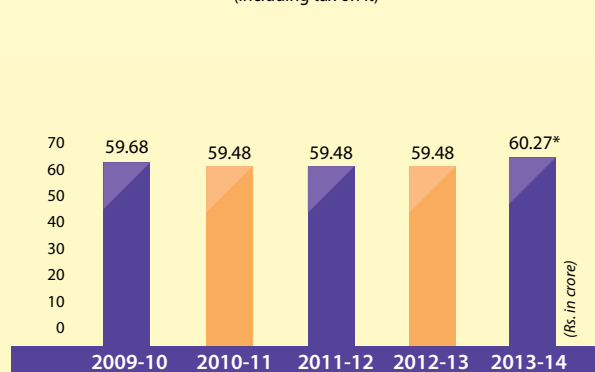
EBITDA

(Earning before Interest, Tax, Depreciation and Amortisation)



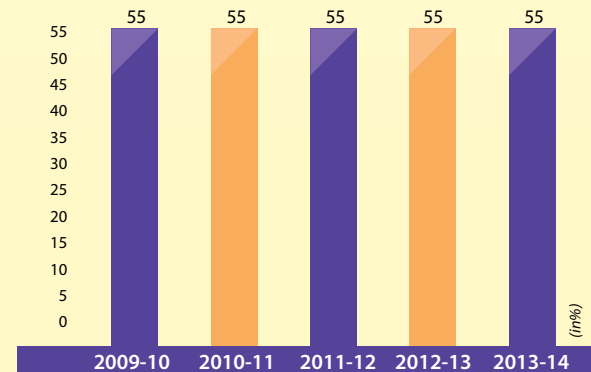
AMOUNT OF DIVIDEND

(including tax on it)



*Includes Rs. 0.39 crore relating to previous year

RATE OF DIVIDEND



FABRICS AND APPAREL

BIRLA CENTURY

PILOT SAMPLING PLANT AT RESEARCH AND DEVELOPMENT CENTRE

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



Pilot sampling plant at R & D centre

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

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

CENTURY DENIM

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

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



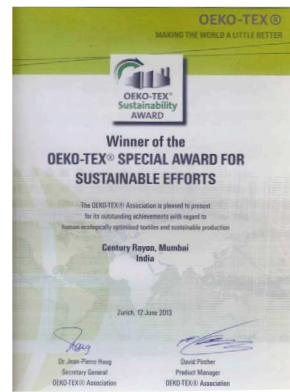
Combo Desizer cum Merceriser Machine - Advanced Denim Fabric Processing Machine with combination of Desizing, Mercerising and Dyeing range



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



State & Nation level Quality circle awards



Oeko-tex Special award for sustainable efforts

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

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

Division received Oeko-tex standard 100 Certificate for producing Viscose Filament Yarn which is completely safe for human body and is free from any kind of harmful substances.

Division also won Oeko-tex Special award for sustainable efforts at Frankfurt, Germany.

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

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

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

CEMENT



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

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

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

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

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



MANIKGARH CEMENT - EXPANSION



A View of single length Pipe Conveyor

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

To maintain pollution free environment, crushed limestone from captive limestone mines to the plant shall be transported through single length pipe conveyor, longest in the country (7.5 kms) passing through a hilly terrain and water ponds. Vertical roller mills for raw meal & pulverised coal, thermally efficient 6 stage pre-heater tower and power efficient centre drive cement mill are being installed besides setting up a 60 MW captive thermal power plant for self sustaining the production. In line with the company's policy to provide a clean environment, high efficiency pollution control equipments are being installed to maintain emission level less than 25 mg/nm³ all around the plant.

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



Manikgarh cement unit-II 2.8 Mtpa capacity under erection

PAPER

BHARUCH UNIT, GUJARAT



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



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

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

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

DIRECTORS' REPORT

Dear Shareholders,

We have pleasure in presenting the 117th Annual Report of the Company and the audited statement of accounts for the year ended 31st March, 2014. A summary of the financial results is given below. The performance of the Company during the year has improved marginally compared to that of the last year. Labour relations at all the plants are cordial and an atmosphere of mutual trust and confidence prevails.

1. SUMMARISED FINANCIAL RESULTS:

	(₹ in crore)	
	2013-14	2012-13
Earnings before finance cost, tax, depreciation and amortisation (EBITDA)	745.42	604.69
<u>Less:</u>		
Finance Cost	362.80	319.95
Profit after Finance Cost	382.62	284.74
<u>Less:</u>		
Depreciation	354.62	355.95
Profit before tax	28.00	(71.21)
(Excess) / Short Provision for tax adjustments in respect of earlier years (Net)	1.41	(16.90)
Deferred Tax Debit / (Credit)	23.87	(19.82)
Net Profit / (Loss)	2.72	(34.49)
<u>Add:</u>		
Balance brought forward	197.58	291.55
Available Profit dealt with as under	200.30	257.06
<u>Transfers & Appropriations:</u>		
Proposed Equity Dividend	51.18	51.18
Tax on proposed equity dividend (including ₹ 0.39 crore relating to previous year)	9.09	8.30
Debenture Redemption Reserve	2.40	—
General Reserve	0.32	—
Balance carried forward	137.31	197.58
	200.30	257.06

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 the Senior President of each of the units of the Company.

This report has been prepared on the basis of the legal requirements under the Companies Act, 1956. As per General Circular No.08/2014 issued by the Ministry of Corporate Affairs (MCA) dated 04.04.2014, the provisions of the Companies Act, 2013 will become applicable for all disclosures required under the Act for the year 2014-15 and subsequent years.

2. DIVIDEND:

The Board of Directors has recommended a dividend of ₹ 5.50 (Rupees Five and paise fifty) per share of ₹ 10/- each equivalent to 55% (fifty five percent) on the paid up equity share capital of the Company for the financial year ended 31.03.2014 on the equity shares of ₹ 10/- each. This dividend will be paid when declared by the shareholders in accordance with law out of accumulated profits and will be free of tax in the hands of the shareholders. The Company will have to pay dividend distribution tax @ 15% plus applicable surcharge and education cess on the dividend.

3. EXPORTS:

The total exports of the Company amounted to ₹ 529 crore (Previous year ₹ 415 crore) representing about 8 percent of the net sales.

4. EXPANSION & MODERNISATION:

a) Rayon, Tyre Cord & Chemicals

Ten new Continuous Spun Yarn (CSY) machines and three new Rayon Spinning Machines were commissioned during the financial year 2013-14 to cater to requirements for Super Fine Denier yarns.

A new Acid absorption Crystalliser was commissioned in September, 2013 resulting in reduction in steam consumption by 50 Tons/day.

b) Cement

Sonar Bangla Cement – Grinding Unit – 1.5 Million tpa – Village Dhalo, P.O. Gankar, Dist. Murshidabad (West Bengal)

Out of two cement mills, one was commissioned in February, 2013 and another in July, 2013. The plant is running at the optimum level. During March, 2014, cement despatches were 1.30 lac tonnes thus showing a 104% capacity utilization during that month.

Manikgarh Cement Expansion – 2.8 Million tpa + 60 MW Captive Thermal Power Plant – Gadchandur, Maharashtra

Incessant rains in Vidarbha in 2012 and 2013 have affected the work schedule for construction activities relating to the Manikgarh Cement Expansion. Heavy rains and overflowing rivers have damaged roads and bridges and caused disruption in road connectivity to our factory. These factors had completely stopped shipment of equipment and materials to our site for some time. Acute shortage of natural sand has also delayed progress of the project work.

Civil work related to the pyro section (clinkerisation) is expected to be completed by June, 2014. Civil work pertaining to the cement mill and phase I of the packing plant is expected to be completed by July, 2014 and phase II before September, 2014. Mechanical erection of plant and machinery is in advanced stage.

Manikgarh Cement Unit II is expected to be operational during the second quarter of the Financial Year 2014-15.

After the proposed expansion, the Company's total cement manufacturing capacity will stand increased from 10 million tonnes per annum to 12.8 million tonnes per annum.

c) General

Modernisation & Technological upgradation programmes continue at 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. Special emphasis is being given to water and energy conservation.

5. LAND DEVELOPMENT AT WORLI, MUMBAI:

Construction of an office building adjacent to Century Bhavan, the Registered Office of the Company, is nearing completion and construction of another office building and retail plaza on Century Mill land at Worli is expected to be completed during the current financial year. Negotiations with potential tenants for leasing of both the buildings are at advanced stage and some agreements have also been finalized although the lease market is heavily depressed.

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. AWARDS:

Various Divisions of the Company have received notable awards as mentioned below:-

(a) Rayon, Tyre Cord & Chemicals:

- * Century Rayon was felicitated by OEKO-TEX Association of STeP (Sustainable Textiles Production) at Frankfurt in Germany for its outstanding achievements with regard to human-ecologically optimised textiles and sustainable production.
- * Two Quality Circles participated in National Convention of Quality Circles at Kolkata and won the Par Excellence Award (the highest recognition).
- * Two Quality Circles participated in the Maharashtra Convention for Best Quality Circles at Aurangabad and won the Diamond Award (the highest recognition).
- * Seven Quality Circles participated in the Chapter Convention on Quality Concept held at Mumbai. Six quality circles won the Gold Award and one Circle the Silver Award.

(b) Century Cement:

- * First prize for "Innovative Practices & Technology Adopted" and "Compliance of Recommendation of 10th Safety Conference" for the limestone mines from the Directorate General of Mines Safety, Bilaspur Region.
- * First prize for "Top Soil Management" for the limestone mines from the Indian Bureau of Mines, Nagpur Region.

(c) Maihar Cement:

- * First prize for "Standard of Working" and "Welfare Amenities & Injury Rate Performance" for the limestone mines from the Directorate General of Mines Safety, Jabalpur Region.
- * First prize in "Noise, Vibration and Aesthetic Beauty" and "Afforestation" for the limestone mines from the Indian Bureau of Mines, Jabalpur Region.

(d) Manikgarh Cement:

- * First prize in the "Overall Best Performance" & "Provision of Safety Equipments and Statutory Survey Plans and Equipments" for its limestone mines from the Directorate General of Mines Safety, Western Zone, Nagpur Region I & II.
- * First prize in the "Afforestation & Noise Vibration Control and Aesthetic Beauty" for its limestone mines from the Indian Bureau of Mines, Nagpur Region.
- * Units Akshaya Quality Circle and Electron Quality Circle, both have won Gold Awards in the "24th Chapter Level Convention and Competition on Quality Circles" held at Nagpur in September, 2013 on the case studies "Frequent stoppage of Cement Mill No.3 due to tripping of Belt Conveyors 1 & 2 belts" and "Undetected breaking of Raw mill hydro pneumatic cylinder rocker arm spring rod" respectively.
- * At "Quality Progress-2014" organized by "The Institution of Engineers (India)" at Nagpur in February, 2014 unit's Electron Quality Circle team has won the Gold Award and Akshaya Quality Circle team has won Par Excellence Award.

8. ENVIRONMENT AND POLLUTION CONTROL:

Century always emphasizes efforts to minimize the environmental impact of its operations and its products by adopting sustainable practices and continuous improvements in environmental performance. Your Company aims to contribute positively to communities around or near its operations, actively participating in community initiatives, encouraging biodiversity and nature conservation.

Top priority continues to be given to the preservation of the environment by all units of the Company. To combat pollution and strengthen and support the ecology, considerable activity is undertaken to plantation of fragrant and shady trees.

9. DIRECTORS:

- a) Shri Arvind C. Dalal resigned due to health reasons from the Board of Directors of the Company with effect from 2nd May, 2014. The Directors place on record their deep appreciation of the valuable services rendered by Shri Arvind C. Dalal during his tenure as Director of the Company.
- b) Smt. Saraladevi Birla has been appointed as an Additional Director of the Company pursuant to the provisions of Article 110 of the Articles of Association of the Company. Smt. Birla has been associated for a long period with the industrial family of Birlas and thus has vast experience in the industrial field which will be beneficial to the Company. This will also fulfill the requirement of having a woman Director on the Board of Directors under the Companies Act, 2013. She will hold the office upto the date of the forthcoming Annual General Meeting and being eligible, offers herself for being appointed as a Director of the Company, liable to retire by rotation.
- c) Shri Y.P. Dandiwala, partner of M/s. Mulla & Mulla & Craigie Blunt & Caroe, Advocates & Solicitors, has been appointed as an Additional Director of the Company pursuant to the provisions of Article 110 of the Articles of Association of the Company. The advantage of his vast legal experience would thus be available to the benefit of the Company. He will hold the office upto the date of the forthcoming Annual General Meeting and being eligible, offers himself for being appointed as an Independent Director of the Company.
- d) Shri Rajan A. Dalal has been appointed as an Additional Director of the Company pursuant to the provisions of Article 110 of the Articles of Association of the Company. Shri Dalal has business experience of over 20 years in the textile field and is presently associated with an investment banking company. He will hold the office upto the date of the forthcoming Annual General Meeting and being eligible, offers himself for being appointed as an Independent Director of the Company.
- e) In view of the provisions of the Companies Act, 2013, read with the provisions of the Listing Agreement, one-half of the directors on the Board of the Company are required to be independent directors. The independent directors are not to be considered for the purpose of determining the directors liable to retire by rotation. Two of the existing directors, viz. Shri Pradip Kumar Daga and Shri Amal Ganguli are independent directors. Shri B. L. Jain is a whole-time director, not liable to retire by rotation. One-third of the remaining directors, are liable to retire by rotation. Accordingly, Shri Kumar Mangalam Birla will be retiring at the ensuing Annual General Meeting and being eligible, offers himself for being re-elected. So far as the above-referred two independent directors are concerned, at the ensuing Annual General Meeting of the Company they would be appointed as the independent directors of the Company for a term of five consecutive years commencing from the date of the said meeting.

10. AUDITORS:

M/s. Dalal & Shah, Chartered Accountants (Firm Registration Number: 102021W), who are Statutory Auditors of the Company will hold office till the conclusion of the ensuing Annual General Meeting and are recommended for re-appointment to audit the accounts of the Company for the Financial Year 2014-15. As required under the provisions of Section 139 of the Companies Act, 2013 the Company has obtained written confirmation from M/s. Dalal & Shah that their appointment, if made, would be in conformity with the limits specified in the said Section.

11. AUDITORS' REPORT:

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

12. COST AUDITORS AND COST AUDIT REPORT:

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 that:

- i) 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) 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 of the Company for that year;
- iii) 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, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities, if any;
- iv) the Directors have prepared the annual accounts on a going concern basis.

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

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) of the Companies Act, 1956 read with the 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 required by the provisions of clause (b)(iv) in the proviso to sub-section (1) of Section 219 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 to him 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 31.03.2014 is annexed hereto.

17. APPRECIATION:

The Board places on record its deep appreciation of the devoted services of the loyal workers, executives and other staff of the Company, who have contributed to the performance and the Company's continued inherent strength. It also extends its gratitude to the Central and various State Governments, the investors, the bankers, financial institutions and district level authorities for the support extended to the Company from time to time. Shareholders' appreciation of the management's efforts expressed at the general meetings of the Company and otherwise, is a great fillip in the untiring effort for better performance year after year.

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

Dated: 5th May, 2014

On behalf of the Board,

B.L. Jain
Whole-time Director

Pradip Kumar Daga
Director

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

Textile Division

- Reduced water temperature by 10° C in humidification plant in weaving section.
- Increased water temperature by 5° C in initial process of all processing machines.
- Insulation of bare thermic fluid lines.
- Installation of Pulley drive in humidification plant of spinning & weaving section.

Rayon, Tyre Cord & Chemicals Divisions

- Steam saving by installing Mist Condenser with steam Booster (Combo system) in viscose deaeration.
- Heat recovery from Calcinations & evaporators acidic condensate.
- Optimization of spinning HF frequency for reduced power consumption.
- Mist Condenser commissioned in Calcination System in Spinbath.
- Installation of Acid Absorption Crystallizer in Spinbath for Reduction of Steam consumption.

Cement Divisions

- Replacement of old reciprocating compressors with high efficiency screw compressors at Century Cement and Maihar Cement.
- Replacement of chain bucket elevators with belt bucket elevators at Century Cement.
- Installation of non woven bags of suitable quality for specific application at raw mill, cement mill and crusher dust collectors for reduction in pressure drop and increase in life of bag at Century Cement.
- Installation of VVVF Drive in process fans at Maihar Cement and Maihar Cement Unit No.2.
- Rerouting of pyroclone downcomer duct to reduce pressure drop across fan and cyclone thereby saving fan power at Manikgarh Cement.
- Modification of first compartment in cement mills for improvement in grinding efficiency at Manikgarh Cement.
- Modification of wagon loading machine to facilitate cement loading in HL rakes in Manikgarh Cement.
- Modification of raw mill hybrid ESP – 2 outlet duct to reduce the pressure drop at Manikgarh Cement.
- Use of grinding aid (SIMCO G950) for increased output and quality.

Pulp & Paper Division

- Optimized usage of turbines by running two turbines instead of three turbines.
- RPM reduction by using smaller pulleys.
- Reduction of ideal running of equipments by modifying the logic in DCS.
- A compressor was installed in Board plant to run finishing house instead of using the bigger compressor when the board plant is shut.
- Pith feeding system modified to avoid steam venting & power saving.

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

- Installation of Water-tube Boiler in place of Smoke-tube Boiler cost.
- Energy efficient blowers for alkali cellulose transport.
- Conversion of V-Belt drives to flat Belt drives.
- Recycle & reuse of ETP water.
- Replacement existing Ejector system for Viscose Flash Deaerator with Mist Condenser.
- Installation of VFD for Acid Absorption Crystallizer & Raw Acid pumps.
- Replacement of Churn Exhaust fan & filtered water pumps with energy efficient equipments.
- Installation of MV Drive in pyro fan at Maihar Cement Unit No.2 for better regulation of speed range and power saving.
- Installation of V. Separators in pre-grinder of cement mills at Century Cement and Maihar Cement Unit No.1.
- Modification of circular pre-heater riser duct into rectangular between cyclone 1 & 2 to reduce the pressure drop and thereby reduction in the velocity of gases at Manikgarh Cement.
- ESP of ABL & BHEL boilers is being retrofitted.
- 75 VFDs are being purchased for energy conservation.

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

- Reduction in energy consumption.
- Increase in productivity & efficiency.
- Optimum loading of captive water sources.
- Cost reduction.

(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:
 - Development of Speciliaty finish yarn for warp knitting Segment.
 - Reduction in yarn reject with improved unwinding mechanism.
 - Development of value added product like twisted yarn.
 - Optifold/Omega/Dura fold developed in Board Plant.
 - Signature (70 gsm) and impact (65 gsm) copier developed in paper machine.

2. Benefits derived as a result of the above R & D:

- Improved quality & higher productivity.
- Value addition.
- Development of new market segment.
- Cost reduction.

3. Future Plan of Action:

- Conservation of power, water and steam resources.
- Development of two ply yarn in conning.
- Low temperature drying for all denier.
- Development of high tenacity for VFY yarn.
- Doubling and twisting facility.
- Upgradation of QCS Systems.
- Chip Washing System is being installed to improve the quality of Fibre Plant.
- Purchasing of Brightness tester/Dirt counter/Formation tester to improve the quality

4. Expenditure on R & D

	(₹ in Crore)
(a) Capital	–
(b) Recurring (including contribution)	8.08
(c) Total	8.08
(d) Total R&D expenditure as a percentage of total turnover	0.12

Technology absorption, adaptation and Innovation

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

Textile Division

- Installed water-tube boiler in place of smoke-tube boiler for Steam generation resulting in pollution control.
- The treated effluent is fully recycled back to factory apart from factory meeting stipulated requirement and thereby helping in conservation of natural resources.
- Utilization of Waste heat of CRP plant to heat inlet water of boilers through Heat Exchangers.
- Upgradation of Ring frames with Lycra Attachment.

Rayon, Tyre Cord & Chemicals Divisions

- Installation of new dryer for low temperature drying to improve quality of Super fine denier (PSY)

Cement Divisions

- Modification in pre-grinder system in cement mill for increasing availability of pre-ground material and reduction of specific power consumption for cement grinding at Century Cement.
- Installation of truck tippler for fly ash at Maihar Cement.
- Clinker storage silo at Maihar Cement.

Pulp & Paper Division

- DO analyser installed in Recovery Enmas boiler & power boiler de-aerators to avoid boiler tube leakages.
- Spares have been developed locally as a substitute for high price import.
- Bagasse bleaching section capacity enhancement.

2. Benefits derived as a result of above efforts:

Rayon, Tyre Cord & Chemicals Divisions

- Improved quality.
- Reduction in the cost.
- Waste reduction.

Cement Divisions

- Pollution free atmosphere in the plants.
- Cost reduction.

Pulp & Paper Division

- Improvement in Productivity & quality of Pulp & Paper.
- Cost reduction.

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

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.

Textile division has made innovative products and exported bed linen with Supima & Egyptian Cotton to USA & Australia, fine count yarn dyed shirting to U.K. & Hong Kong, Drills for industrial use to Germany, Pocketing cloth to Bangladesh & Flat Finish / Cotton Lycra Denim to Bangladesh, U.K., USA, Peru, Colombia, Kenya and Russia.

In case of viscose filament yarn, efforts were made to export larger quantities of dyed yarn to South America and Europe, resulted in better overall export realization compared to domestic market.

Pulp & Paper Division has successfully supplied its products to markets in South Asia, Middle East, Africa, Europe and USA and are further focusing on increasing its presence in these regions.

Cement/Clinker has been exported to Nepal, for which payment is made in Indian Rupees by the Purchaser.

(g) Total Foreign Exchange used and earned.

The information on Foreign Exchange earnings and outgo is contained in note no.35(a) & 34(b) of the Financial Statements to the accounts.

On behalf of the Board,

Mumbai
Dated: 5th May, 2014

B.L. Jain
Whole-time Director

Pradip Kumar Daga
Director

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

	Textiles (Birla Century)	Yarn	Denim	Cement	Paper	Rayon & Tyre yarn / Fabric & Chemicals
A. POWER AND FUEL CONSUMPTION :						
1. Electricity						
(a) Purchased Unit (KWH in lacs)	948.99 (681.98)	214.04 (211.08)	392.74 (386.93)	1848.22 (1667.98)	244.76 (125.69)	1408.25 (1380.57)
Total Amount (₹ in Crore)	45.61 (31.02)	11.80 (11.37)	21.92 (21.18)	129.25 (113.35)	13.80 (7.39)	81.08 (95.87)
Rate/Unit (₹)	4.81 (4.55)	5.51 (5.39)	5.58 (5.47)	6.99 (6.80)	5.64 (5.88)	5.76 (6.94)
(b) Own Generation						
(i) Through Diesel Generator Unit (KWH in lacs)	- (-)	- (0.24)	0.83 (3.36)	16.09 (38.24)	0.00 (0.00)	3.27 (3.31)
Units per Kg./Ltr. of LSHS & Diesel Oil	- (-)	- (3.96)	3.99 (3.95)	3.39 (3.23)	0.00 (0.00)	3.73 (3.95)
Cost/Unit (₹)	- (-)	- (6.77)	12.39 (12.22)	19.84 (18.04)	0.00 (0.00)	*** (***)
(ii) Through Steam turbine/generator Unit (KWH in lacs)	- (-)	- (-)	- (-)	4674.80 (4743.35)	3815.00 (3466.26)	518.21 (514.72)
Units per ton of Coal	- (-)	- (-)	- (-)	935.62 (890.18)	1034.00 (994.00)	* (*)
Cost/Unit (₹)	- (-)	- (-)	- (-)	4.80 (4.46)	1.70 (2.35)	* (*)
(iii) Through Gas Turbine Unit (KWH in lacs)	- (316.73)	- (-)	- (-)	- (-)	- (-)	- (-)
Units per SCM of Gas (KWH per SCM)	- (3.01)	- (-)	- (-)	- (-)	- (-)	- (-)
Cost/Unit (₹)	- (5.52)	- (-)	- (-)	- (-)	- (-)	- (-)
(iv) Through Solar Power Plant Unit (Kwh in lacs)	- (-)	- (-)	- (-)	8.26 (7.10)	- (-)	- (-)
Cost / Unit (₹)	- (-)	- (-)	- (-)	2.19 (2.13)	- (-)	- (-)
2. Coal (Grade B,C,D and E)						
Quantity (in lac M. Tons)	- (-)	- (-)	- (-)	13.56 (14.14)	2.30 (1.95)	0.85 (0.88)
Total Cost (₹ in Crore)	- (-)	- (-)	- (-)	681.63 (697.63)	96.94 (86.92)	45.46 (50.16)
Average Rate (₹ per M.T.)	- (-)	- (-)	- (-)	5027.02 (4933.36)	4210.49 (4464.62)	5346.85 (5716.17)

	Textiles (Birla Century)	Yarn	Denim	Cement	Paper	Rayon & Tyre yarn / Fabric & Chemicals
3. Rice Husk (Used for Cement Plant) and Captive Thermal Power Plant						
Quantity (in lac M.Tons)	-	-	-	0.03	-	-
	(-)	(-)	(-)	(0.01)	(-)	(-)
Total cost (₹ in Crore)	-	-	-	0.91	-	-
	(-)	(-)	(-)	(0.20)	(-)	(-)
Average Rate (₹ per M.T.)	-	-	-	2833.77	-	-
	(-)	(-)	(-)	(3433.60)	(-)	(-)
4. Furnace Oil / Diesel Oil						
Quantity in M.T. (incl. LSHS & Diesel Oil & per thousand SCM)	-	-	574.92	1832.27	7091.00	4.05
	(-)	(-)	(1759.01)	(1489.19)	(7487.00)	(4.65)
Total Cost (₹ in Crore)	-	-	2.84	9.79	33.27	0.02 **
	(-)	(-)	(8.50)	(7.12)	(34.22)	(0.02)
Average Rate (₹ per M.T.)	-	-	49437.34	53453.20	46909.04	37569.63
	(-)	(-)	(48299.00)	(47831.34)	(45708.40)	(45343.01)
5. Coal for producer Gas (Grade B, C, D & E)						
Quantity (MT in lacs)	-	-	-	-	0.15	-
	(-)	(-)	(-)	(-)	(0.16)	(-)
Total Cost (₹ in Crore)	-	-	-	-	6.39	-
	(-)	(-)	(-)	(-)	(7.27)	(-)
Average Rate (₹ in MT)	-	-	-	-	4210.49	-
	(-)	(-)	(-)	(-)	(4464.62)	(-)
6. LP Gas						
Quantity (MT)	-	-	-	-	2037.30	-
	(-)	(-)	(-)	(-)	(1762.05)	(-)
Total Cost (₹ in Crore)	-	-	-	-	15.04	-
	(-)	(-)	(-)	(-)	(12.31)	(-)
Average Rate (₹ Per MT)	-	-	-	-	73819.87	-
	(-)	(-)	(-)	(-)	(69888.33)	(-)
7. Steam						
Purchased Steam (In tons)	-	-	29701.39	-	-	-
	(35683.00)	(-)	(19424.41)	(-)	(-)	(-)
Total Amount (₹ in Crore)	-	-	5.00	-	-	-
	(6.10)	(-)	(3.40)	(-)	(-)	(-)
Average rate (₹ per ton)	-	-	1683.56	-	-	-
	(1710.00)	(-)	(1748.95)	(-)	(-)	(-)

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

*** Generation through DG sets is negligible.

B. CONSUMPTION PER UNIT OF PRODUCTION :

	Production Unit	Standards if any	Current Year	Previous Year	Reasons for variations
1. Electricity (KWH)					
Cotton Fabrics (Finished Production)	Per 1000 Sq. Mtrs.	-	1522.00	1830.00	(d)
Cotton Yarn (M.P.)	Per 100 Kgs.	-	456.06	479.09	(b)
Denim Fabrics	Per 1000 Sq. Mtrs.	-	1719.45	1563.01	(d)
Rayon Yarn	M.T.	-	4375.65	4321.04	(d)
CSY (Continuous Spg. Yarn)	M.T.	-	5326.64	5576.24	(c)
Tyre Yarn/Fabric/Fibre	M.T.	-	4204.05	3709.31	(e)
Caustic Soda	M.T.	-	2591.85	2593.50	(a)
Carbon-di-sulphide	M.T.	-	1015.94	1034.43	(c)
Sulphuric Acid	M.T.	-	47.11	48.72	(a)
Cement	M.T.	-	75.63	80.63	(b)
Paper	M.T.	-	1334.00	1487.00	(b)
2. Furnace Oil / Diesel Oil (M.T.)					
Cotton Fabrics	Per 1000 Sq. Mtrs.	-	-	-	
Denim Fabrics	Per 1000 Sq. Mtrs.	-	0.026	0.067	(d)
Rayon Yarn	M.T.	-	-	-	-
CSY (Continuous Spg. Yarn)	M.T.	-	-	-	-
Tyre Yarn/Fabric/Fibre	M.T.	-	-	-	-
Paper	M.T.	-	0.023	0.031	(a)
Cement	M.T.	-	0.000	0.000	-
3. Coal - B, C, D & E Grades (M.T.)					
Rayon Yarn	M.T.	-	3.115	3.203	(a)
CSY (Continuous Spg. Yarn)	M.T.	-	6.758	7.422	(c)
Tyre Yarn/Fabric/Fibre	M.T.	-	4.149	3.878	(e)
Cement	M.T.	-	0.105	0.108	(a)
Paper	M.T.	-	0.757	0.806	(b)
4. Rice Husk					
Cement	M.T.	-	0.002	0.000	(a)
5. Coal for Producer Gas (Grade B,C & E) (M.T.)					
Paper	M.T.	-	0.050	0.067	(b)
6. LP Gas (MT)					
Paper	M.T.	-	0.007	0.007	-
7. Steam (MT)					
Denim Fabrics	Per 1000 Sq. Mtrs.	-	1.298	1.333	(a)

Notes:

- (a) Minor variations.
- (b) Due to energy conservation.
- (c) Due to increase in production.
- (d) Due to change in Denier / Market Mix.
- (e) Due to decrease in production.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

This report covers the operations and financial performance of the Company for the year ended 31st March, 2014 and forms part of the Directors' Report.

1. Overall Review:

In spite of the adverse market conditions prevailing in various businesses in which the Company operates, the overall performance of the Company during the year has marginally improved compared to that of the previous year.

The global economic outlook remained uncertain and challenging with a growth of about three per cent in 2013. There were many reasons for this sluggishness including weak recovery in the US and Europe and a general economic slowdown in emerging economies like China and India.

During much of 2013-14, there was no turnaround in the domestic economy in either consumption or investment as was reflected by the downward trend in both the capital and consumer goods segments. The high borrowing cost to combat inflation, coupled with lower consumption, low investment in infrastructure and other sectors of the economy were responsible for this, although agriculture and allied businesses had shown some improvement. Foreign Institutional Investors (FIIs) were record buyers of Indian debt instruments in the quarter ended March 2014, reflecting increased confidence in India's long-term economic prospects although growth is yet to show any definite signs of emerging from a slump. The Rupee has recently strengthened against the US Dollar which might adversely affect exports from India.

It is expected that the economy should grow in the coming years and the demand for and prices of cement, paper and textile products should improve which will enable the Company to regain steady or better performance.

The circumstances prevailing in each of the business segments of the Company and their operations are separately discussed hereunder.

2.1 Business Segment – Textiles (Cotton fabrics, Denim cloth, Yarn, Viscose Filament Yarn & Tyre Yarn)

Cotton Textiles, Yarn and Denim:

a) Industry Structure & Development:

Raw material costs have been increasing globally, coupled with a shortage of skilled workers. While a shift is taking place of textiles industries from China and Bangladesh to India, the industrial climate in India has also become adverse due to regular increases in input costs. Any further appreciation of the Rupee will adversely affect exports from India. Though the spinning industry has fared somewhat better those with a presence in weaving, processing or even composite businesses are facing the heat due to increases in input cost without being able to pass on such higher costs to customers as the market is simply unable to absorb the same.

b) Opportunities and Threats:

There is good scope for growth for the textile industry as India's share in the global trade in textiles is weak compared to other countries. The free trade environment is a great opportunity for the Indian textile industry to increase its share in the global market. Chinese exports are slowing down on account of various factors inclusive of increase in domestic demand and rising costs. This is a good opportunity of which our textile industry should make use but smaller countries like Bangladesh, Sri Lanka, Pakistan, Turkey and Vietnam etc. are becoming formidable challengers.

Lack of uninterrupted power, increased power costs, higher transaction costs, high cost of labour are hindering the progress. However, we are making all out efforts to cope with all these challenges by continuous efforts at cost reduction, process improvements, diversification of products and improving productivity by improving efficiencies.

c) Segmental Review and Analysis:

The financial performance of our textile unit known as 'Birla Century' has stabilized and is showing improvements including in capacity utilization. As a result, the sales at Birla Century have improved aided by increasing demand in the domestic and U.S. Markets. The demand for premium branded goods is healthier and we are concentrating on high priced premium goods. The performance of the yarn Division remained fairly stable. Since April, 2014, the yarn market is depressed but it is hoped that it should improve in the current year. The market for denim is depressed. We have, therefore, changed the product pattern based on cotton lycra denim fabric which is in demand and which customers have been seen to prefer in adverse market conditions. Considering the challenges that exist, the financial results of this division are satisfactory.

The Government of Gujarat in a recent decision has banned the purchase of cheap electric power from other states and made it compulsory to buy power from within Gujarat where it is costly. This will enhance the cost of power for all industries in Gujarat including Birla Century, our new Textile Mill operating there. This uncontrollable factor will adversely affect our financial performance.

d) Risks and Concerns:

The fluctuation in the currency especially against the dollar is becoming problematic for long term booking of orders. Cotton prices are increasing regularly as are other input costs including power and logistics. Natural Gas has become so much costlier that its use as a source of power has become prohibitive.

e) Outlook:

Our textile unit has in the current year found acceptance by major retail chain stores in the US for all the products which also has the added beneficial effects of strengthening the quality / design and innovations in the product. 2014-2015 may see better performance in India and possibly a stronger performing world economy.

Century Rayon – Viscose Filament Yarn (VFY) [Pot Spun Yarn (PSY) & Continuous Spun Yarn (CSY)] and Rayon Tyre Yarn.

a) Industry Structure and Development:

Demand for Viscose Filament Yarn (VFY) declined after September 2013 leading to a continuous increase in inventories both at the unit and industry levels. Appreciation of the Rupee recently against the US Dollar has reduced landed cost of material from China thus putting additional pressure on the industry to re-adjust its prices. A demand-supply imbalance coupled with a subdued market for the fabric had also adversely impacted the consumption of VFY.

Consumption of PSY as well as CSY is gradually shifting from coarser denier to super fine deniers which invites increased imports from China. Available capacity in the industry to cater to the changing pattern of demand is inadequate and it is expected that imports will continue to dominate despite the levy of an anti dumping duty.

New pollution control norms proposed to be introduced by the Government will increase the operating cost further.

Consumption of Rayon Tyre Yarn, mainly used abroad as reinforcement material in Ultra High Performance (UHP) Passenger Car Tyres has grown both in Europe and Japan, and this helped the unit to increase capacity utilization to about 80%.

Chemical products had witnessed mixed fortunes as prices of Caustic Soda, CS₂ and Hydrogen remained stable while those of Sulphuric Acid and Chlorine remained volatile thus adversely affecting the operating margins of the unit.

b) Opportunities and Threats:

Increase in consumption of Super Fine Deniers both in PSY and CSY has resulted into volume growth. Though overall consumption of Super Fine Deniers has led increase in imports, it has also provided an opportunity to domestic industry to increase capacity and capture some share of the domestic market. The fabric made from super fine denier has a potential to penetrate in to the hitherto dominated silk segment due to its cost competitiveness and may provide opportunity to substitute part of silk segment.

Pakistan continues to be a big consumer of VFY which is presently being catered to only by China. Proximity to India should provide the opportunity for India to become the supplying country of choice.

Stringent Pollution control measures in operating the Effluent Treatment Plant have led to an escalation in cost.

The launch of 'Recosilk' yarn by the polyester industry for embroidery, weaving and knitting has also made a dent in the market share of viscose filament yarn and could lead to a reduction in VFY consumption.

Demand for coarser yarn has reduced due to continued penetration of polyester in lower end use segments.

c) Segmental Review and Analysis:

It is expected that the existing trend of excess supply affecting sales volumes as well as prices will continue for some time. Focused measures taken by the management to control cost of raw material, power and utilities have helped the unit to maintain its performance at a satisfactory level.

The recent strengthening of the Rupee against the U.S. Dollar and a simultaneous weakening of the Chinese Yuan would erode competitiveness of Indian viscose filament yarn producers in both Indian and global markets.

Capacity utilization in tyre cord is expected to be sustained at the level of 80% which has been achieved.

The market for our chemical products viz. Caustic Lye and Sulphuric Acid is expected to remain stable. However, sales of Carbon-di-sulphide may come under pressure due to additional capacities entering the market.

Demand for doubled and twisted yarn is now met by Chinese material and production from the unorganized sector. The unit is at advanced stage of introducing this product.

d) Risks & Concerns:

Growing substitution of VFY by polyester in some segments and stringent environmental norms likely to be introduced by government are a matter of concern for the industry. Rapid urbanisation around the unit would pose a major threat due to the substantial cost involved in upgrading technology. The unit's close proximity to Mumbai leads to a significant rise in labour cost which greatly impacts the profit margin.

e) Outlook:

Due to augmentation of production, both in PSY and CSY to cater to the growing demand for super- fine denier and efforts undertaken by the unit in reducing the cost of raw material, power and other utilities, the performance of the unit ought to remain satisfactory. Increased capacity utilization would help to reduce cost and gain more orders.

2.2 Business Segment – Cement (Cement & Clinker)

a) Industry Structure and Development:

The Indian cement industry has an installed capacity of about 360 million tonnes. The Industry grew by an average annual growth rate of 8.6% during the golden period of 3 years (2007-08 to 2009-10). With the withdrawal of stimulus packages coupled with a slowdown in construction activity, the average annual growth has come down to 6.3% during the last three years. During 2013-14, cement production in India was 255.63 million tonnes (248.23 million tonnes in 2012-13) witnessing a growth of 2.98%. GDP growth in the year 2013-14 is expected to come out at 4.5% to 5%. The multiplier of cement demand growth to GDP growth not only declined below one but also lost its relevance. Lower growth was due to several reasons – a prolonged monsoon, natural calamities (floods and cyclones) that hit many parts of India and poor demand due to high cost of borrowings, low investment in the infrastructure and commercial segments. Over the past few years, the Production capacity industry-wide has also increased substantially, thus resulting in a situation of over-capacity and consequently lowering capacity utilization. Demand is anticipated to revive gradually over 2014 and 2015 with the formation of a new government and recovery in industry generally and particularly in construction activity. The cement industry faced many intricate issues like - rising cost, non-availability of linkage coal, high interest rates and clearances under various statutes. An overall weak macro environment and ban on sand mining continued to be causes for worry.

b) Opportunities and Threats:

The average per capita consumption of cement is very low in India at around 200 kgs compared to the world average of about 500 kgs. and 800 kgs. in developed countries. The working group on the cement industry has projected a growth rate of 9% during the XIIth five year plan (2012-2017).

With a gradual reduction in the fiscal deficit and greater stability in consumer prices, it is expected that the interest rates will gradually come down and will stimulate demand in the housing sector. In the XIIth five year plan (2012-2017), the Government emphasized spending on infrastructure (upgrade airports, ports, railways and expand the road network) all of which per force requires higher cement consumption. However, the industry will continue to cope with a large surplus in production capacity in 2014-15.

c) Segmental Review and Analysis:

During the year 2013-14, we have produced 81.67 lac tonnes of cement compared to 76.51 lac tonnes in the previous year, a growth of 6.74%. In line with the Company's plans and practices, the focus on production of fly ash based cement was maintained. The production of blended cement constituted about 96% of the Company's total cement production. Energy is one of the major costs of production in this industry. Continuous efforts are being made to increase productivity, control cost and improve quality. Costs of major raw materials-fly ash, power and fuel, freight and forwarding and packing bags have increased during the year.

The Company continues to develop and leverage its large and able network of stockists, dealers and retailers. Their reach and penetration helps the Company in core rural and semi-urban markets. This coupled with the strong brand equity and efficient channel management has significantly helped the Company to withstand severe competition in an over supplied market.

d) Risks and Concerns:

Cement production is an energy intensive process requiring a large quantity of coal to meet its kiln and captive power generation requirements. A consistent supply of coal at reasonable prices is a major requirement for this segment of the Company's business to thrive. The availability of coal against linkage is about 50-60% and the Company has no option but to procure coal from the open market or to import it, both of which result in substantially higher prices.

Inadequate logistics infrastructure is a major hindrance to smooth and efficient operations. Short supply of wagons and the countrywide poor condition of roads is a major impediment in the supply chain. High incidence of taxes, duties and cess have been matters of concern for the industry for years.

Order of the Competition Commission of India

The Competition Commission of India (CCI) by its order dated 20th June, 2012, upheld the complaint filed by the Builders Association of India alleging cartelization among cement manufacturing companies, including our Company. CCI has imposed unprecedented penalties of more than ₹ 6300 crore against cement manufacturing companies. The penalty imposed on the Company is ₹ 274.02 crore. We have filed an appeal before the Competition Appellate Tribunal (COMPAT) against the order. The Appellate Tribunal by its order dated 17th May, 2013 granted a stay on the imposition of any penalty on the parties, subject to deposit of 10% of the penalty attempted to be inflicted. The Company has accordingly deposited ₹ 27.40 crore in the form of a fixed deposit receipt with the Registrar, Competition Appellate Tribunal. The matter is pending adjudication before the COMPAT. Based on legal opinion, the Company strongly believes that it has a good case to succeed before the COMPAT and accordingly, no provision has been made in the books of accounts. However, the amount of penalty has been considered as a contingent liability.

e) Outlook:

The GDP growth is expected to remain soft in the first quarter of financial year 2014-15. It is expected that Indian economy will grow at around 5-6% during 2014-15 driven by India's strong economic fundamentals, high saving and investment rates, rapid workforce growth, a quickly expanding middle class and the start of a shift from low productivity agriculture to high productivity manufacturing and accordingly cement demand and prices should show an improvement.

The mid-term outlook will possibly remain challenging though there are reasons to hope that growth will tend more towards 6% after 2014-15. It is expected that capacity utilization will improve gradually given the slowdown in capacity addition and gradual recovery of demand for cement. Economy reforms announcements including the much hoped for lowering of interest rates would boost sentiment and rejuvenate the economy.

The cement industry is looking for an up-cycle backed by an increase in rural consumption and recovery in infrastructure activity after a muted growth for last three years. Long term growth prospects for cement demand are favourable.

2.3 Business Segment –Pulp and Paper (Pulp, Writing & Printing Paper, Tissue Paper and Multilayer Packaging Board)

a) Industry Structure & Development:

Century Pulp and Paper is the only unit that produces the complete range of paper and paper products whilst using all the possible raw material options i.e. wood, agro and recycle paper.

India's paper industry is one of the oldest and core industrial manufacturing sectors with a bearing on socio-economic development, which has undergone a significant change during the last decade. The changing policy of the government has propelled this sector to integrated international markets. Further, apart from rising production and consumption, erstwhile import dependent India has achieved self-sufficiency and also has witnessed an increase in exports. The nature of India's Paper industry has been considerably influenced by the changing policies of the government during the last three decades.

b) Opportunities and Threats:

India as a country has about 72 percent adult literacy. Growing literacy rates are pushing up the demand for printed products ranging from books, the print media to advertisements.

It is estimated that by 2015, 20% of the population of India will belong to the middle class, spending 61% of their disposable income on "non-essential" consumer goods, making India the fifth largest consumer market of the world.

India has decreed mandatory elementary education for children between 6 and 14. It is estimated that the government's expenditure on education will be \$18 billion and at least \$6 billion out of that will be spent on paper and books.

The domestic paper industry is currently growing at a rate of 4 - 5% annually but considering the government's thrust on education and other opportunities, the growth ahead ought to be faster. Paper board consumption grows at around 10 - 11%, and value added products 12 - 13% while tissue paper achieves as much as 15% in the domestic market.

India's 2.5% duty on paper imports has come down to zero under the free trade agreement it has with ASEAN countries, which will potentially result in higher imports into India from those countries.

c) Segmental Review and Analysis:

Demand for paper products during the first half of 2013 - 14 was quite satisfactory and healthy. However from December 2013 onwards, demand started to contract and subsequently prices too came under pressure. In Q3 of last year, the industry has seen a price rise of around 7 - 8% which has helped recoup raw material costs to some extent. While raw material costs have been increasing, the selling prices could not be increased to offset entirely the rising costs which resulted in an adverse financial performance.

During 2013-14, Century Pulp & Paper has opened up 11 new markets for paper boards viz., Poland, Sri Lanka Greece, Italy, Russia, UK, Slovenia, Canada, Turkey, Ukraine & Iran.

d) Risks and Concerns:

Unlike major players in the mature economies, the levels of backward integration among emerging players are partial. This is due to the incomplete utilization of available timber resources and slow improvements in the logistics of sourcing and supply of local raw materials resulting in increased dependency on imported timber and pulp. Currently, wood is procured locally from social/farm forestry and purchases are made from State Forest Development Corporations (SFDCs).

Energy accounts for a considerable part of the total cost of paper production. Coal prices have escalated tremendously which has increased the energy costs and in turn affected the cost of paper.

In addition, poor market conditions, obsolete technology, inability to achieve economies of scale and lack of skilled labour remain the main hurdles for the Indian paper manufacturers. Adding to these limitations, using resource usage more efficiently, improving competitiveness and value chain management are other key challenges that need to be addressed.

To satisfy the virgin fibre demand, India is domestically dependent on agro/farm-based forestry. This farm-based forestry, despite being a sustainable solution for paper manufacturing, achieving Forest Stewardship Council (FSC) certification for the vast number of farmers (upstream raw material supply is fragmented) by grouping them together is not a practically viable solution.

In the financial year 2013-14, exports received a boost due to the falling value of the Indian Rupee against the US Dollar. Currently, this advantage has been reversed to an extent and depending on how the relative values settle down, exchange value fluctuations may impact adversely the overall exports from India – this is a clear concern going forward.

e) Outlook:

In the long term, the outlook for the industry is quite positive and encouraging.

3. Internal control systems and their adequacy:

The Company has a well established framework of internal controls in all areas of its operations, including suitable monitoring procedures and competent and qualified personnel. In addition to statutory audit, the financial controls of the Company at various locations are reviewed by the Internal Auditors, who report their findings to the Audit Committee of the Board. The Audit Committee is headed by an Independent Director and this ensures independence of function and transparency of the process of supervision and oversight. The Committee meets to review the progress of the internal audit initiatives, significant audit observations and planning and implementation of follow up action required. The Company conducts its business with integrity and high standard of ethical behaviour and in compliance with the laws and regulations that govern its business.

4. Highlights of the Company's Financial Performance:

(₹ in crore)

Particulars	2013-2014	2012-2013
1. Net Sales	6476.38	5863.45
2. Earnings before finance cost, tax, depreciation and Amortization (EBITDA)	745.42	604.69
3. Less: Finance Cost	362.80	319.95
4. Profit before depreciation, amortisation and taxation.	382.62	284.74
5. Less: Depreciation and amortisation	354.62	355.95
6. Profit before taxation	28.00	(71.21)
7. (Excess) / Short Provision for tax adjustments in respect of earlier year (Net)	1.41	(16.90)
8. Deferred Tax Debit / (Credit)	23.87	(19.82)
9. Net Profit	2.72	(34.49)

5. Human Resource Development / Industrial Relations:

The Company continued to enjoy healthy industrial relations during the year. The total number of employees as on 31.3.2014 was 12950 (12972 as on 31.3.2013).

6. Health and Safety Measures:

The Company has health and workplace safety programmes in place and has established policies and procedures aimed at ensuring compliance with applicable legislative requirements. The manufacturing operations are conducted to ensure sensitivity towards the environment and minimise waste by encouraging "Green" practices. Efficient management and use of renewable resources is encouraged. Reduction, reuse and recycling of waste are facilitated.

The Company believes that the health and safety of the workers and the persons residing in the vicinity of its plants is fundamental to the business. Commitment to the identification and elimination or control of the workplace hazards for protection of all is utmost importance.

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.

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

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

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

Company believes that to enhance stakeholder's value transparency, accountability and integrity are the three basic tools of Corporate Governance.

II. BOARD OF DIRECTORS

(a) Composition of the Board:

As on 31st March, 2014, the Board of Directors comprises six members consisting of five Non-executive Directors who account for more than eighty 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 & 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 31.03.2014
		Public	Private			
Shri B.K. Birla – Chairman	Promoter – Non Executive	4	-	-	-	1,31,900
Shri Kumar Mangalam Birla	Promoter – Non Executive	9	17	-	-	Nil
Shri Pradip Kumar Daga	Independent – Non Executive	4	-	2	-	80
Shri Arvind C. Dalal	Independent – Non Executive	-	2	-	-	Nil
Shri Amal Ganguli	Independent – Non Executive	11	2	9	4	Nil
Shri B.L. Jain	Executive – Whole-time Director	-	3	-	-	Nil

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 in Public Companies 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.

Memberships of the Directors in various Committees are within the permissible limits of the Listing Agreement.

Shri Arvind C. Dalal has resigned as a Director from the Board of the Company w.e.f., 2nd May, 2014 due to health reasons.

(b) 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.
- (ii) Five Meetings of the Board of Directors were held during the year ended 31st March, 2014. These were held on:-
 - (1) 15th May, 2013 (2) 15th May, 2013 (3) 23rd July, 2013
 - (4) 31st October, 2013 (5) 29th January, 2014

- (iii) The attendance recorded for each of the Directors at the Board Meetings during the year ended on 31st March, 2014 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	5	Yes
Shri Kumar Mangalam Birla	2	Yes
Shri Pradip Kumar Daga	5	Yes
Shri Arvind C. Dalal	4	No#
Shri Amal Ganguli	5	Yes
Shri B.L. Jain (Whole-time Director)	5	Yes

Shri Arvind C. Dalal could not attend the Annual General Meeting held on 24 July, 2013 due to ill health.

(c) 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 conferring voting rights in the Company is also in place and has been complied with.

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 Arvind C. Dalal (2) Shri Pradip Kumar Daga (3) Shri Amal Ganguli

All the members of the Audit Committee are Non-executive Independent Directors. The Committee has elected Shri Arvind C. Dalal as its Chairman with effect from 12th August, 2011. 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 15th May, 2013, 23rd July, 2013, 23rd July, 2013, 31st October, 2013, 29th January, 2014 and 29th January, 2014. The attendance of each Audit Committee member is as under:-

Name of the Audit Committee Members	No. of meetings attended
Shri Arvind C. Dalal	4
Shri Pradip Kumar Daga	6
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 the Listing Agreement as well as in Section 292A of the Companies Act, 1956.

IV. REMUNERATION COMMITTEE

The Board of Directors of the Company at its meeting held on 31st January, 2012 constituted a Remuneration Committee of the Board comprising of three Non-Executive Independent Directors viz. Shri Arvind C. Dalal, Shri Pradip Kumar Daga and Shri Amal Ganguli. Shri Arvind C. Dalal is the Chairman of the Committee.

The terms of reference of the Remuneration Committee is to recommend / review remuneration of the Whole-time Directors, Executive Directors etc. based on their performance and defined assessment criteria.

Remuneration policy of the Company is directed towards rewarding performance, based on review of achievements on a periodical basis. The remuneration policy is in accordance with the existing industry practice.

The Remuneration Committee meeting was held on 4th June, 2013. The attendance of each Remuneration Committee member is as under:-

Name of the Remuneration Committee Members	No. of meetings attended
Shri Arvind C. Dalal	1
Shri Pradip Kumar Daga	1
Shri Amal Ganguli	1

Remuneration to Non-Executive Directors is decided by the Board of Directors as authorized by the Articles of Association of the Company and within the limits set out in Sections 309 and 198 of the Companies Act, 1956. The members of the Company have in their meeting held on 24th July, 2013 authorised the Board of Directors of the Company to pay commission to Non-Executive Directors within the limits as set out in section 309(4) of the Companies Act, 1956 for a period of 5 years w.e.f. 1.4.2013. The Board of Directors of the Company each year determine the quantum of commission payable to Non-Executive Directors considering the performance of the Company for the said year. The Non-Executive Directors are paid sitting fee at the rate of ₹ 20,000/- for attending each meeting of the Board and ₹ 10,000/- for attending each meeting of various Committees of the Board.

Details of sitting fees and remuneration paid to Directors:

	Name of the Directors	Remuneration paid for the year 2013-2014 (All figures in Rupees)
		Sitting fees paid during the year*
(i)	Shri B.K. Birla	1,00,000
	Shri Kumar Mangalam Birla	40,000
	Shri Pradip Kumar Daga	1,80,000
	Shri Arvind C. Dalal	1,80,000
	Shri Amal Ganguli	1,70,000
(ii)	Shri B.L. Jain (Whole-time Director)	Remuneration**
	Salary and allowances	2,49,15,000
	Contributions to :	
	Provident Fund	6,48,000
	Superannuation Fund	8,10,000
	Perquisites	2,08,024
	Total	2,65,81,024

* 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 relatable to the Whole-time Director is not considered.

None of the Non-Executive Directors has any material financial interest in the Company apart from the remuneration by way of fees received by them during the year. In view of the adverse performance of the Company, the Board of Directors of the Company has resolved not to make payment of commission to Non-Executive Directors for the year ended 31st March, 2014.

V. SUBSIDIARY COMPANIES

The Company does not have any subsidiary company.

VI. 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. Transactions with related parties as per requirements of Accounting Standard (AS) 18 – 'Related Party Information' are disclosed in Note 38 to the Financial Statements.
- (ii) All Accounting Standards mandatorily required have been followed without exception in preparation of the financial statements.
- (iii) Procedures for assessment of risk and its minimisation 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 any public issue, rights issue, preferential issue, etc. in the last financial year.
- (v)
 - (a) All pecuniary relationships or transactions of the Non-Executive Directors vis-à-vis the Company have been disclosed in item IV 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 a resolution passed by the members and has been further reviewed/approved by the Remuneration Committee of the Board. The remuneration paid is mentioned in item IV 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 any 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.

VII. SHAREHOLDERS

The Company has constituted a Share Transfer and Shareholders'/Investors' Grievance Committee of which Shri Arvind C. Dalal a Non-Executive Director is the Chairman. The Company Secretary has been designated as the Compliance Officer. During the year ended 31st March, 2014, 36 investor complaints/queries were received and have been resolved. There were no share transfers pending for registration for more than 15 days as on the said date.

VIII. COMPLIANCE CERTIFICATE

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

IX. GENERAL BODY MEETINGS

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

AGM	Day	Date	Time	Venue
114 th	Saturday	13.08.2011	3.30 P.M.	Nehru Centre Auditorium, Discovery of India Building, Dr. Annie Besant Road, Worli, Mumbai – 400 018
115 th	Thursday	02.08.2012	3.30 P.M.	Ravindra Natya Mandir, P.L. Deshpande Maharashtra Kala Academy, Sayani Road, Mumbai – 400 025
116 th	Wednesday	24.07.2013	3.30 P.M.	Nehru Centre Auditorium, Discovery of India Building, Dr. Annie Besant Road, Worli, Mumbai – 400 018

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

Yes, details of which are given hereunder:-

Date	Matter
13.08.2011	Re-appointment of Whole-time Director.
02.08.2012	Ratification/confirmation of remuneration paid/payable to Whole-time Director.
24.07.2013	Re-appointment of Whole-time Director. Authorising payment of commission to non - whole-time Directors of the Company.

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

Special Resolution passed at the last Annual General Meeting of the Company was 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, 2011.

X. 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
Whether it also displays official
News releases and presentations
made to Institutional investors/analysts | www.centurytextind.com
Official news releases are
displayed on the web site. |

(b) Shareholders' grievances/complaints:

Grievance redressal division's

E-mail ID for investors

investorrelations@centurytext.com

XI. GENERAL SHAREHOLDER INFORMATION

(a) Annual General Meeting to be held:

Day, Date, time and venue:

Day : Friday

Date : 25th July, 2014

Time : 2.30 P.M.

Venue : Nehru Centre Auditorium, Discovery of India Building, Dr. Annie Besant Road, Worli, Mumbai – 400 018.

(b) Financial Year : 2014-2015

First Quarterly Results : On or before 14th August, 2014

Second Quarterly Results : On or before 14th November, 2014

Third Quarterly Results : On or before 14th February, 2015

Audited Yearly Results for the Year ended 31st March, 2015 : On or before 30th May, 2015

(c) Dates of Book Closure:

15th July, 2014 to 25th July, 2014 (Both days inclusive).

(d) Dividend payment date:

Dividend on Equity Shares when approved will be made payable from Wednesday, the 30th July, 2014 to those Shareholders whose names stand on the Company's Register of Members on 25th July, 2014 in physical form 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 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) BSE Limited.

Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai –400 001.

(ii) National Stock Exchange of India Ltd.

"Exchange Plaza", Bandra Kurla Complex,
Bandra (East), Mumbai – 400 051.

The Global Depository Receipts (GDRs) each representing one equity share of the face value of ₹ 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 2014-2015. Listing fee to the Societe de la Bourse de Luxembourg for GDRs has been paid for the calendar year 2014.

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

Equity Shares

BSE Limited.	-	500040
Luxembourg Stock Exchange	-	005321026
National Stock Exchange of India Ltd.	-	CENTURYTEX

(g) Market price Data:

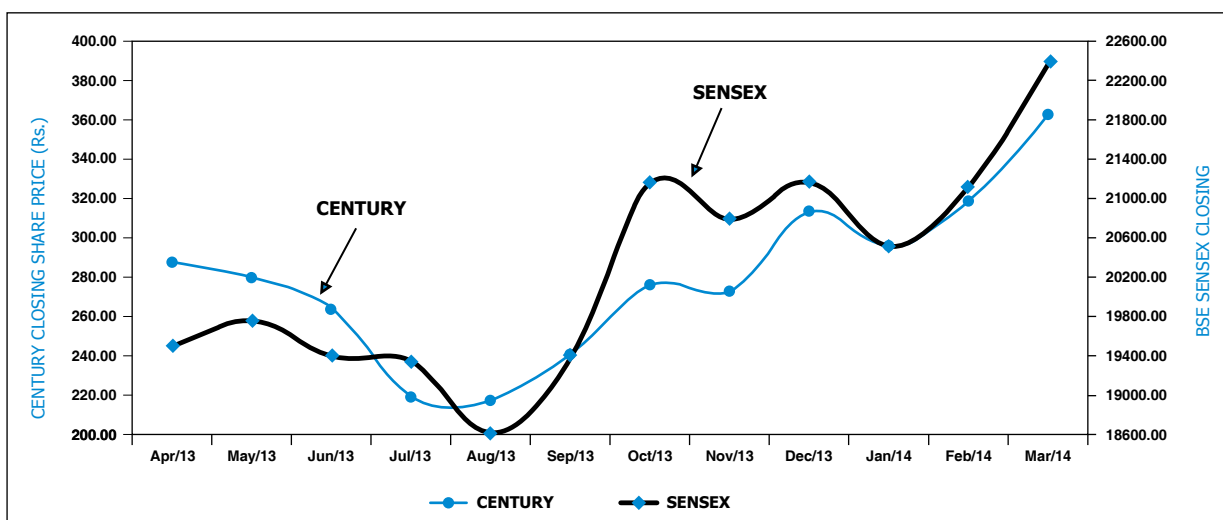
The details of monthly highest and lowest closing quotations of the equity shares of the Company during financial year 2013-2014 are as under :-

(In ₹ Per Share)

Month	BSE Limited.		National Stock Exchange of India Ltd.	
	High	Low	High	Low
April, 2013	302.35	274.25	301.20	274.75
May, 2013	325.40	279.75	325.15	279.45
June, 2013	295.30	251.75	295.10	251.10
July, 2013	269.95	213.05	269.30	212.90
August, 2013	229.95	198.70	230.40	198.45
September, 2013	257.25	210.60	257.10	210.55
October, 2013	282.90	245.40	283.60	245.45
November, 2013	292.35	265.45	292.55	265.60
December, 2013	313.60	250.05	313.60	250.90
January, 2014	325.55	283.80	325.50	283.65
February, 2014	318.75	291.55	319.80	292.70
March, 2014	362.75	315.20	364.15	315.15

(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. **For shareholders queries - Telephone No. 022 – 2594 6970 Email ID – rnt.helpdesk@linkintime.co.in**

(j) Share Transfer System:

Share transfers are registered and returned within a period of 15 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 shareholding:

The shareholding distribution of equity shares of face value of ₹ 10/- each as at 31st March, 2014 is given below:-

Sr.No.	No. of Equity Shares held	No. of Folios	No. of Shares	Percentage of Shareholding
1.	1 to 100	50,052	21,54,974	2.32
2.	101 to 500	16,683	42,20,098	4.53
3.	501 to 1000	3,324	25,90,545	2.79
4.	1001 to 5000	2,735	59,13,196	6.35
5.	5001 to 10000	348	24,95,706	2.68
6.	10001 to 100000	275	72,02,430	7.74
7.	100001 to 500000	44	97,49,116	10.48
8.	500001 & above	19	5,87,19,615	63.11
9.	Total	73,480	9,30,45,680	100.00

(l) Shareholding pattern as at 31st March, 2014:

Sr.No.	Category	No. of Folios	% of Folios	No. of shares held	% of share holding
1.	Promoters	18	0.02	3,74,36,140	40.23
2.	Resident Individuals	70,598	96.08	1,91,04,744	20.54
3.	Private Corporate Bodies	1,792	2.44	1,24,65,722	13.40
4.	Financial Institutions	4	0.00	32,76,268	3.52
5.	Nationalised Banks, Govt. Insurance Companies and Mutual Funds	75	0.10	1,02,56,714	11.02
6.	FIIIs	84	0.12	93,13,306	10.01
7.	NRIs and OCBs	907	1.24	8,95,586	0.96
8.	GDRs	2	0.00	2,97,200	0.32
9.	Total	73,480	100.00	9,30,45,680	100.00

(m) Dematerialisation of equity shares:

About 97.32% of total equity share capital is held in dematerialised form with NSDL and CDSL.

(n) Outstanding GDRs:

2,97,200 GDRs were outstanding as at 31st March, 2014. These are traded on the Luxembourg Stock Exchange and represent approximately 0.32% 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).

SONAR BANGLA CEMENT

Village : Dhalo, P.O. Gankar,
P.S. Raghunathganj, Dist. Murshidabad,
West Bengal – 742 227.

CENTURY PULP & PAPER

Ghanshyamdham, P.O. Lalkua - 262 402,
Dist. Nainital, (Uttarakhand).

CENTURY PULP & PAPER

Plot no. 3, Vilayat Industrial Estate,
Dist – Bharuch – 392 001, (Gujarat).

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

A remuneration committee consisting of three independent directors has been constituted for recommending/reviewing remuneration of Whole-time Directors, Executive Directors etc.

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.

(r) CEO/CFO Certification

As required by sub clause V of Clause 49 of the Listing Agreement with the Stock Exchanges, the CEO and CFO have certified to the Board about compliance by the Company with the requirements of the said sub clause for the financial year ended 31st March, 2014.

The above report has been placed before the Board at its meeting held on 05.05.2014 and the same was approved.

FOR SHAREHOLDERS' INFORMATION

1. The Cost Audit Reports for the financial year 2012-13 were required to be filed within 180 days from the close of the Company's financial year as per Rule 4 & 5 of the Companies (Cost Audit Report) Rules, 2011 and Section 233B(4) of the Companies Act, 1956.

Details of the Cost audit reports filed during the year in compliance with the requirements under General Circular 15/2011 dated 11th April, 2011 of Ministry of Corporate Affairs are tabled below :-

Products	Name of the Cost Auditors	Date of Filing
<u>Textiles</u> Textiles including Birla Century (Bharuch Unit), Yarn and Denim	M/s. R. Nanabhoy and Co.	24.09.2013
<u>Rayon and Chemicals</u> Century Rayon, Tyrecord and Chemicals	Mr. Mangat Rijhumal Dudani	24.09.2013
<u>Cement</u> a) Century Cement b) Maihar Cement Unit I & II c) Manikgarh Cement	M/s. R. Nanabhoy and Co.	24.09.2013
<u>Paper</u> Century Pulp and Paper	M/s. R. Nanabhoy and Co.	24.09.2013

2. Details about Debenture Trustee for Non-Convertible Debentures issued by the Company as per Clause IV of Securities Exchange Board of India circular bearing no. CIR/IMD/DF/18/2013 dated 29th October, 2013.

Name : SBICAP Trustee Company Limited
 Address : Apeejay House, 6th Floor,
 3, Dinshaw Wachha Road, Churchgate, Mumbai – 400 020.
 Telephone No. : 022-43025555
 Fax No. : 022-22040465
 E-mail : corporate@sbicaptrustee.com
 Website : www.sbicaptrustee.com
 Contact person : Mr. Ajit Joshi (Company Secretary & Compliance Officer)
 Tel. No. 022-43025503
 SEBI Registration No. : IND000000536

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, 2014.

Mumbai
5th May, 2014

B. L. Jain
Whole-time Director

ANNEXURE II

Auditors' Certificate regarding compliance of conditions of Corporate Governance

To the Members of
Century Textiles and Industries Limited

We have examined the compliance of conditions of Corporate Governance by Century Textiles and Industries Limited, for the year ended March 31, 2014, as stipulated in Clause 49 of the Listing Agreements of the said Company with stock exchanges in India.

The compliance of conditions of Corporate Governance is the responsibility of the Company's management. Our examination was carried out in accordance with the Guidance Note on Certification of Corporate Governance (as stipulated in Clause 49 of the Listing Agreement), issued by the Institute of Chartered Accountants of India and was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreements.

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

Mumbai
5th May, 2014

For Dalal & Shah
Firm Registration Number:102021W
Chartered Accountants

S. Venkatesh
Partner
Membership Number: 037942

INDEPENDENT AUDITORS' REPORT

To the Members of Century Textiles and Industries Limited

Report on the Financial Statements

1. We have audited the accompanying financial statements of Century Textiles and Industries Limited (the "Company"), which comprise the Balance Sheet as at March 31, 2014, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information, which we have signed under reference to this report.

Management's Responsibility for the Financial Statements

2. The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards notified under the Companies Act, 1956 of India (the "Act") read with the General Circular No. 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

3. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence, about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Management, as well as evaluating the overall presentation of the financial statements.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

6. In our opinion, and to the best of our information and according to the explanations given to us, the accompanying financial statements give the information required by the Act in the manner so required and give 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 March 31, 2014
 - (b) in the case of the Statement of Profit and Loss, 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.

Report on other Legal and Regulatory Requirements

7. As required by 'the Companies (Auditor's Report) Order, 2003', as amended by 'the Companies (Auditor's Report) (Amendment) Order, 2004', issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Act (hereinafter referred to as the "Order"), and on the basis of such checks of the books and records of the Company

as we considered appropriate and according to the information and explanations given to us, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.

8. As required by Section 227(3) of the Act, we report that:
- (a) We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of our audit;
 - (b) 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 those books;
 - (c) The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this report comply with the Accounting Standards notified under the Act read with the General Circular No. 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013;
 - (e) On the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Act.

For **Dalal & Shah**

Firm Registration Number: 102021W

Chartered Accountants

S. Venkatesh

Partner

Membership Number: 037942

Mumbai: May 5, 2014

Annexure to Independent Auditors' Report

Referred to in paragraph 7 of the Independent Auditors' Report of even date to the members of **Century Textiles and Industries Limited** on the financial statements as of and for the year ended March 31, 2014.

- i. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets.
- (b) The fixed assets are physically verified by the Management according to a phased programme designed to cover all the items over a period of 3 years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of the fixed assets has been physically verified by the Management during the year and no material discrepancies have been noticed on such verification.
- (c) In our opinion, and according to the information and explanations given to us, a substantial part of fixed assets has not been disposed off by the Company during the year.
- ii. (a) The inventory excluding stocks with third parties has been physically verified by the Management during the year. In respect of inventory lying with third parties, these have substantially been confirmed by them. In our opinion, the frequency of verification is reasonable.

- (b) In our opinion, the procedures of physical verification of inventory followed by the Management are 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, in our opinion, the Company is maintaining proper records of inventory. The discrepancies noticed on physical verification of inventory as compared to book records were not material.
- iii. The Company has not granted/taken any loans, secured or unsecured, to/from companies, firms or other parties covered in the register maintained under Section 301 of the Act. Therefore, the provisions of Clause 4(iii)[(b),(c), (d), (f) and (g)] of the said Order are not applicable to the Company.
- iv. In our opinion, and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods and services. Further, on the basis of our examination of the books and records of the Company, and according to the information and explanations given to us, we have neither come across, nor have been informed of, any continuing failure to correct major weaknesses in the aforesaid internal control system.
- v. (a) According to the information and explanations given to us, we are of the opinion that the particulars of all contracts or arrangements that need to be entered into 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 such contracts or arrangements and exceeding the value of Rupees Five Lakhs in respect of any party during the year have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- vi. In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of Sections 58A and 58AA or any other relevant provisions of the Act and the 'Companies (Acceptance of Deposits) Rules, 1975' with regard to the deposits accepted from the public. According to the information and explanations given to us, no order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal on the Company in respect of the aforesaid deposits.
- vii. In our opinion, the Company has an internal audit system commensurate with its size and the nature of its business.
- viii. We have broadly reviewed the books of account maintained by the Company in respect of products where, pursuant to the rules made by the Central Government of India, the maintenance of cost records has been prescribed under clause (d) of sub-section (1) of Section 209 of the Act, and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
- ix. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is regular in depositing the undisputed statutory dues, including provident fund, investor education and protection fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, customs duty, excise duty and other material statutory dues, as applicable, with the appropriate authorities.
- (b) According to the information and explanations given to us and the records of the Company examined by us, the particulars of dues of income tax, sales tax, service tax, customs duty and excise duty as at March 31, 2014 which have not been deposited on account of a dispute, are as follows:

Name of the statute	Nature of dues	Amount (₹ in Crore)	Period to which the amount relates	Forum where the dispute is pending
The Income Tax Act, 1965	Income Tax	0.10	2007 to 2010	Departmental Authorities
The Customs Act, 1962	Custom Duty	12.82	1987, 1999 and 2012 to 2014	Departmental Authorities
		2.19	2000 to 2011	High Court
		2.94	1996 to 2004	Tribunal (CESTAT)
The Central Excise Act, 1944	Excise Duty	0.80	1987 to 2010	Departmental Authorities
		0.02	1994-1995 and 2002-2003	High Court
		6.11	1997 to 2007	Supreme Court
		7.75	1994 to 2010	Tribunal (CESTAT)
Sales Tax & Entry Tax Acts of respective states	Sales Tax and Entry Tax	53.71	1986 to 2014	Departmental Authorities
		17.88	1999 to 2014	High Court
		134.22	2002 to 2014	Supreme Court
		0.89	1994-1995 and 2005-2006	Tribunal
The Finance Act, 1994	Service Tax	0.42	2007 to 2011	Departmental Authorities
		0.04	2001 to 2007	High Court
		0.04	2006-2007	Supreme Court
		0.23	2005 to 2011	Tribunal (CESTAT)

There were no dues of wealth tax which has not been deposited on account of dispute.

- x. The Company has no accumulated losses as at the end of the financial year and it has not incurred any cash losses in the financial year ended on that date or in the immediately preceding financial year.
- xi. According to the records of the Company examined by us and the information and explanations given to us, the Company has not defaulted in repayment of dues to any financial institution or bank or debenture holders as at the balance sheet date.
- xii. The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities. Therefore, the provisions of Clause 4(xii) of the Order are not applicable to the Company.
- xiii. As the provisions of any special statute applicable to chit fund/ nidhi/ mutual benefit fund/ societies are not applicable to the Company, the provisions of Clause 4(xiii) of the Order are not applicable to the Company.
- xiv. In our opinion, the Company has maintained proper records of transactions and contracts relating to dealing or trading in shares, securities, debentures and other investments during the year and timely entries have been made therein. Further, such securities have been held by the Company in its own name.

- xv. In our opinion, and according to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions during the year. Accordingly, the provisions of Clause 4(xv) of the Order are not applicable to the Company.
- xvi. In our opinion, and according to the information and explanations given to us, the term loans have been applied for the purposes for which they were obtained.
- xvii. According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that the Company has used funds raised on short-term basis for long-term investment. The Company has obtained bank borrowings amounting to ₹ 637.41 Crore on a short term basis, which have been used for investment in fixed assets.
- xviii. The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Act during the year. Accordingly, the provisions of Clause 4(xviii) of the Order are not applicable to the Company.
- xix. The Company has created charge in respect of debentures issued and outstanding at the year-end.
- xx. The Company has not raised any money by public issues during the year. Accordingly, the provisions of Clause 4(xx) of the Order are not applicable to the Company.
- xxi. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud on or by the Company, noticed or reported during the year, nor have we been informed of any such case by the Management.

For **Dalal & Shah**
Firm Registration Number: 102021W
Chartered Accountants

S. Venkatesh
Partner
Membership Number: 037942

Mumbai: May 5, 2014

BALANCE SHEET AS AT 31st MARCH, 2014

Particulars	Note No.	31.03.2014 (₹ in Crore)	31.03.2013 (₹ in Crore)
I. EQUITY AND LIABILITIES			
Shareholders' funds			
(a) Share Capital	1	93.04	93.04
(b) Reserves and Surplus	2	1654.36	1711.91
		1747.40	1804.95
Non-Current Liabilities			
(a) Long Term Borrowings	3	2810.42	3148.15
(b) Deferred Tax Liability (Net)	4	266.79	242.92
(c) Other Long Term Liabilities	5	235.56	191.21
(d) Long Term Provisions	6	405.56	363.32
		3718.33	3945.60
Current Liabilities			
(a) Short Term Borrowings	7	1659.28	1212.50
(b) Trade Payables (See Note 25)		503.53	359.58
(c) Other Current Liabilities	8	1570.29	836.64
(d) Short Term Provisions (See Note 6)		92.73	102.40
		3825.83	2511.12
TOTAL		9291.56	8261.67
II. ASSETS			
Non-Current Assets			
(a) Fixed Assets	9		
(i) Tangible Assets		4376.08	4229.28
(ii) Intangible Assets		3.58	3.11
(iii) Capital work-in-progress		2228.66	1710.76
(iv) Intangible assets under development		-	0.48
		6608.32	5943.63
(b) Non Current Investments	10	93.62	73.78
(c) Long Term Loans and Advances	11	262.26	291.70
(d) Other Non Current Assets	12	65.97	19.64
		421.85	385.12
Current Assets			
(a) Current Investments	13	0.56	-
(b) Inventories	14	1300.44	1203.79
(c) Trade Receivables	15	525.79	408.01
(d) Cash and Bank Balances	16	72.88	53.49
(e) Short Term Loans and Advances (See Note 11)		319.36	237.76
(f) Other Current Assets (See Note 12)		42.36	29.87
		2261.39	1932.92
TOTAL		9291.56	8261.67
Notes form an integral part of these financial statements			

As per our report of even date

For **DALAL AND SHAH**

Firm Registration Number 102021W

Chartered Accountants

S. VENKATESH

Partner

Membership No: 037942

Mumbai : 5th May, 2014

D. K. AGRAWAL

President (Corporate Finance) &
Secretary

Mumbai : 5th May, 2014

B. L. JAIN

Whole-time Director

Directors

KUMAR MANGALAM BIRLA

PRADIP KUMAR DAGA

AMAL GANGULI

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH, 2014

Particulars	Note No.	2013 - 2014 (₹ in Crore)	2012 - 2013 (₹ in Crore)
I. Revenue from Operations (Gross)	17	7305.98	6538.96
Less: Excise Duty		<u>640.06</u>	<u>589.49</u>
		6665.92	5949.47
II. Other Income	18	<u>28.26</u>	<u>26.90</u>
III. Total Revenue (I + II)		6694.18	5976.37
IV. Expenses:			
Cost of Materials Consumed	19	2394.50	2025.64
Purchases of Stock-in-trade	20	4.96	18.29
Changes in Inventories of Finished Goods, Work-in-progress and Stock-in-Trade	21	10.42	(56.54)
Employee Benefits Expense	22	501.48	492.89
Finance Cost	23	362.80	319.95
Depreciation and Amortisation Expense		354.62	355.95
Other Expenses	24	<u>3045.55</u>	<u>2908.00</u>
Total Expenses		6674.33	6064.18
Less : Expenditure transferred to Capital Account		<u>8.15</u>	<u>16.60</u>
V. Profit / (Loss) before Tax		28.00	(71.21)
VI. Tax Expense:			
Current Tax		13.00	-
Less : Minimum Alternate Tax Entitlement Credit		<u>(13.00)</u>	-
		-	-
Deferred Tax Debit/(Credit)		23.87	(19.82)
Short / (Excess) Provision for tax adjustments in respect of earlier years (Net)		<u>1.41</u>	<u>(16.90)</u>
		25.28	(36.72)
VII. Profit / (Loss) for the year (V - VI)		2.72	(34.49)
VIII. Earnings per equity share of ₹ 10 each (in Rupees) :			
Basic and Diluted (See Note 42)		0.29	(3.71)

Notes form an integral part of these financial statements

As per our report of even date
For **DALAL AND SHAH**
Firm Registration Number 102021W
Chartered Accountants

S. VENKATESH
Partner
Membership No: 037942
Mumbai : 5th May, 2014

D. K. AGRAWAL
President (Corporate Finance) &
Secretary
Mumbai : 5th May, 2014

B. L. JAIN
Whole-time Director

Directors
KUMAR MANGALAM BIRLA
PRADIP KUMAR DAGA
AMAL GANGULI

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2014

	2013-2014 (₹ in Crore)	2012-2013 (₹ in Crore)
A. CASH FLOW FROM OPERATING ACTIVITIES :		
NET PROFIT BEFORE TAX	28.00	(71.21)
Add / (Less) :		
Depreciation and Amortisation	356.92	360.37
(Surplus) / Loss on sale / discardment of Fixed Assets (Net)	0.32	0.88
Loss on sale of investment	-	0.07
Finance costs	362.80	319.95
Interest received	(8.71)	(6.17)
Dividend on Investments	(5.28)	(6.19)
	706.05	668.91
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	734.05	597.70
Adjustments for :		
Trade and other receivables	(261.01)	(168.14)
Inventories	(96.66)	(108.55)
Trade Payables	227.22	157.04
	(130.45)	(119.65)
CASH GENERATED FROM OPERATIONS	603.60	478.05
Add / (Less) :		
Direct Taxes Paid	(12.43)	15.81
	(12.43)	15.81
NET CASH INFLOW GENERATED FROM OPERATING ACTIVITIES	591.17	493.86
B. CASH FLOW FROM INVESTING ACTIVITIES :		
Purchase of Fixed Assets	(755.95)	(885.25)
Sale of Fixed Assets	4.17	2.56
Interest Received	8.71	6.09
Dividend on Investments	5.28	6.19
Long Term Investment Acquired	(20.40)	(4.50)
Long Term Investment Redeemed	-	2.00
Current Investment Acquired	(2699.48)	(3077.40)
Current Investment Sold	2699.48	3077.40
NET CASH OUTFLOW IN INVESTING ACTIVITIES	(758.19)	(872.91)

	2013-2014 (₹ in Crore)	2012-2013 (₹ in Crore)
C. CASH FLOW FROM FINANCING ACTIVITIES :		
Short Term Borrowings	446.78	(232.30)
Long Term Borrowings	1798.21	1747.15
Repayment of Borrowings	(1417.24)	(582.24)
Interest and Finance Charges paid	(583.03)	(489.72)
Dividend Paid	(50.54)	(50.95)
Taxes on Dividend	(8.69)	(8.30)
NET CASH INFLOW FROM FINANCING ACTIVITIES	185.49	383.64
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	18.47	4.59
Cash and Cash Equivalents - Opening Balance	51.87	47.28
Cash and Cash Equivalents - Closing Balance (Note 16)	70.34	51.87

As per our report of even date
For **DALAL AND SHAH**
Firm Registration Number 102021W
Chartered Accountants

S. VENKATESH
Partner
Membership No: 037942
Mumbai : 5th May, 2014

D. K. AGRAWAL
President (Corporate Finance) &
Secretary
Mumbai : 5th May, 2014

B. L. JAIN
Whole-time Director

Directors
KUMAR MANGALAM BIRLA
PRADIP KUMAR DAGA
AMAL GANGULI

NOTES FORMING PART OF THE BALANCE SHEET AS AT AND THE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH, 2014

1. SHARE CAPITAL	31.03.2014 (₹ in Crore)	31.03.2013 (₹ in Crore)
(a) Authorised :		
14,80,00,000 (31.03.2013 - 14,80,00,000) Equity Shares of ₹ 10 each.	148.00	148.00
1,00,00,000 (31.03.2013 - 1,00,00,000) Redeemable Cumulative Non-convertible Preference Shares of ₹ 100 each.	100.00	100.00
	248.00	248.00
(b) Issued :		
9,30,61,090 (31.03.2013 - 9,30,61,090) Equity Shares of ₹ 10 each .	93.06	93.06
	93.06	93.06
(c) Subscribed and Paid up :		
9,30,45,680 (31.03.2013 - 9,30,45,680) Equity Shares of ₹ 10 each, fully paid up (The Company has only one class of equity share. Each shareholder is eligible for one vote per share. The dividend proposed by the Board is subject to the approval of shareholders except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts in proportion to their shareholding.)	93.04	93.04
Total	93.04	93.04
(d) Shareholders holding more than 5% shares of the Company		
	31st March, 2014	31st March, 2013
	Number Percentage	Number Percentage
Pilani Investment and Industries Corporation Limited.	3,42,20,520 36.78%	3,42,20,520 36.78%
HDFC Trustee Company Ltd	- -	48,28,300 5.19%
2. RESERVES AND SURPLUS	31.03.2014 (₹ in Crore)	31.03.2013 (₹ in Crore)
(a) Capital Redemption Reserve	100.00	100.00
(b) General Reserve		
As per last Balance Sheet	1414.33	1414.33
Add : Transferred from Statement of Profit and Loss	0.32	-
	1414.65	1414.33
(c) Debenture Redemption Reserve		
As per last Balance Sheet	-	-
Add : Transferred from Current year's Surplus	2.40	-
	2.40	-
(d) Surplus - Balance in Statement of Profit and Loss		
As per last Balance Sheet	197.58	291.55
Add : Profit / (Loss) for the year	2.72	(34.49)
Less: Proposed Equity Dividend	51.18	51.18
Less: Tax on Proposed Equity Dividend (includes ₹ 0.39 Crore relating to previous year)	9.09	8.30
Less: Transfer to General Reserve	0.32	-
Less: Transferred to Debenture Redemption Reserve	2.40	-
Total	137.31	197.58
	1654.36	1711.91

3. LONG TERM BORROWINGS

	Non-Current		Current Maturities	
	31.03.2014 (₹ in Crore)	31.03.2013 (₹ in Crore)	31.03.2014 (₹ in Crore)	31.03.2013 (₹ in Crore)
Secured Non Convertible Debentures				
1. 5,000 (31.03.2013 - 5,000) Redeemable non-convertible debentures (Repayment due on Oct'2015, put / call option from May'2015 with one month notice. Interest rate as at 31.03.2014 - 10.07 % p.a)	500.00	500.00	-	-
2. 4,000 (31.03.2013 - Nil) Redeemable Non Convertible debentures (Repayment due on Dec'2016. Interest rate as at 31.03.2014 - 10.45 % p.a)	400.00	-	-	-
Unsecured Non Convertible Debentures				
3. 1,000 (31.03.2013 - Nil) Redeemable Non Convertible debentures (Repayment due on June'2015. Interest rate as at 31.03.2014 - 10.80 % p.a)	100.00	-	-	-
Term loans from Banks - Secured				
4. Term Loan from State Bank of India (Repayable in 24 equal quarterly instalments, last instalment falling due on June'2016. Interest rate as at 31.03.2014 - 11.50 % p.a)	99.94	166.62	66.68	66.68
5. Term Loan from Bank of Baroda (Repayable in 24 equal quarterly instalments, last instalment falling due on June'2014. Interest rate as at 31.03.2014 - 11.50 % p.a)	-	6.96	6.96	30.24
6. Term Loan from State Bank of Hyderabad (Repayable in 24 quarterly instalments, last instalment falling due on June'2014. Interest rate as at 31.03.2014 - 11.50 % p.a)	-	5.98	5.98	15.12
7. Term Loan from Allahabad Bank (Repayable in 24 quarterly instalments, last instalment falling due on June'2017. Interest rate as at 31.03.2014 - 11.50 % p.a)	48.18	5.98	17.80	15.12
8. Term Loan from Union Bank of India (Repayable in 24 quarterly instalments, last instalment falling due on June'2017. Interest rate as at 31.03.2014 - 11.50 % p.a)	13.96	55.52	41.56	35.32
9. Term Loan from IDBI Bank (Repayable in 24 quarterly instalments, last instalment falling due on June'2014. Interest rate as at 31.03.2014 - 11.50 % p.a)	-	6.96	6.96	30.24
10. Term Loan from Dena Bank (Repayable in 22 equal quarterly instalments, last instalment falling due on Mar'2019. Interest rate as at 31.03.2014 - 11.50 % p.a)	103.17	111.29	22.40	-
Carried Over	1265.25	859.31	168.34	192.72

3. LONG TERM BORROWINGS

	Non-Current		Current Maturities	
	31.03.2014 (₹ in Crore)	31.03.2013 (₹ in Crore)	31.03.2014 (₹ in Crore)	31.03.2013 (₹ in Crore)
Brought Over	1265.25	859.31	168.34	192.72
11. Term Loan from Syndicate Bank (Repayable in 22 equal quarterly instalments, last instalment falling due on Mar'2019. Interest rate as at 31.03.2014 - 11.50 % p.a)	100.59	107.30	21.60	-
12. Term Loan from State Bank of Tranvancore (Repayable in 22 equal quarterly instalments, last instalment falling due on Mar'2019. Interest rate as at 31.03.2014 - 11.50 % p.a)	84.75	91.41	18.40	-
13. Term Loan from State Bank of India (Prepaid during the year)	-	350.00	-	-
14. Term Loan from State Bank of India (Repayable in 20 quarterly instalments, last instalment falling due on Sep'2018. Interest rate as at 31.03.2014 - 11.50 % p.a)	307.00	230.00	90.00	20.00
15. Term Loan from Bank of Baroda (Repayable in 20 quarterly instalments, last instalment falling due on Sep'2018. Interest rate as at 31.03.2014 - 11.50 % p.a)	49.60	47.84	25.20	4.16
16. Term Loan from State Bank of Hyderabad (Repayable in 20 quarterly instalments, last instalment falling due on Sep'2018. Interest rate as at 31.03.2014 - 11.50 % p.a)	30.40	41.40	19.80	3.60
17. Term Loan from Allahabad Bank (Repayable in 20 quarterly instalments, last instalment falling due on Sep'2018. Interest rate as at 31.03.2014 - 11.50 % p.a)	60.40	44.16	19.80	3.84
18. Term Loan from Union Bank of India (Repayable in 20 quarterly instalments, last instalment falling due on Sep'2018. Interest rate as at 31.03.2014 - 11.50 % p.a)	74.24	64.40	31.68	5.60
19. Term Loan from State Bank of Mysore (Repayable in 20 quarterly instalments, last instalment falling due on Sep'2018. Interest rate as at 31.03.2014 - 11.50 % p.a)	50.40	41.40	19.80	3.60
20. Term Loan from IndusInd Bank (Repayable in 12 equal quarterly instalments, last instalment falling due on Sep'2016. Interest rate as at 31.03.2014 - 11.50 % p.a)	57.50	95.83	38.33	19.17
21. Term Loan from ICICI Bank (Repayable in 16 equal quarterly instalments, last instalment falling due on Jan'2017. Interest rate as at 31.03.2014 - 11.50 % p.a)	175.00	275.00	100.00	100.00
22. Term Loan from IndusInd Bank (Prepaid during the year)	-	65.00	-	-
Carried Over	2255.13	2313.05	552.95	352.69

3. LONG TERM BORROWINGS

		Non-Current		Current Maturities	
		31.03.2014 (₹ in Crore)	31.03.2013 (₹ in Crore)	31.03.2014 (₹ in Crore)	31.03.2013 (₹ in Crore)
Brought Over		2255.13	2313.05	552.95	352.69
23.	Term Loan from Development Credit Bank (Repayable in 12 equal quarterly instalments, last instalment falling due on Dec'2016. Interest rate as at 31.03.2014 - 11.50 % p.a)	35.00	58.33	23.33	11.67
24.	Term Loan from Syndicate Bank (Repayable in 12 equal quarterly instalments, last instalment falling due on Dec'2016. Interest rate as at 31.03.2014 - 11.50 % p.a)	57.50	70.83	38.33	14.17
25.	Term Loan from State Bank of India (Bullet repayable at the end of 24 months, repayment falling due on Dec'2014. Interest rate as at 31.03.2014 - 10.65 % p.a)	-	300.00	300.00	-
26.	Term Loan from State Bank of Tranvancore (Repayable at the end of 24 months, repayment falling due on Dec'2014. Interest rate as at 31.03.2014 - 10.50 % p.a)	-	200.00	200.00	-
27.	Term Loan from State Bank of India (Repayable in 3 annual instalments, last repayment falling due on Oct'2018. Interest rate as at 31.03.2014 - 10.80 % p.a)	300.00	-	-	-
28.	TUF Loan from State Bank of India (last instalment paid on Mar'2014)	-	-	-	17.50
29.	TUF Loan from State Bank of Patiala (Repayable in 26 equal quarterly instalments, last instalment falling due on June'2015. Interest rate as at 31.03.2014 - 6.25 % p.a) @	1.19	5.92	4.73	4.73
30.	TUF Loan from State Bank of India (Repayable in 26 equal quarterly instalments, last instalment falling due on Sep'2014. Interest rate as at 31.03.2014 - 6.25 % p.a) @	-	0.31	0.32	0.95
31.	TUF Loan from State Bank of India (Repayable in 36 equal quarterly instalments, last instalment falling due on Sep'2020. Interest rate as at 31.03.2014 - 7.25 % p.a) @	3.51	4.22	0.70	0.70
32.	TUF Loan from State Bank of India (Repayable in 28 equal quarterly instalments, last instalment falling due on Mar'2016. Interest rate as at 31.03.2014 - 6.25 % p.a) @	46.86	93.71	46.86	46.86
33.	TUF Loan from State Bank of India (Repayable in 26 quarterly instalments, last instalment falling due on Mar'2015. Interest rate as at 31.03.2014 - 6.25 % p.a) @	-	0.76	0.76	0.81
34.	TUF Loan from State Bank of India (Repayable in 26 equal quarterly instalments, last instalment falling due on Mar'2016. Interest rate as at 31.03.2014 - 6.25 % p.a) @	11.64	23.16	11.52	11.52
Carried Over		2710.83	3070.29	1179.50	461.60

3. LONG TERM BORROWINGS		Non-Current		Current Maturities	
		31.03.2014 (₹ in Crore)	31.03.2013 (₹ in Crore)	31.03.2014 (₹ in Crore)	31.03.2013 (₹ in Crore)
	Brought Over	2710.83	3070.29	1179.50	461.60
35.	TUF Loan from State Bank of India (Repayable in 28 equal quarterly instalments, last instalment falling due on Mar'2016. Interest rate as at 31.03.2014 - 6.25 % p.a) @	5.00	10.00	5.00	5.00
36.	TUF Loan from State Bank of Mysore (Repayable in 28 equal quarterly instalments, last instalment falling due on Mar'2016. Interest rate as at 31.03.2014 - 6.25 % p.a) @	10.71	21.43	10.71	10.71
37.	TUF Loan from State Bank of Hyderabad (Repayable in 28 equal quarterly instalments, last instalment falling due on Mar'2016. Interest rate as at 31.03.2014 - 6.25 % p.a) @	7.14	14.28	7.14	7.14
38.	TUF Loan from State Bank of Bikaner & Jaipur (Repayable in 28 equal quarterly instalments, last instalment falling due on Mar'2016. Interest rate as at 31.03.2014 - 6.25 % p.a) @	5.00	10.00	5.00	5.00
39.	TUF Loan from State Bank of India (Repayable in 20 equal quarterly instalments, last instalment falling due on Jan'2020. Interest rate as at 31.03.2014 - 6.50 % p.a) @	15.21	14.87	0.80	-
40.	TUF Loan from State Bank of India (Repayable in 20 equal quarterly instalments, last instalment falling due on May'2020. Interest rate as at 31.03.2014 - 6.25 % p.a) @	23.32	7.28	-	-
41.	TUF Loan from State Bank of India (Repayable in 20 equal quarterly instalments, last instalment falling due on Dec'2020. Interest rate as at 31.03.2014 - 5.80 % p.a) @	20.21	-	-	-
42.	TUF Loan from State Bank of India (Repayable in 20 equal quarterly instalments, last instalment falling due on Dec'2020. Interest rate as at 31.03.2014 - 5.80 % p.a) @	13.00	-	-	-
Amount disclosed under the head "Other Current Liabilities" (Note 8)				(1208.15)	(489.45)
Total		2810.42	3148.15	-	-

@ represents effective interest rate net of 4% - 5% subsidy under Technology Upgradation Fund (TUF) Scheme.

Details of Security :

1. Loans covered in Sr. No. 1 and 2 above :

First pari passu charge over the fixed assets, present and future, of the Company's Textile (Birla Century), Rayon, Cement (including proposed expansion at Manikgarh Cement, Maharashtra and Sonar Bangla Cement Plant in West Bengal), Pulp and Paper divisions and Phase I of Real Estate Development (excluding leasehold land at Birla Century, Pulp & Paper, Sonar Bangla Cement and land & buildings thereon of Maihar Cement Unit I & II divisions and mines, furniture, fixtures, vehicles and other miscellaneous assets of all the divisions).

2. Loans covered in Sr. No. 4 to 9 above :

First pari passu charge over the entire fixed assets, present and future, of the Company's Textile (Birla Century), Rayon, Century Cement, Maihar Cement I & II, Manikgarh Cement, Pulp and Paper divisions and Phase I of Real Estate Development including those acquired/to be acquired for the expansion project of paper division (excluding leasehold land of Birla Century and Pulp and Paper divisions).

3. Loans covered in Sr. No. 10 to 12, 20, 22 to 26, 39 and 40 above :

First pari passu charge over the fixed assets, present and future, of the Company's Textile (Birla Century), Rayon, Cement (including proposed expansion at Manikgarh Cement, Maharashtra and Sonar Bangla Cement Plant in West Bengal), Pulp and Paper divisions and Phase I of Real Estate Development (excluding leasehold land at Birla Century, Pulp & Paper, Sonar Bangla Cement and Maihar Cement Unit I & II and furniture and fixtures, vehicle and other miscellaneous assets of all the above divisions are excluded).

4. Loans covered in Sr. No. 13 above :

First pari passu charge over the entire fixed assets, present and future, of the Company's Textile (Birla Century), Rayon, Cement and Pulp & Paper divisions and Phase I of Real Estate Development (excluding the leasehold land of the Birla Century, Pulp and Paper and Sonar Bangla Cement divisions and furniture and fixtures, vehicle and other miscellaneous assets of all the above divisions).

5. Loans covered in Sr. No. 14 to 19 above :

First pari passu charge over the fixed assets, present and future, of the Company's Textile (Birla Century), Rayon, Cement (including proposed expansion at Manikgarh Cement, Maihar Cement and Sonar Bangla Cement Plant in West Bengal) and Pulp & Paper divisions and Phase I of Real Estate Development of the Company (excluding the leasehold land of Birla Century, Pulp & Paper & Sonar Bangla Cement divisions furniture, fixtures, vehicles and other miscellaneous assets of all the above divisions).

6. Loans covered in Sr. No. 21 above :

First pari passu charge on the present and future movable and immovable fixed assets of the Phase 1 of the Real Estate Development at Worli, Mumbai, Sonar Bangla Cement, Century Cement, Maihar Cement I & II, Manikgarh Cement (including proposed expansion), Birla Century, Century Rayon and Century Pulp & Paper divisions of the Borrower, excluding leasehold land and buildings on such leasehold land of all the divisions and furniture, fixtures, vehicles and other miscellaneous assets of all the divisions.

7. Loans covered in Sr. No. 28 above :

First pari passu charge over the entire fixed assets, present and future, of the Company's Textile, Rayon, Cement and Pulp & Paper divisions and Phase I of Real Estate Development including expansion project of Denim division (excluding the leasehold land of the Pulp and Paper division).

8. Loans covered in Sr. No. 29 to 38 above :

First pari passu charge on entire fixed assets of Textiles, Rayon, Cement and Pulp & Paper divisions of the Company including those acquired/to be acquired for the new project excluding the leasehold land of Pulp and Paper division, assets exclusively charged to term lenders, furniture and fixtures and vehicles.

9. Loans covered in Sr. No. 27 above :

Mortgage on Land and Building situated at final Plot number 1080 of Town Planning Scheme IV at Dr. Annie Besant Road, Worli, Mumbai.

10. Loans covered in Sr. No. 41 and 42 above :

First pari passu charge over the fixed assets, present and future, of the Company with FACR of 1.33 (excluding leasehold land at Birla Century, Pulp & Paper, Sonar Bangla Cement and Maihar Cement Unit I & II divisions, 1.35 acres out of the 544 acres situated at Cement Plant at Raipur and furniture and fixtures, vehicle and other miscellaneous assets of all the above divisions are excluded).

4. DEFERRED TAX LIABILITY (NET)	31.03.2014 (₹ in Crore)	31.03.2013 (₹ in Crore)
Deferred Tax Liability on account of:		
(i) Depreciation and amortisation	583.03	515.74
	583.03	515.74
Deferred Tax Asset on account of :		
(i) Unabsorbed depreciation	206.85	165.79
(ii) Payments under voluntary retirement scheme	1.25	2.93
(iii) Expenses allowable for tax purpose when paid	86.62	83.49
(iv) Earned leave	17.30	15.85
(v) Provision for doubtful debts and advances	4.22	4.76
	316.24	272.82
Net Deferred Tax Liability / (Asset) :	266.79	242.92

5. OTHER LONG TERM LIABILITIES

Deposits from dealers and agents	196.22	152.41
Retention money payable	26.95	21.14
Deposits	2.82	7.28
Others	9.57	10.38
	235.56	191.21
Total	235.56	191.21

6. PROVISIONS

	Long term		Short term	
	31.03.2014 (₹ in Crore)	31.03.2013 (₹ in Crore)	31.03.2014 (₹ in Crore)	31.03.2013 (₹ in Crore)
(a) Provision for Employee Benefits				
- Leave entitlement	28.21	27.78	22.71	21.07
- Gratuity	-	-	-	13.73
- Workers termination benefits	41.68	42.74	5.90	5.59
	69.89	70.52	28.61	40.39
(b) Provisions - Others				
- Proposed equity dividend	-	-	51.18	51.18
- Tax on proposed equity dividend	-	-	8.70	8.30
- Income Tax (Net of Advance Tax ₹ 10.16 Crore, Previous year ₹ Nil)	-	-	2.84	-
- Disputed matters (See Note 26)	335.67	292.80	1.40	2.53
	335.67	292.80	64.12	62.01
Total	405.56	363.32	92.73	102.40

The Board has recommended a dividend @ ₹ 5.50 (Rupees Five and paise fifty only) per equity share of ₹ 10 each on 9,30,45,680 equity shares for the year ended 31st March, 2014 (Previous year ₹ 5.50 per equity share of ₹ 10 each on 9,30,45,680 equity shares.)

7. SHORT TERM BORROWINGS	31.03.2014 (₹ in Crore)	31.03.2013 (₹ in Crore)
Secured		
Loans repayable on demand from banks		
(a) Working capital loans from banks	596.14	757.56
(b) Pre-shipment, Post-shipment and Export Bills Discounting facilities	85.99	45.31
Nature of Security		
(i) Working capital loans from banks are secured against a first and pari passu charge over the Current Assets (including documents of title to goods/related receivables), second pari passu charge over the entire fixed assets, present and future, of the Company's Birla Century, Rayon, Century Cement, Maihar Cement I & II, Manikgarh Cement, Pulp and Paper divisions and Phase I of Real Estate Development (excluding leasehold land and building of Birla Century and Pulp and Paper divisions, Sonar Bangla Cement and land and buildings of Maihar Unit I & II, 1.35 acres out of the 544 acres situated at Cement Plant at Raipur and furniture and fixtures, vehicle and other miscellaneous assets of all the above divisions are excluded).		
(ii) The charge created as per para (i) also extends to the guarantees given by the banks on behalf of the Company, aggregating ₹ 240.97 Crore (31.03.2013 ₹ 129.06 Crore).		
Unsecured		
(a) Fixed Deposits (See Note 43)	41.87	60.11
(b) Short Term Borrowings from Banks:		
Under a buyer's credit arrangement in foreign currency	210.28	299.52
Rupee Loans	<u>50.00</u>	<u>50.00</u>
	260.28	349.52
(c) Commercial Paper (Maximum balance outstanding during the year ₹ 1300.00 Crore; Previous year ₹ 1300.00 Crore)	675.00	-
Total	<u>1659.28</u>	<u>1212.50</u>
8. OTHER CURRENT LIABILITIES		
(a) Current maturities of long-term borrowings (See Note 3)	1208.15	489.45
(b) Interest accrued but not due on borrowings	22.36	17.64
(c) Unclaimed dividends	1.98	1.34
(d) Others :		
Retention money payable	18.02	21.69
Overdrawn bank balances as per books	0.88	0.15
Tax deducted at source and other statutory dues	56.57	45.56
Advance received from customers	50.23	50.21
Employee related liabilities	61.91	59.43
Premium payable on outstanding forward contracts	6.99	21.96
Liability on account of capital goods	34.66	36.89
Other current liabilities	<u>108.54</u>	<u>92.32</u>
	337.80	328.21
Total	<u>1570.29</u>	<u>836.64</u>

Note:-

- (i) Unclaimed dividend amounting to ₹ 0.04 Crore (31.03.2013 ₹ 0.04 Crore) is pending on account of litigation among claimants / notices from the tax recovery officer.
- (ii) There is no amount due and outstanding to be credited to Investors Education and Protection Fund as at the balance sheet date other than cases under litigation among claimants regarding beneficial ownership.

9. FIXED ASSETS

(₹ in Crore)

DESCRIPTION OF ASSETS	GROSS BLOCK AT COST			DEPRECIATION / AMORTISATION			NET BLOCK			
	As at 31.03.2013	Additions/ Adjustments	Deductions/ Adjustments	As at 31.03.2014	Upto 31.03.2013	For the year	Deductions/ Adjustments	Upto 31.03.2014	As at 31.03.2014	As at 31.03.2013
(i) TANGIBLE ASSETS										
Land at worli :										
Freehold and Leasehold (b)	0.07	-	-	0.07	-	-	-	-	0.07	0.07
Land Others :-										
Freehold Land	52.75	0.15	-	52.90	0.31	0.06	-	0.37	52.53	52.44
Leasehold Land	46.23	1.22	-	47.45	9.21	0.94	-	10.15	37.30	37.02
Buildings	750.09	41.71	3.44	788.36	135.06	24.78	0.65	159.19	629.17	615.03
Plant and Equipment	5877.91	385.09	19.86	6243.14	2571.50	309.75	18.68	2862.57	3380.57	3306.41
Furniture and Fixtures	40.18	3.84	0.23	43.79	21.89	2.26	0.20	23.95	19.84	18.29
Vehicles	11.96	3.77	1.08	14.65	4.70	1.30	0.69	5.31	9.34	7.26
Office equipment	23.59	2.77	0.57	25.79	11.53	1.55	0.48	12.60	13.19	12.06
Water Pipe Lines and Tanks	53.43	0.18	-	53.61	17.26	2.58	-	19.84	33.77	36.17
Railway Sidings and Locomotives	42.10	37.71	-	79.81	19.64	3.53	-	23.17	56.64	22.46
Ropeway	4.06	-	-	4.06	3.85	-	-	3.85	0.21	0.21
Reservoir and Pans, etc.	0.23	-	-	0.23	0.23	-	-	0.23	-	-
Electric Installations	194.52	28.23	0.12	222.63	81.91	8.01	0.11	89.81	132.82	112.61
Air-conditioning Plant	0.68	-	-	0.68	0.65	-	-	0.65	0.03	0.03
Improvement to Leased Premises	3.45	0.05	1.00	2.50	3.14	0.26	1.00	2.40	0.10	0.31
Floral Plantation - Roses	2.03	-	-	2.03	2.03	-	-	2.03	-	-
Sub Total :	7103.28	504.72	26.30	7581.70	2882.91	355.02	21.81	3216.12	4365.58	4220.37
Assets acquired under lease										
Plant and Equipment	7.01	1.96	-	8.97	1.22	0.37	-	1.59	7.38	5.79
Railway Wagons (a)	62.05	-	-	62.05	58.93	-	-	58.93	3.12	3.12
Total Tangible Asset :	7172.34	506.68	26.30	7652.72	2943.06	355.39	21.81	3276.64	4376.08	4229.28
(ii) INTANGIBLE ASSETS										
Computer software	8.47	2.00	-	10.47	5.36	1.53	-	6.89	3.58	3.11
Total Intangible Asset :	8.47	2.00	-	10.47	5.36	1.53	-	6.89	3.58	3.11
Grand Total :	7180.81	508.68	26.30	7663.19	2948.42	356.92	21.81	3283.53	4379.66	4232.39
Previous Year's Total :	6711.30	488.73	19.22	7180.81	2603.83	360.37	15.78	2948.42	4232.39	
(iii) Capital Work In Progress										
Less:- Impairment in book Value (net of write back ₹ NIL Crore, 31.03.2013 ₹ 1.32 Crore)										
									2301.24	1783.34
									72.58	72.58
									2228.66	1710.76
(iv) Intangible assets under Development									-	0.48

FIXED ASSETS NOTES

- (a) Wagons acquired under "Own Your Wagon" scheme have been given on lease to railways.
- (b) Land Development at Worli, Mumbai - Construction of two commercial buildings with car parking spaces etc. has commenced on the Company's freehold land at Worli, Mumbai as permitted by the relevant regulators. The buildings will cover a constructed area of about 13 lac square feet and are expected to be completed by late 2014-15.
- (c) i) 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 cost of land by way of compensation payable will be accounted for when determined by the Collector.
- ii) 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 fall 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.
- (d) Break-up of depreciation / amortisation for the year:-

	2013-14 (₹ in Crore)	2012-13 (₹ in Crore)
1. Depreciation / Amortisation for the year	356.92	360.37
2. Less : Amount included under Cost of raising and transporting Limestone, Shale and Laterite [See Note 29]	2.30	4.42
	354.62	355.95

10. NON-CURRENT INVESTMENTS (AT COST)**31.03.2014**
(₹ in Crore)31.03.2013
(₹ in Crore)**TRADE :****Unquoted :**

Fully Paid :

- 2 Equity Shares of ₹ 5,000 each, of Maharashtra Co-operative Floriculture Development Society Limited, (₹ 10,000) [31.3.2013 (₹ 10,000)].

OTHER THAN TRADE :**Shares and Other Investments :****Quoted :**

Fully paid :

22,690	Equity Shares of ₹ 2 each, of the Tata Motors Limited	0.01	0.01
3,00,000	Equity Shares of ₹ 5 each, of Jayshree Tea and Industries Limited	0.19	0.19
22,20,500	Equity Shares of ₹ 10 each, of Mangalam Cement Limited	7.21	7.21
25,60,000 (16,60,000)	Equity Shares of ₹ 10 each, of Mangalam Timber Products Limited	4.07	3.07
1,266,887	Equity Shares of ₹ 10 each, of Century Enka Limited	21.52	21.52
51,16,800 (21,32,000)	Equity Shares of ₹ 10 each, of Kesoram Industries Limited	51.00	31.60
1,25,000	Equity Shares of ₹ 2 each, of Kesoram Textile Mills Limited (Allotted without any consideration in terms of the Scheme of Arrangement against the holding of 1,25,000 Shares of ₹ 10 each, held in Kesoram Industries Limited)	—	—
		<hr/>	<hr/>

84.00

63.60

Unquoted : Equity

Fully paid :

85	Shares of ₹ 100 each, of Maharashtra State Financial Corporation (₹ 8,500); [31.3.2013 (₹ 8,500)]		
2	Shares of ₹ 50 each, of the Maharashtra State Co-operative Bank Limited (₹ 114) [31.3.2013 (₹ 114)]		
5,625	Equity Shares of ₹ 100 each, of Industry House Limited	0.04	0.04
12,000	Equity Shares of ₹ 10 each, of Birla Consultants Limited	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 Limited	0.52	0.52
3,75,000	Equity Shares of ₹ 10 each, of Bander Coal Company Pvt. Limited	0.38	0.38
2,25,000	Equity Shares of ₹ 10 each, of Kesoram Insurance Broking Services Limited	0.05	0.05
41,400	Equity Shares of ₹ 10 each, of Vasavdatta Services Limited	0.04	0.04
		<hr/>	<hr/>

1.08

1.08

Carried Over

85.08

64.68

10. NON-CURRENT INVESTMENTS (AT COST)

		31.03.2014 (₹ in Crore)	31.03.2013 (₹ in Crore)
	Brought Over	85.08	64.68
Government and Trust Securities :			
Quoted :			
-	11.83% (2014) Government of India Bonds (50,000)	-	0.56
50,000	10.70% (2020) Government of India Bonds	0.53	0.53
1,00,000	7.95% (2032) Government of India Bonds	1.21	1.21
90,000	8.20% Government of India Bonds (Oil Special Bond 2024)	0.89	0.89
3,80,000	8.26% (2027) Government of India Bonds	3.72	3.72
2,15,000	8.84% (2022) - Maharashtra SDL	2.19	2.19
		8.54	9.10
Total		93.62	73.78

Note: All the above Investments are intended to be held on a long term basis and have been classified accordingly.

Book value / Market value of Investments :

	Book-Value		Market-Value	
	31.03.2014 (₹ in Crore)	31.03.2013 (₹ in Crore)	31.03.2014 (₹ in Crore)	31.03.2013 (₹ in Crore)
Quoted	92.54	72.70	96.80	74.86
Unquoted	1.08	1.08		
Total :	93.62	73.78		

11. LOANS AND ADVANCES

(Unsecured, considered good, unless otherwise specified)

	Long term		Short term	
	31.03.2014 (₹ in Crore)	31.03.2013 (₹ in Crore)	31.03.2014 (₹ in Crore)	31.03.2013 (₹ in Crore)
(a) Capital Advances	60.50	106.61	-	-
(b) Security Deposits	62.13	34.28	39.85	2.35
Doubtful	0.62	0.62	-	-
Less: Provision for doubtful advances	0.62	0.62	-	-
	62.13	34.28	39.85	2.35
(c) Other Loans and Advances				
Advances recoverable in cash or in kind or for value to be received	111.11	120.03	231.79	181.04
Doubtful	4.21	3.01	-	-
Less: Provision for doubtful advances	4.21	3.01	-	-
	111.11	120.03	231.79	181.04
Advance Tax (Net of provisions ₹ 560.67 Crore; 31.03.2013 ₹ 560.02 Crore)	27.97	26.70	-	0.41
Others	0.55	4.08	47.72	53.96
Total Loans and Advances	262.26	291.70	319.36	237.76
- Related Parties	-	-	-	-
- Others	262.26	291.70	319.36	237.76
Total	262.26	291.70	319.36	237.76

12. OTHER ASSETS (Unsecured, considered good, unless otherwise specified)	Non-Current		Current	
	31.03.2014 (₹ in Crore)	31.03.2013 (₹ in Crore)	31.03.2014 (₹ in Crore)	31.03.2013 (₹ in Crore)
(a) Long term trade receivables (See Note 15)	-	-	-	-
(b) Others				
Minimum Alternate Tax entitlement receivable	24.50	11.50	-	-
Interest subsidy and interest receivable	0.27	0.21	9.87	9.02
Export incentive receivable	-	-	8.70	5.25
Claims and other receivables	4.24	-	8.93	2.35
Assets held for disposal	-	-	0.09	0.09
Interest accrued on Investments	-	-	0.20	0.20
Sales Tax incentive receivable	32.66	-	-	-
Others	4.30	7.93	14.57	12.96
	65.97	19.64	42.36	29.87
Total	65.97	19.64	42.36	29.87

13. CURRENT INVESTMENTS (AT COST) Current maturities of Long term investments (Non-trade)	31.03.2014 (₹ in Crore)	31.03.2013 (₹ in Crore)
Quoted :		
50,000 11.83 % (2014) Government of India Bonds (-) (Market Value ₹ 0.51 Crore)	0.56	-
Total	0.56	-

14. INVENTORIES (At cost or net realisable value, whichever is lower) :		
(a) Raw Materials	442.29	394.47
Goods in transit	42.63	10.98
(b) Other Materials	32.12	25.45
Goods in transit	0.98	0.29
(c) Work-in-progress	244.72	244.00
(d) Finished goods	256.16	257.17
(e) Stock-in-trade	13.09	23.85
(f) Stores and spares	256.69	245.62
Goods in transit	11.76	1.96
Total	1300.44	1203.79

15. TRADE RECEIVABLES (Unsecured, considered good, unless otherwise specified)	Non-Current		Current	
	31.03.2014 (₹ in Crore)	31.03.2013 (₹ in Crore)	31.03.2014 (₹ in Crore)	31.03.2013 (₹ in Crore)
(a) Outstanding for a period exceeding six months from the due date				
Good	-	-	5.07	7.73
Doubtful	7.80	4.05	-	-
Less: Provision for doubtful debts	7.80	4.05	-	-
	-	-	5.07	7.73
Carried Over	-	-	5.07	7.73

15. TRADE RECEIVABLES

(Unsecured, considered good, unless otherwise specified)

	Non-Current		Current	
	31.03.2014 (₹ in Crore)	31.03.2013 (₹ in Crore)	31.03.2014 (₹ in Crore)	31.03.2013 (₹ in Crore)
Brought Over	-	-	5.07	7.73
(b) Others				
Good	-	-	520.72	400.28
Doubtful	-	-	-	2.88
Less: Provision for doubtful debts	-	-	-	2.88
	-	-	520.72	400.28
Total	-	-	525.79	408.01

16. CASH AND BANK BALANCES

		31.03.2014 (₹ in Crore)	31.03.2013 (₹ in Crore)
1. Cash and Cash Equivalents			
(a) Balances with Banks			
- Current Accounts	62.83		46.69
- Debit balance in Cash Credit / Overdraft Accounts	5.14		2.24
- Fixed Deposit Accounts	0.01		0.04
	67.98		48.97
(b) Cheques, Drafts on Hand	1.89		2.51
(c) Cash on Hand	0.47		0.39
		70.34	51.87
2. Other Bank Balances			
Unclaimed Dividend Accounts	1.98		1.34
Margin Money Deposits	0.56		0.28
		2.54	1.62
Total		72.88	53.49

17. REVENUE FROM OPERATIONS

		2013-2014 (₹ in Crore)	2012-2013 (₹ in Crore)
(a) Sale of products (See Note 27 A and B)	7116.44		6452.85
(b) Sale of services	-		0.09
	7116.44		6452.94
Less: Excise duty	640.06		589.49
		6476.38	5863.45
(c) Other operating revenues			
Export benefits	23.90		15.01
Sale of scrap	20.84		20.48
Insurance and other claims	1.49		0.92
Provision no longer required	56.66		25.02
Sales Tax incentive	55.65		-
Others	31.00		24.59
		189.54	86.02
Total		6665.92	5949.47

18. OTHER INCOME	2013-2014 (₹ in Crore)	2012-2013 (₹ in Crore)
Dividend on Investments other than Trade :		
From Mutual Funds	2.48	3.40
From Domestic Companies	2.71	2.72
From Foreign Company	0.09	0.07
	5.28	6.19
Interest Received :		
On Government securities	0.77	0.72
Other	7.94	5.45
	8.71	6.17
Rent from properties	10.72	10.16
Lease Rent received under 'Own Your Wagon' scheme	0.49	0.49
Surplus on sale of Fixed Assets	1.12	1.75
Miscellaneous Income	1.94	2.14
Total	28.26	26.90

19. COST OF MATERIALS CONSUMED

Raw Material consumed [See Note 28 (A)]

Opening Stock	394.47	321.90
Add: Purchases (including cost of raising and transporting Limestone, Shale and Laterite ₹ 177.64 Crore; Previous year ₹ 163.86 Crore) [See Note 29]	1955.14	1712.06
	2349.61	2033.96
Less: Closing Stock	442.29	394.47
	1907.32	1639.49

Dyes, Colour and Chemicals consumed

Opening Stock	17.59	20.03
Add: Purchases	267.67	200.97
	285.26	221.00
Less: Closing Stock	22.25	17.59
	263.01	203.41

Packing Materials Consumed

Opening Stock	7.86	6.62
Add: Purchases	226.18	183.98
	234.04	190.60
Less: Closing Stock	9.87	7.86
	224.17	182.74

Total

2394.50	2025.64
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20. PURCHASE OF STOCK-IN-TRADE

Purchase of traded goods [See Note 28 (B)]	4.96	18.29
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21. CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE (See Note 31)	2013-2014 (₹ in Crore)	2012-2013 (₹ in Crore)
Opening Stock :-		
Finished goods	257.17	240.77
Work-in-progress	244.00	194.77
Stock-in-trade	<u>23.85</u>	<u>29.57</u>
	525.02	465.11
Closing Stock :-		
Finished goods	256.16	257.17
Work-in-progress	244.72	244.00
Stock-in-trade	<u>13.09</u>	<u>23.85</u>
	513.97	525.02
	11.05	(59.91)
Add/(Less) : Variation in excise duty on closing and opening stock of finished goods	(0.63)	3.37
Total	<u>10.42</u>	<u>(56.54)</u>

22. EMPLOYEE BENEFITS EXPENSE

(a) Salaries, Wages, Bonus, etc.	433.82	410.75
(b) Contributions to Provident and other funds	42.10	60.66
(c) Staff welfare expenses	25.56	21.48
Total	<u>501.48</u>	<u>492.89</u>

23. FINANCE COST

Interest Expense :		
- Interest on borrowings *	449.37	312.95
- Interest - Others	<u>32.22</u>	<u>54.96</u>
	481.59	367.91
Applicable net loss on currency fluctuations and translations	15.23	31.01
Other borrowing costs	90.02	<u>85.35</u>
	586.84	484.27
Less :		
Borrowing costs capitalised	224.04	164.32
Total	<u>362.80</u>	<u>319.95</u>

* Net of subsidy ₹ 13.68 Crore (Previous year ₹ 17.89 Crore) under the Technology Upgradation Fund Scheme of the Government of India.

24. OTHER EXPENSES	2013-2014 (₹ in Crore)	2012-2013 (₹ in Crore)
Consumption of stores and spares	311.34	258.86
Job work charges	20.28	18.42
Power, Fuel and Water	1386.89	1411.12
Buildings repairs	27.16	15.68
Machinery repairs	84.56	77.42
Floriculture cultivation expenses	0.20	0.28
Rent	20.92	19.75
Rates and Taxes	5.96	4.54
Insurance	7.87	7.66
Freight, forwarding, octroi, etc.	899.51	819.27
Advertisement and publicity	14.16	9.98
(Gain) / Loss on foreign currency fluctuations and translations (net) (Other than considered under Note 23)	(3.79)	5.67
Advances, loans and other debit balances written off	1.82	0.84
Commission	44.27	41.83
Brokerage, discounts, incentives, etc	5.17	5.32
Director's fees and travelling expenses	0.30	0.43
Donations	3.01	-
Bad debts	0.17	0.21
Loss on sale/discardment of fixed assets	1.44	2.63
Loss on sale of Investments	-	0.07
Provision for doubtful debts and advances	4.52	4.00
Other expenses	28.62	44.46
Miscellaneous expenses	181.17	159.56
Total	3045.55	2908.00

- 25. (a)** Trade payables include (i) ₹ Nil (31.03.2013 - ₹ 0.41 Crore) due to micro and small enterprises registered under the Micro, Small and Medium Enterprises Development Act 2006 (MSMED Act); and (ii) ₹ 503.53 Crore (31.03.2013 - ₹ 359.17 Crore) due to other creditors.
- (b)** Trade payables include acceptances of ₹ 138.62 Crore (31.03.2013 ₹ 107.12 Crore).
- (c)** The amount due to suppliers registered under Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED Act') towards principal ₹ Nil (31.03.2013 - ₹ 0.41 Crore). There are no other amounts paid / payable towards interest / principal under the MSMED Act.
- (d)** The above information has been provided as available with the Company 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 MSMED Act.

26. Provision for disputed matters in respect of known contractual risks, litigation cases and pending assessments in respect of taxes, duties and other levies / claims, the actual outflow on which will depend on the outcome of the respective proceedings.

The movements in the above account are summarized below:-

(₹ in Crore)

Sr. No.	Nature of liability	As at 31.03.2013	Amounts provided for during the year	Amounts paid / written back during the year	As at 31.03.2014
1	Water Charges	64.15	3.87	0.24	67.78
2	Octroi Duty	38.54	-	-	38.54
3	Mandi Samiti Shulk and Interest thereon	51.72	8.23	11.38	48.57
4	Entry Tax / Sales Tax	72.39	22.68	-	95.07
5	Excise Duty	7.30	1.83	1.34	7.79
6	Lease Tax and Interest thereon	4.07	0.28	0.43	3.92
7	Cess	13.07	2.40	0.58	14.89
8	Reimbursement of Taxes to suppliers, etc.	23.38	0.96	-	24.34
9	Claims against Lease Rentals	5.35	0.03	-	5.38
10	Others	15.36	17.93	2.50	30.79
	Total	295.33	58.21	16.47	337.07

27. SALES (Gross)

	2013-2014 (₹ in Crore)	2012-2013 (₹ in Crore)
Class of Goods		
(A) Sale of Products (Manufactured) :		
Cotton Fabric	536.81	435.72
Cotton Yarn	82.67	107.93
Denim Cloth	196.82	214.95
Rayon Yarn	670.94	690.25
Tyre Yarn and Fabric	135.68	106.35
Cement and Clinker	3610.65	3493.02
Pulp & Paper	1681.50	1219.01
Others	179.81	158.24
(B) Goods traded in :		
Garments	18.28	22.12
Cotton Fabrics	3.28	4.80
Others	-	0.46
Total	7116.44	6452.85

Sales are net of cash discounts ₹ 59.56 Crore (2012-2013 ₹ 45.75 Crore)

28. RAW MATERIALS CONSUMED, PURCHASE OF GOODS FOR TRADE AND IMPORTED AND INDIGENOUS MATERIAL CONSUMPTION	2013-2014 (₹ in Crore)	2012-2013 (₹ in Crore)
(A) Raw Materials Consumed :		
Cotton	229.43	223.00
Wood Pulp	100.60	127.49
Limestone	204.65	189.95
Pozzolana	145.59	148.99
Eucalyptus Wood	253.23	254.89
Pulp for Paper	271.43	163.99
Others	702.39	531.18
Total	1907.32	1639.49
(B) Purchase of Stock in Trade :		
Garments	2.23	7.33
Fabrics	0.24	5.92
Made Ups	2.48	4.55
Others	0.01	0.49
Total	4.96	18.29

(C) Imported and Indigenous Consumption of Raw Material :

	2013-2014		2012-2013	
	(₹ in Crore)	Percentage	(₹ in Crore)	Percentage
Raw Materials :				
Imported	452.30	23.71	360.73	22.00
Indigenous	1455.02	76.29	1278.76	78.00
	1907.32	100.00	1639.49	100.00

29. COST OF RAISING AND TRANSPORTING LIMESTONE AND LATERITE	2013-2014 (₹ in Crore)	2012-2013 (₹ in Crore)
Stores and Spare Parts consumed	19.23	22.94
Power and Fuel	6.06	13.77
Building Repairs	0.89	1.18
Machinery Repairs	2.50	2.13
Royalty and Cess	53.19	52.42
Payments to and Provisions for employees	13.67	14.19
Insurance	0.11	0.15
Hire Charges of Mining Equipments	76.44	43.03
Other Expenses	3.25	9.63
	175.34	159.44
Depreciation and Amortisation	2.30	4.42
Total	177.64	163.86

30. IMPORTED AND INDIGENOUS CONSUMPTION OF SPARE PARTS	2013-2014		2012-2013	
	(₹ in Crore)	Percentage	(₹ in Crore)	Percentage
Spare Parts :				
Imported	44.24	21.59	30.65	18.59
Indigenous	160.68	78.41	134.24	81.41
	<u>204.92</u>	<u>100.00</u>	<u>164.89</u>	<u>100.00</u>

31. DETAILS OF INVENTORIES	2013-2014 (₹ in Crore)	2012-2013 (₹ in Crore)
<u>Class of Goods</u>		
(A) Finished Goods :		
Cotton Fabric	36.12	20.70
Cotton Yarn	4.94	1.75
Denim Cloth	21.25	19.91
Rayon Yarn	34.03	15.57
Tyre Yarn and Fabric	6.89	22.70
Cement	117.87	122.00
Paper (including Paper Board/Straw Board)	1.40	1.03
Rayon and/or Paper Grade Pulp	3.54	17.65
Bagasse Based Paper	1.20	3.19
Recycle Based Paper	4.74	3.42
Prime Grade Tissue Paper	2.37	11.68
Multilayer Packaging Board	20.56	14.85
Others	1.25	2.72
Total	<u>256.16</u>	<u>257.17</u>
(B) Goods traded in :		
Garments	8.41	18.21
Cotton Fabrics	4.68	5.64
Total	<u>13.09</u>	<u>23.85</u>
(C) Work in Progress :		
Cotton Fabric	90.44	70.38
Cotton Yarn	1.48	1.48
Denim Cloth	17.68	9.02
Rayon Yarn	8.33	7.67
Tyre Yarn and Fabric	2.33	0.91
Cement	41.24	50.49
Paper (including Paper Board/Straw Board)	1.02	1.27
Bagasse Based Paper	69.12	89.09
Recycle Based Paper	4.99	3.96
Prime Grade Tissue Paper	3.33	2.46
Multilayer Packaging Board	3.43	2.67
Chemicals	1.33	4.60
Total	<u>244.72</u>	<u>244.00</u>

32. CONTINGENT LIABILITIES NOT PROVIDED FOR	31.03.2014 (₹ in Crore)	31.03.2013 (₹ in Crore)
(a) (i) Claims against the Company not acknowledged as debts in respect of :		
- Custom Duty and Excise Duty	14.77	18.53
- Sales Tax and Entry Tax	111.46	105.32
- Power Charges	25.94	12.48
- Royalty	345.32	310.98
- Others	29.85	13.88
(ii) Claims not acknowledged as debts jointly with other members of "Business Consortium of Companies" in which the Company had an interest (proportionate)	20.84	20.02
(b) Disputed income tax matters under appeal	15.65	14.26
(c) Registration and Road Tax on Dumper of Cement Division		Amount not determinable
(d) 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
(e) The Competition Commission of India (CCI) has imposed a penalty of ₹ 274.02 Crore on the Company based on the complaint filed by the Builders Association of India alleging cartelisation by the Company along with other cement manufacturing companies. Based on the legal opinion, the Company believes that it has a good case and has filed an appeal against the order before the Competition Appellate Tribunal (COMPAT). Accordingly no provision has been made in the accounts. During the year, the Company was directed to deposit 10% of this demand pending disposal of the appeal by COMPAT. Consequently, an amount of ₹ 27.40 Crore was deposited by the Company as Fixed Deposit with its bankers in the name of the "Registrar, Competition Appellate Tribunal A/c Century Textiles and Industries Ltd."	274.02	274.02
The amounts shown in respect of item No.32 (a) to (e) represent the best possible estimates arrived at on the basis of available information. The uncertainties are dependent on the outcome of the different legal processes. The timing of future cash flows will be determinable only on receipt of judgements / decisions pending with various forums / authorities. The Company does not expect any reimbursements against the above.		
(f) Guarantees given by the 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.	13.29	22.48
(g) Undertaking given by the Company under concessional duty / exemption scheme to government authorities (net of obligation fulfilled)	553.03	632.08

33. COMMITMENTS

(a) Estimated amount of contracts remaining to be executed on Capital account and not provided for (net of advances)	271.85	588.89
(b) Lease rental obligation :		
- not later than one year	7.76	7.50
- later than one year and not later than five years	9.40	7.95
- later than five years	4.70	2.57
(c) Lease rental income :		
- not later than one year	4.92	8.70
- later than one year but not later than five years	10.17	5.17
- later than five years	0.15	1.27

	2013-2014 (₹ in Crore)	2012-2013 (₹ in Crore)
34. (a) C.I.F. Value of Imports (including in transit) :		
Raw Materials	408.34	278.87
Spare Parts, etc.	74.20	45.72
Capital Goods	37.31	116.13
(b) Expenditure in Foreign Currency : (including expenses capitalised)		
Interest and Finance charges	3.23	9.48
Technical Supervision charges	3.68	1.30
Commission	1.11	6.16
Compensation paid	-	4.17
Other Matters	15.08	4.03

35. (a) Earnings in Foreign Currency :		
F.O.B. value of exports	438.34	322.03
Dividend	0.09	0.07
Others	-	0.10
(b) Total exports during the year :		
Exports in Foreign Currency	450.79	334.08
Exports in Indian Currency	19.57	36.91
	<u>470.36</u>	<u>370.99</u>
Sales to Merchants - For exports	52.76	36.83
Deemed exports	6.26	7.05
	<u>529.38</u>	<u>414.87</u>

(In Crore)

Foreign Currency	31.03.2014 Forward	31.03.2014 Forward
	USD	Euro
(a) Hedging commitments outstanding :		
1) Debtors	0.35	0.50
	(0.09)	(0.44)
2) Creditors	0.17	-
	(0.54)	-
3) Loan taken	1.55	0.78
	(2.50)	(1.33)
4) Other payables	-	-
	-	(0.01)

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

(In Crore)

36. DISCLOSURES OF DERIVATIVES	31.03.2014	31.03.2014	31.03.2014	31.03.2014
Foreign Currency	USD	GBP	EURO	SEK
(c) Uncovered risks :				
1) Debtors	0.85 (0.24)	-	0.09 (-)	-
2) Creditors	0.75 (0.01)	-	0.01 (0.04)	-
3) Loan taken	1.14 (0.47)	-	-	-
4) Bank balance in EEFC account	0.06 (-)	-	-	-
5) Other receivables	0.04 (0.20)	*	GBP 4399 (0.02)	-
6) Other payables	0.04 (0.52)	-	-	(0.10) (-)

* At Actuals

Note : Previous year figures are given in brackets.

37. 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 ₹ 0.82 Crore (2012-2013 ₹ 0.74 Crore). No capital expenditure on research and development has been incurred during the year (2012-13 ₹ Nil).

38. RELATED PARTY INFORMATION

A Relationships :

- (a) Where significant influence exists :
- (i) M/s Piani 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
 - (v) M/s Bander Coal Company Private Limited
- (b) Key Management Personnel :
- Shri B.L. Jain (Whole-time Director)
- (c) Other Related Parties :
- (1) Shri B.K. Birla
 - (2) M/s Kesoram Industries Limited
 - (3) M/s Century Enka Limited
 - (4) M/s Jayshree Tea & Industries Limited

Note : 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.

B Transactions with related parties :

(₹ in Crore)

Particulars	Related Parties		
	Referred in 1(a) above	Referred in 1(b) above	Referred in 1(c) above
Purchases :			
Goods and Material M/s Kesoram Industries Limited	--- (---)	--- (---)	1.88 (2.11)
Sales :			
Goods and Material (1) M/s Kesoram Industries Limited	--- (---)	--- (---)	49.18 (42.35)
(2) Others	--- (---)	--- (---)	0.09 (0.06)
Subscription to Right Equity Share Capital M/s Kesoram Industries Limited	--- (---)	--- (---)	19.40 (---)
Expenses :			
Rent and Other Services (1) M/s Industry House Limited	0.48 (0.41)	--- (---)	--- (---)
(2) M/s Kesoram Industries Limited	--- (---)	--- (---)	0.10 (0.24)
Directors Fees and Expenses Shri B.K. Birla	--- (---)	--- (---)	0.01 (0.01)
Remuneration	--- (---)	2.66 (2.39)	--- (---)
Income :			
Rent and Other Services (1) M/s Kesoram Industries Limited	--- (---)	--- (---)	0.13 (0.10)
(2) M/s Century Enka Limited	--- (---)	--- (---)	0.11 (0.12)
(3) Others	--- (---)	--- (---)	₹ 20,000/- (---)
Outstandings :			
Payable (1) M/s Industry House Limited	0.06 (0.26)	--- (---)	--- (---)
(2) M/s Kesoram Industries Limited	--- (---)	--- (---)	0.06 (0.06)
(3) Remuneration	--- (---)	--- (0.19)	--- (---)
Receivable (1) M/s Kesoram Industries Limited	--- (---)	--- (---)	16.55 (3.75)
(2) Others	--- (---)	--- (---)	0.03 (---)
Deposit Received (1) M/s Kesoram Industries Limited	--- (---)	--- (---)	0.04 (0.04)
(2) M/s Century Enka Limited	--- (---)	--- (---)	0.12 (0.12)

Note:- Previous year Figures are given in brackets

39. SEGMENT INFORMATION

A. Information about Business Segment - Primary

(₹ in Crore)

S.No. Particulars	Textile		Cement		Pulp and Paper		Others		Total	
	2013-2014	2012-2013	2013-2014	2012-2013	2013-2014	2012-2013	2013-2014	2012-2013	2013-2014	2012-2013
1. Segment Revenue										
Sales of products	1664.04	1593.95	3280.58	3047.99	1726.37	1281.89	130.52	115.51	6801.51	6039.34
Less: Inter Segment Revenue	60.03	56.73	178.86	27.93	86.24	91.23	-	-	325.13	175.89
Net Revenue from Operations	1604.01	1537.22	3101.72	3020.06	1640.13	1190.66	130.52	115.51	6476.38	5863.45
2. Result										
Segment Result	144.23	74.48	238.15	349.23	(3.46)	(188.56)	26.51	20.84	405.43	255.99
Add / (Less) :										
Inter Segment (Profit) / Loss									0.25	(0.70)
Net Segment Result									405.68	255.29
Unallocated Corporate Expense (Net of Income)									14.88	6.55
Operating Profit									390.80	248.74
Less: Finance Cost									362.80	319.95
Total Profit / (Loss) before Tax									28.00	(71.21)
Add / (Less) :										
(Short) / Excess Provision for Income Tax									(1.41)	16.90
Provision for Current Tax									-	-
Deferred Tax (Charge) / Credit									(23.87)	19.82
Net Profit after tax									2.72	(34.49)
3. Other Information										
Segment Assets @	1645.10	1488.05	3268.60	2554.57	3122.87	3295.07	915.66	666.12	8952.23	8003.81
Add: Unallocated Common Assets									339.33	257.86
Total Assets									9291.56	8261.67
Segment Liabilities @	244.51	246.55	733.07	590.96	258.05	240.24	53.44	46.48	1289.07	1124.23
Add: Unallocated Common Liabilities									6255.09	5332.49
Total Liabilities									7544.16	6456.72
4. Capital Expenditure during the year (excluding advances)	86.10	84.86	649.89	739.52	49.76	68.10	240.35	193.84	1026.10	1086.32
Add: Unallocated Capital Expenditure									-	-
									1026.10	1086.32
5. Depreciation and amortisation *	104.00	100.52	81.28	85.44	167.89	170.32	3.75	3.81	356.92	360.09
Add: Unallocated Depreciation									-	0.28
									356.92	360.37
6. Non Cash Expenditure	-	-	-	-	-	-	-	-	-	-
Add: Unallocated Non Cash Expenditure									-	-
									-	-

* Includes charged to Cost of Raising and transporting Limestone and Laterite.

@ Including projects under implementation.

39. SEGMENT INFORMATION

B. Secondary Segment - Geographical by Customers

S.No. Particulars	(₹ in Crore) 2013-2014	(₹ in Crore) 2012-2013
1. Segment Revenue		
In India	6006.02	5492.46
Outside India	470.36	370.99
Total	6476.38	5863.45
2. Carrying Cost of Assets by location of Assets		
In India	8881.92	7956.27
Outside India	70.31	47.54
Total	8952.23	8003.81
Unallocated	339.33	257.86
Total	9291.56	8261.67
3. Addition to Assets and Intangible Assets		
In India	1026.10	1086.32
Outside India	-	-
Total	1026.10	1086.32
Unallocated	-	-
Total	1026.10	1086.32

C. Other Disclosures

1. Segments have been identified taking into account the organisation structure as well as the differing risks and returns.
2. The Company has disclosed business segment as the primary segment.
3. Composition of the business segments

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, writing & printing paper, tissue paper and multilayer packaging board. |
| c. Cement | Cement and clinker. |
| d. Others | Salt works, chemicals, floriculture and real estate. |

4. Inter segment revenues are recognised at works / factory costs of the transferor unit / division or at sales price.
5. The Segment revenue, results, assets and liabilities include the respective amounts identifiable to each segment and amounts allocated on a reasonable basis.

40. DISCLOSURES PURSUANT TO ACCOUNTING STANDARD - 15 - "EMPLOYEE BENEFITS".

(a) An amount of ₹ 17.23 Crore (2012-2013 ₹ 12.76 Crore) as contribution towards defined contribution plans is recognised as expense in statement of Profit and Loss.

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

	31.03.2014 (₹ in Crore)	31.03.2013 (₹ in Crore)
(i) Changes in present value of obligations		
Present value of Obligations as at the beginning of the year	171.50	142.14
Interest Cost	13.37	11.58
Current Service Cost	20.43	14.19
Benefits Paid	(14.91)	(11.86)
Actuarial (gain) / loss on obligation	(13.69)	15.45
Present value of Obligations as at the end of the year	176.70	171.50
(ii) Changes in Fair Value of plan assets		
Fair value of plan assets as at the beginning of the year	157.98	130.74
Adjustment to opening Fair Value of Plan Assets	0.34	
Expected return on Plan Assets	12.84	11.71
Contributions	19.27	25.90
Benefits Paid	(14.90)	(11.86)
Actuarial gain / (loss) on Plan Assets	1.17	1.49
Fair value of plan assets as at the end of the year	176.70	157.98
(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	176.70	171.50
Fair Value of Plan Assets as at the end of the year	176.70	157.98
Funded Status	-	(13.52)
Net Asset / (Liability) recognised in the Balance Sheet	-	(13.52)
(iv) Expense recognised in the Statement of Profit and Loss		
Current Service Cost	20.43	14.19
Interest Cost	13.37	11.58
Expected return on Plan Assets	(12.84)	(11.71)
Net Actuarial (gain)/loss on Plan Assets for the period	(14.86)	13.96
Expense recognised in the statement of Profit and Loss	6.10	28.01
(v) Percentage of major category of plan assets to total plan assets as at the end of the year		
Bank Deposit, etc.	15%	13%
Debt Instruments	85%	87%

	31.03.2014 (₹ in Crore)	31.03.2013 (₹ in Crore)	31.03.2012 (₹ in Crore)	31.03.2011 (₹ in Crore)	31.03.2010 (₹ in Crore)
(vi) Assumptions :					
Mortality	IALM(2006-08)Ult	LIC(1994-96)Ult	LIC(1994-96)Ult	LIC(1994-96)Ult	LIC(1994-96)Ult
Discount Rate	9.10%	8.15%	8.60%	8.50%	7.50%
Rate of Increase in compensation	3.75 to 6%	3 to 6%	2 to 7 %	3 to 6 %	3 to 6 %
Rate of return (expected) on plan assets	8.00%	8.50%	8.00%	8.00%	8.00%
Withdrawal Plan	1 % to 6 %	1 % to 11 %	1 % to 10 %	1 % to 11 %	1 % to 10 %
Present value of Obligations	176.70	171.50	142.14	126.17	119.22
Fair Value of plan assets	176.70	157.98	130.74	130.35	119.42
Surplus or (Deficit) in the plan	-	(13.52)	(11.40)	4.18	0.20
Experience Adjustment - (Gain) / Loss	(1.17)	(2.64)	0.53	(12.30)	(31.24)

The estimate of future salary increases considered in actuarial valuation takes into account inflation, seniority, promotion and other relevant factors.

Provident Fund Liability :

In case of certain employees, the Provident fund contribution is made to trusts administered by the Company. In terms of guidance note Issued by the Institute of Actuaries of India, the Actuary has provided a valuation of Provident fund liability based on the assumptions listed and determined that there is no shortfall as at 31st March, 2014.

The assumptions used in determining the present value of obligation of the interest rate guarantee under deterministic approach are:

Remaining term of maturity - 9 to 18 years

Expected guaranteed interest rate - 8.75%

Discount rate for the remaining term to maturity of interest portfolio - 9.10%

- 41.** The Company has created a debenture redemption reserve to the extent of available profits for the year, for the purpose of redemption of its secured redeemable non convertible debentures.

42. COMPUTATION OF PROFIT FOR EARNINGS PER SHARE	2013-2014 (₹ in Crore)	2012-2013 (₹ in Crore)
Profit for the year after tax	2.72	(34.49)
Weighted average number of equity shares outstanding during the year	93045680	93045680
Basic and diluted earnings per equity share (in Rupees)	0.29	(3.71)

- 43.** Unclaimed fixed deposits amounting to ₹ 22,500 [31.03.2013 (₹ 22,500)] and ₹ 3,150 [31.03.2013 (₹ 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.

44. AUDITOR'S REMUNERATION	2013-2014 (₹ in Crore)	2012-2013 (₹ in Crore)
(a) Statutory Auditors :		
As Auditors	1.46	1.33
In Other Capacity :		
Tax Audit Fees	0.25	0.22
Certificates and other jobs	<u>0.58</u>	<u>0.64</u>
	0.83	0.86
For Expenses	<u>0.26</u>	<u>0.17</u>
Total	2.55	2.36

- 45.** Figures less than ₹ 50,000 have been shown at actuals in brackets, since the figures are rounded off to the nearest lac.

- 46.** Previous year's figures have been regrouped / recast wherever necessary.

- 47.** Significant Accounting Policies followed by the Company are as stated in the statement annexed to this Schedule as Annexure I.

As per our report of even date

For **DALAL AND SHAH**

Firm Registration Number 102021 W

Chartered Accountants

S. VENKATESH

Partner

Membership No: 037942

Mumbai : 5th May, 2014

D. K. AGRAWAL

President (Corporate Finance) &
Secretary

Mumbai : 5th May, 2014

B. L. JAIN

Whole-time Director

Directors

KUMAR MANGALAM BIRLA

PRADIP KUMAR DAGA

AMAL GANGULI

Annexure I

Statement referred to in Note 47 to the Financial Statements for the year ended 31st March, 2014.

STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

I. BASIS OF ACCOUNTING:

The financial statements have been prepared on an accrual basis and under the historical cost convention and in compliance, in all material aspects, with the applicable accounting principles in India, the applicable accounting standards notified under Section 211 (3) (c) and the other relevant provisions of the Companies Act, 1956.

All the assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in Schedule VI to the Companies Act, 1956. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current / non-current classification of assets and liabilities.

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) Sale of goods is recognised 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'.

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) Improvements to leased premises are amortised over the period of the lease / charged off on premature termination of lease.
- ii) 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 over their useful lives or determined on the basis of rates prescribed in Schedule XIV to the Act.
- iii) Depreciation on additions to fixed assets or on sale/disposal of fixed assets is calculated pro-rata from the month of such addition, or upto the month of such sale/disposal, as the case may be.
- iv) Cost of software capitalised is amortised over a period of five years.

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 into Indian currency at the appropriate rates of exchange prevailing on the date of the Balance Sheet. The resultant gain or loss, except to the extent it relates to long term monetary items, is charged to the Statement of Profit and Loss. 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 of existing assets and liabilities, the difference between the forward rate and exchange rate at the inception of the contract is recognised 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.

Forward exchange contracts outstanding as at the year end on account of firm commitment / highly probable forecast transactions are marked to market and the losses, if any, are recognised in the Statement of Profit and Loss and gains are ignored in accordance with the Announcement of Institute of Chartered Accountants of India on 'Accounting for Derivatives' issued in March, 2008.

VII. INVENTORY VALUATION:

- a) Raw materials, work-in-progress, 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 the present location and condition. The 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) Inter-divisional 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 expenses at the undiscounted amounts in the Statement of Profit and Loss of the year in which the related service is rendered.
- b) **Post employment benefits**
 - i. Defined contribution plans:

The 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 Statement of Profit and Loss. 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 for on the basis of an actuarial valuation.

d) **Termination Benefits**

Termination benefits are recognised as and when incurred.

IX. GOVERNMENT GRANTS:

Grants received against specific fixed assets are adjusted to the cost of the assets. Revenue grants are recognised in the Statement of Profit and Loss 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. 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.

XII. PREMISES TAKEN ON LEASE:

Rentals for premises taken on lease are charged to revenue.

XIII. TAXATION:

Income-tax expense comprises current tax 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. The deferred tax asset and deferred tax liability is calculated by applying the 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 their 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 obtain reassurance as to realisation. Minimum Alternative Tax credit is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal tax during the specified period.

XIV. 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 recognised in prior accounting periods is reversed or reduced if there has been a favourable change in the estimate of the recoverable amount.

XV. 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. A provision is not discounted to its present value and is determined based on the last estimate required to settle an obligation at the year end. These are reviewed every year end and adjusted to reflect the best current estimates. Contingent liabilities are not recognised but are disclosed in the financial statements. Contingent assets are neither recognised nor disclosed in the financial statements.

XVI. APPLICATION OF SECURITIES PREMIUM ACCOUNT:

Share issue expenses are charged first against the available balance in the securities premium account.

OPERATING RESULTS FOR FIVE YEARS

(₹ in Crore)

FINANCIAL YEAR	2013-14	2012-13	2011-12	2010-11	2009-10
INCOME					
Sales (Net of rebates and returns)	7116.44	6452.94	5288.69	5133.40	4833.22
Less: Excise Duty	640.06	589.49	499.46	456.24	380.32
	6476.38	5863.45	4789.23	4677.16	4452.90
Other Income (Including Operating Income)	217.80	112.92	110.73	124.91	94.67
	6694.18	5976.37	4899.96	4802.07	4547.57
EXPENDITURE					
Materials & Overheads (+/- Stock Adj.)	5948.76	5371.68	4447.21	4100.94	3601.07
PROFIT BEFORE EXCEPTIONAL ITEMS, INTEREST, DEPRECIATION AND TAX	745.42	604.69	452.75	701.13	946.50
Less: Exceptional Items (Net)	0.00	0.00	0.00	0.00	88.16
EARNING BEFORE INTEREST, TAX, DEPRECIATION AND AMORISATION (EBITDA)	745.42	604.69	452.75	701.13	858.34
Less: Finance Cost	362.80	319.95	172.08	118.27	100.53
PROFIT BEFORE DEPRECIATION AND TAX	382.62	284.74	280.67	582.86	757.81
Less : Depreciation	354.62	355.95	258.12	239.66	234.47
PROFIT / (LOSS) BEFORE TAX	28.00	(71.21)	22.55	343.20	523.34
Less : Tax (Net) - Including Deferred Tax	25.28	(36.72)	0.42	105.71	183.87
NET PROFIT / (LOSS)	2.72	(34.49)	22.13	237.49	339.47
DIVIDEND (%)	55.00%	55.00%	55.00%	55.00%	55.00%
CASH PROFIT AFTER TAX	357.34	321.46	280.25	477.15	573.94
BOOK VALUE PER SHARE (₹)	187.80	193.99	204.08	209.91	190.79

STATEMENT OF ASSETS AND LIABILITIES FOR FOUR YEARS

(₹ in Crore)

Particulars		Year ended 31.03.2014 (Audited)	Year ended 31.03.2013 (Audited)	Year ended 31.03.2012 (Audited)	Year ended 31.03.2011 (Audited)
A	EQUITY AND LIABILITIES				
1	Shareholders' Funds :				
	(a) Share Capital	93.04	93.04	93.04	93.04
	(b) Reserves and Surplus	1654.36	1711.91	1805.88	1860.06
	Sub-total - Shareholders' funds	1747.40	1804.95	1898.92	1953.10
2	Non-current liabilities				
	(a) Long Term Borrowings	2810.42	3148.15	1977.10	1240.05
	(b) Deferred Tax Liabilities (Net)	266.79	242.92	262.74	263.94
	(c) Other Long Term Liabilities	235.56	191.21	20.08	17.01
	(d) Long Term Provisions	405.56	363.32	319.59	276.05
	Sub-total - Non-current liabilities	3718.33	3945.60	2579.51	1797.05
3	Current liabilities				
	(a) Short Term Borrowings	1659.28	1212.50	1444.80	1381.47
	(b) Trade Payables	503.53	359.58	307.55	411.74
	(c) Other Current Liabilities	1570.29	836.64	968.83	764.38
	(d) Short Term Provisions	92.73	102.40	92.50	79.98
	Sub-total - current liabilities	3825.83	2511.12	2813.68	2637.57
	TOTAL - EQUITY AND LIABILITIES	9291.56	8261.67	7292.11	6387.72
B	ASSETS				
1	Non-current assets				
	(a) Fixed Assets	6608.32	5943.63	5221.12	4397.47
	(b) Non Current Investments	93.62	73.78	69.28	68.36
	(c) Long Term Loans and Advances	262.26	291.70	288.03	265.82
	(d) Other Non Current Assets	65.97	19.64	16.69	4.98
	Sub-total - Non-current assets	7030.17	6328.75	5595.12	4736.63
2	Current assets				
	(a) Current Investments	0.56	-	2.07	-
	(b) Inventories	1300.44	1203.79	1095.24	1070.66
	(c) Trade Receivables	525.79	408.01	333.45	307.15
	(d) Cash and Bank Balances	72.88	53.49	50.09	40.64
	(e) Short Term Loans and Advances	319.36	237.76	198.86	201.60
	(f) Other Current Assets	42.36	29.87	17.28	31.04
	Sub-total - current assets	2261.39	1932.92	1696.99	1651.09
	TOTAL ASSETS	9291.56	8261.67	7292.11	6387.72

EXCLUSIVE PRODUCT RANGE



BIRLA CENTURY
A Division of Century Textiles and Industries Limited



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e-mail: mail@birlacentury.com www.birlacentury.com



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

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