

Growing towards a better future



Courteous

Creative

Consistent

Conscious

CENTURY TEXTILES AND INDUSTRIES LIMITED

.....
110TH ANNUAL REPORT & ACCOUNTS 2006-07



Shri B. K. Birla
Chairman

**Growing
towards
a better
future**

Dear Shareholders,

It gives me pleasure to address you at a time – when our country is on the path of all-round growth and eventual prosperity. With the Indian economy, which is witnessing a steady and consistent growth over the last four years, the future is positive and full of promise. The credit, should certainly, go to the implementation of reform processes in all segments.

A consistently booming economy has led to greater mobilization of resources which has at the same time triggered inflationary pressures, resulting in a challenging scenario for the business community.

However, despite the inherent challenges that naturally prevail in the organic development of any economy, it is heartening to note that our company maintains a positive, strong and focused outlook and continues to march forward with unabated self confidence.

In the background of robust national economic growth, our Company has witnessed a highly satisfying performance in its operations during the year 2006-07. It gives me pleasure to mention that we have taken strategic steps aimed at greater shareholder value creation.

Today, the evolving economy has opened doors to a host of opportunities. At Century, we are confident of tapping these opportunities in a way that will consolidate our growth for a better tomorrow.

Your abiding trust in us and lasting support have been pillars of strength in marching forward towards our goals.

My sincere thanks to all the shareholders for their continued support and the confidence in helping the Company to enhance its business strengths and surge on the path of greater growth.

B.K. Birla
Chairman

Board of Directors

(As on 03-05-2007)

Shri B. K. Birla, Chairman

Shri Kumar Mangalam Birla

Shri P. K. Daga

Shri E. B. Desai


Shri Arvind C. Dalal

Shri Amal Ganguli

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

Contents

Board of Directors	1
Team of Executives	2
Performance Highlights	3
Growing towards a better future	4
Notice of Meeting	10
Directors' Report	14
Conservation of Energy	19
Form 'A'	22
Employees' Statement	23
Management Discussion and Analysis Report	24
Corporate Governance Report	32
Auditors' Report	42
Balance Sheet	46
Profit and Loss Account	47
Schedules '1' To '17'	48
Cash Flow Statement	76



Team of Executives (As on 03-05-2007)

Textiles

CENTURY TEXTILES , YARN AND DENIM

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

Rayon

CENTURY RAYON, TYRECORD & CHEMICALS

Shri M.C. Mehta	President
Shri O.R. Chitlange	Joint President (Finance)
Shri R. Lalwani	Joint President (Commercial)
Shri H.G. Uttamchandani	Senior Vice President (Rayon & Auxiliaries)
Shri S.M. Sanklecha	Senior Vice President (Purchase)
Shri R.K. Tandon	Vice President (Delhi Office)
Shri S.K. Mital	Vice President (Engineering Services)
Shri H.S. Yadav	Vice President (Personnel & Administration)
Shri Subodh Dave	Vice President (Rayon)
Shri Anil Sancheti	Vice President (Tyrecord and CSY)
Shri Sudhir A. Luthra	Vice President (Chemicals)

Cement

CENTURY, MAIHAR, MANIKGARH AND SONAR BANGLA CEMENTS

Shri B.L. Jain	Senior President
CENTURY CEMENT	
Shri M.C. Gupta	Executive President (Works)
Shri Alok Patni	Joint President (Plant)
Shri S.K. Sultania	Senior Vice President (Marketing)
Shri N.M. Singhvi	Senior Vice President (Commercial)
Shri A.H. Singhania	Vice President (Mechanical)
Shri A.K. Panja	Vice President (Marketing)
Shri Surendra Kumar	Vice President (Purchase)

MAIHAR CEMENT UNITS I & II

UNIT I

Shri Kamal Kishore	Executive President (Co-ordination)
Shri R.S. Doshi	Joint President (Finance)
Shri R.K. Vaishnavi	Joint President (Plant)
Shri P.M. Intodia	Senior Vice President (Marketing)
Shri Vijay Kumar	Vice President (Process & Quality Control)

Shri A.K. Lodha	Vice President (Marketing)
Shri M.K. Jain	Vice President (Mechanical)
Shri M.P. Joshi	Vice President (Electrical)

UNIT II

Shri B.P. Jain	Executive President (Plant)
Shri V.K. Bhandari	Joint President (Commercial)
Shri Rakesh Sharma	Joint President (Personnel & Administration)
Shri B.M. Singh	Joint President (Projects)
Shri G.S. Pandey	Senior Vice President (Marketing)
Shri S.K. Tewari	Vice President (Mines)
Shri Arvind Kumar Jain	Vice President (Mechanical)
Shri O.P. Moondra	Vice President (Instrument)

MANIKGARH CEMENT

Shri S.S. Sharma	Executive President (Co-ordination)
Shri P.S. Bakshi	Executive President (Plant)
Shri N.B. Singh	Joint President (Process & Quality Control)

Shri S.K. Mandelia

Shri A.D. Karwa	Senior Vice President (Commercial)
Shri R.K. Udge	Vice President (Mines)
Shri Ajoy Kumar	Vice President (Personnel)
Shri A.K. Jain	Vice President (Mechanical)
Shri N.D. Hemke	Vice President (Mechanical)

SONAR BANGLA CEMENT

Shri A.K. Mukherjee	Vice President (Project)
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Paper

CENTURY PULP & PAPER

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

Salt

CENRAY MINERALS AND CHEMICALS

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

Dalal & Shah, Mumbai

Registered Office

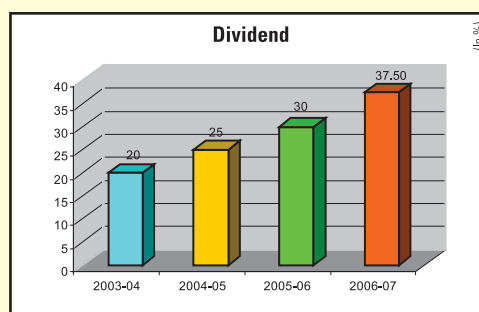
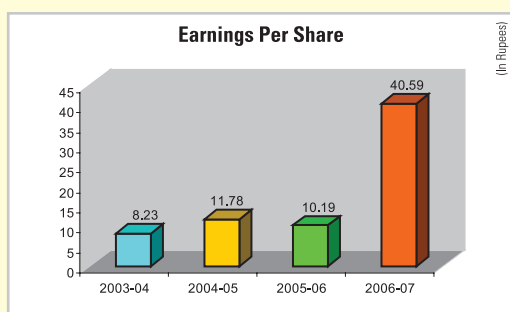
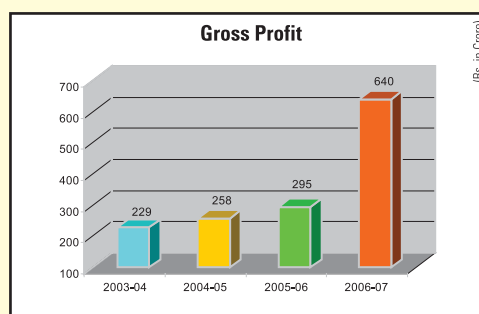
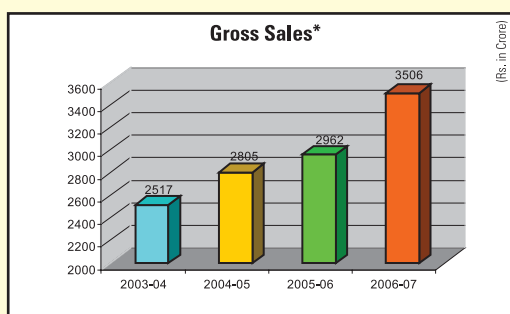
Century Bhavan, Dr. Annie Besant Road, Worli, Mumbai - 400 030

Performance Highlights

The gradual progress in our performance is an indicator of sustainable growth. We believe in optimum utilisation of available resources and improvement in performance, for enhancing shareholders' value and enriching the Company. Our consistent performance and improvement initiatives stand testimony to this. It is evident in the Company's results for the financial year ended 31st March 2007, where the Company has recorded the highest ever Gross Sales, Gross Profit and Net Profit. Due to this commendable performance, we have been able to increase the dividend to 37.50% for our esteemed shareholders.

Here is a brief overview of the year under review vis-à-vis the previous year :

- The Gross Sales has risen to Rs. 3506 crore from Rs. 2962 crore.
- Gross Profit after interest, but before exceptional items, has increased to Rs. 640 crore from Rs. 295 crore.
- Earning per share (excluding exceptional items) has increased to Rs. 40.59 from Rs. 10.19.
- Dividend has grown to 37.50% from 30% per share.



* Gross Sales are net of rebates and returns.



Growing towards a better future

In line with the growing economy, all the businesses of Century are witnessing a marked progress. One may note that the Textile Mill in Mumbai has effectively ceased to operate, but the Company is surging ahead with its Ready-To-Wear garments for both, men and women. In fact, the proposed Textile unit in the name of 'Birla Century' in Gujarat, likely to become operational by June 2008, will also give a boost to the Textile segment. The expansion of Cement production capacity from 6.30 to 7.80 million tonnes per annum is under completion and may become fully operative by September 2007. To add to the success, the recent expansion of paper manufacturing capacity by about 76000 tonnes per annum based on waste paper as raw material should further improve the overall working of the Company.

The Company is committed to wealth-creation for its ever-increasing family of shareholders and also other stakeholders. At the same time, it is determined to create a better tomorrow for one and all by offering a variety of quality fabrics to enhance the lifestyle of people, contributing towards infrastructure development, the nation's education mission and ensuring energy conservation.

Denim

Diversity is the key

The manufacturing capacity of Denim has already reached 21 million metres per annum. It is expected that nearly 100% capacity utilisation would be achieved in the year 2007-08, depending on market situations and the demand / supply scenario. During 2006-07, the market has witnessed severe downward fluctuations resulting in lower prices, but our excellent quality and style should ensure stabilization, due to expected increase in demand in times to come.

Apart from selling Denim Fabrics, we have successfully launched ready-to-wear Denim products such as Trousers, Shirts, etc. Our emphasis would be to promote ready-to-wear Denim products in different colours, designs and styles.

It gives us immense pleasure to bring to your notice that amidst a highly competitive market, Century's products have found wide acceptability and our quality is comparable to that of the best in the industry.





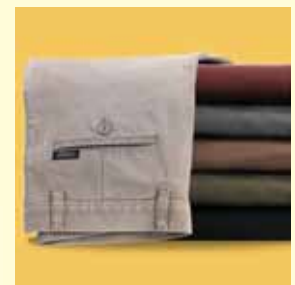
Apparel

Contemporary trends for men and women

Century, over the years, has been providing cotton fabrics to leading apparel manufacturing houses. What could be more exciting than introducing the Company's own line of readymade garments ! A few years ago, the Company forayed into the ready mades under the brand-name 'Cottons by Century' and initially introduced superfine 100% pure cotton shirts followed by t-shirts, trousers, kurtas, socks, handkerchiefs, etc.

While the 'Cottons by Century' range was initially focused on men, today, we have gone a step further by introducing a wide range of women's wear. Century understands and appreciates that women today are not just homemakers, but breadwinners too. They love to dress smart and tread smooth on the path of success. In an effort to complement the contemporary women's life style and growing needs, the Company has recently introduced an exclusive collection for women.

With the Company's fine understanding of customer needs, its product offerings have been welcomed with open arms in a highly competitive market and within just few years of its launch, 'Cottons by Century' has become a highly commended and widely accepted brand across the nation.



Creative Conscious Courteous Consistent



Rayon

Spinning ahead, while conserving energy

From a humble beginning in the manufacture of Viscose Filament Rayon Yarn at Kalyan near Mumbai in 1956 till this day, Century has become one of the largest producers of Viscose Filament Yarn (VFY) in India. Century's VFY has been the preferred raw material for a host of prestigious end-users and thus, supports various industries for the growth of the nation.

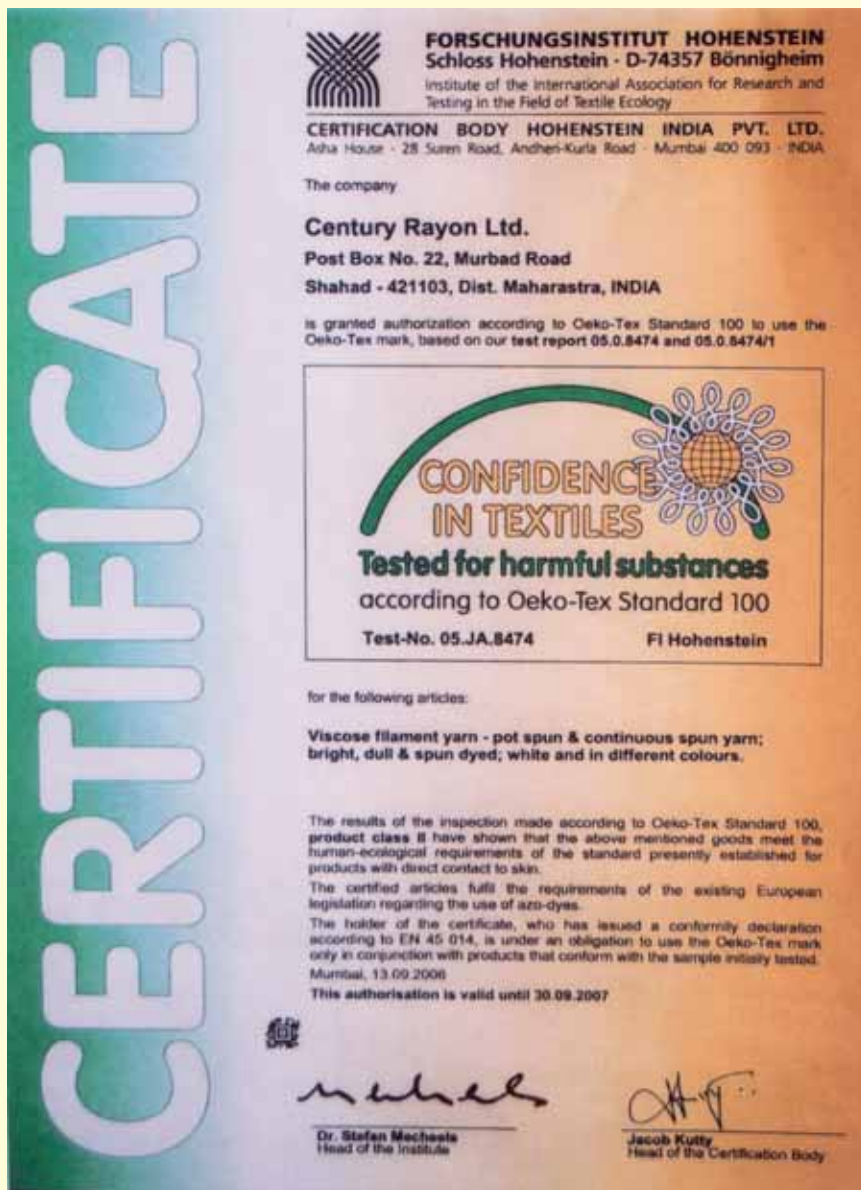
Century Rayon also contributes towards energy conservation, addressing the nation's tightening power situation. With most parts of the country facing load-shedding for long hours, it is very important for us to conserve energy. Energy saved is energy produced.



These efforts bore fruit – when the Confederation of Indian Industry (CII) recently conferred on Century Rayon the National Award for 'Energy Efficient Unit'.

Century Rayon has also been awarded Oeko-Tex Standard 100 Certificate by the Institute of the International Association for Research and Testing in the field of Textile Ecology, Germany, for its Pot Spun and Continuous Spun Yarn. This certificate is in recognition of our high quality yarn – that meets the human-ecological requirements.

We also thus ensure that our products meet the human- ecological requirements, as laid down by the global standards.



Cement

Excelling with Accolades

It has been an eventful time for the cement divisions at Century, with all the cement plants receiving several accolades, for the environment consciousness and energy conservation measures taken.

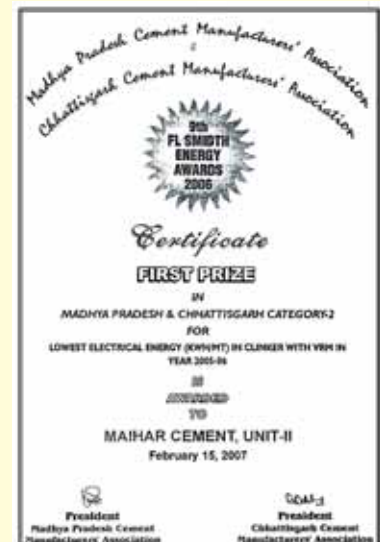
The Company takes utmost care, so that the environment is not harmed in the process of meeting the market demands. Because, environmental protection and energy conservation are the key issues not only at Century, but in front of the entire nation. We have taken the initiative at the corporate level, so that we preserve energy as much as possible and thus, serve the nation. This helps us to realize our dream of self-sufficient and global India!



During the Mines Environment and Mineral Conservation week 2006-07, Nagpur Region (Madhya Pradesh and Maharashtra), Manikgarh Cement was awarded the first prize in 'Noise Vibration Studies and Aesthetic Beauty', 'Top Soil Management' and 'Afforestation' programs. Thus, awareness about the surroundings and the environment is visible at Manikgarh Cement.

Since environment protection is taking a front seat in the age of global warming, it was indeed a matter of pride at Century Cement to receive the Abheraj Baldota Award for Environmental Excellence by Federation of Indian Mineral Industries, at the hands of Dr. T Subbiramy Reddy, Minister of State for Mines. This National Award is given for outstanding contribution in the field of environment management and mineral conservation.

Maihar Cement Unit No. II, Century Cement and Maihar Cement Unit No. I got the first prize at 9th F L Smidth Energy Award, 2006 for energy conservation for the lowest electrical energy consumption per tonne of clinker and cement in the year 2005-06, for maximum percentage reduction in electrical energy consumption kwh/MT of clinker production over the year 2004-05 and for minimum auxiliary power consumption In Thermal generation in the year 2005-06 respectively.





Paper

Advancing education and protecting environment

Century Pulp and Paper (CPP) provides the writing and printing paper available economically to all concerned and thus supplementing the efforts of Central and State Governments for promoting education. While running industry and creating wealth for the nation, it is also placing a great importance on protecting and improving the environment around the factory and nearby areas by proper tree plantations and taking care for effective and harmless discharge of effluents. These efforts create a healthy atmosphere for the young minds who will lead the country in future.

CPP has a state-of-the-art department to ensure environmental conservation and pollution control. Its efforts are highly recognised by the experts in the industry. The pulp and paper unit is the proud recipient of the "Environment Award", the first prize, for its remarkable efforts for environmental protection and enrichment for the year 2005-06, awarded by the Indian Paper Manufacturers Association, New Delhi.



Notice of Meeting



Every initiative taken by Century is done keeping in mind principles of courtesy towards its esteemed shareholders, other stakeholders and consumers. The Company's top priority lies in meeting their expectations and achieving many milestones as a team. This **courteous** relationship has been extended to all those dealing with the Company and provides immense satisfaction to all concerned.

Notice of meeting

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

NOTICE is hereby given that the 110th Annual General Meeting of the Shareholders of the Company will be held at Birla Matushri Sabhagar, 19, Marine Lines, Mumbai 400 020 on Tuesday, the 24th July, 2007 at 3.30 p.m. to transact with or without modifications as may be permissible, the following business:

1. To receive, consider and adopt the Directors' Report and Audited Balance Sheet and Profit and Loss Account for the year ended 31st March, 2007.
2. To confirm payment of interim dividend made by the Directors on the Equity Shares for the year ended 31st March, 2007 as final dividend.
3. To appoint a Director in place of Shri P. K. Daga who retires from office by rotation, but being eligible, offers himself for re-election.
4. To appoint a Director in place of Shri Arvind C. Dalal who retires from office by rotation, but being eligible, offers himself for re-election.
5. To appoint Auditors of the Company to hold office from the conclusion of this Meeting until the conclusion of the next Annual General Meeting of the Company and to fix their remuneration.
6. To consider and, if thought fit, to pass the following Resolution which will be proposed as a Special Resolution :

"RESOLVED that pursuant to the provisions of Sections 198, 269, 309, 311, 314 and all other applicable provisions, if any, of the Companies Act, 1956, read with Schedule XIII thereto and all guidelines for managerial remuneration issued by the Central Government from time to time, the Company hereby approves of the reappointment by the Board of Directors ("the Board") of Shri B.L. Jain as Director in the whole time employment of the Company with effect from 1st April, 2007 for a further period of three years with liberty to either party to terminate the appointment on three months notice in writing to the other, upon the following terms as to remuneration as set out hereafter and with further liberty to the Board / Chairman of the Board from time to time to alter the said terms in such manner as may be in the best interests of the Company subject however to the restrictions, if any, contained in the Companies Act, 1956, including Schedule XIII thereto as amended upto date or otherwise as may be permissible at law, viz. :

A) Basic Salary & Allowances per month effective from 1.4.2007:

- i) Basic Salary : Rs.1,70,000/-
- ii) Allowances : a) Entertainment Allowance Rs.35,000/-
b) City Compensatory and House Upkeepment Allowance Rs.70,000/-

With authority to the Board/Chairman of the Board to fix annual increments in basic salary and aforesaid allowances (basic salary not exceeding Rs.2,25,000 per month and total aforesaid allowances not exceeding Rs.1,25,000 per month) from time to time as may be deemed appropriate.

iii) House Rent Allowance 80% of basic salary.

B) Performance-cum-Long Term Service Allowance during the term of his appointment and manner of its payment as may be decided by the Board / Chairman of the Board from time to time subject to a maximum of Rs.40 Lakhs in one financial year.

C) Perquisites and other amenities payable/provided to Shri. B. L. Jain.

- i) Company's contribution towards provident fund (presently 12%) and Superannuation Fund (presently 15%) as per the Rules applicable to Century Cement Division of the Company, and not exceeding the limit as laid down under the Income-tax Rules, 1962.
- ii) Ex-gratia payment equivalent to 20% of basic salary.

iii) As per the rules of Century Cement Division of the Company in respect of the following:

- (a) Reimbursement of Leave Travel and Medical expenses for self and family.
- (b) Leave with full pay and allowances.
- (c) Gratuity
- (d) Personal accident insurance premium.

iv) Fees of the clubs subject to a maximum of two clubs excluding admission and life membership fees.

v) Provision of a chauffeur driven car provided and maintained by the Company for the use on Company's business.

vi) The housing society maintenance charges and electricity charges in respect of flat occupied by him shall be paid at actuals.

vii) Provision of telephone, telefax and other modern communication facilities at residence.

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

RESOLVED FURTHER that the Board / Chairman of the Board be and are hereby authorised to take such steps as may be necessary or expedient in their entire discretion to give effect to this resolution."

7. To consider and, if thought fit, to pass the following Resolution which will be proposed as an Ordinary Resolution :

"RESOLVED that supplemental to the Resolution No.9 passed at the Ninetyfifth Annual General Meeting of the Company held on 14th July, 1992 and pursuant to Section 293(1)(d) of the Companies Act, 1956, Article 63 of the Articles of Association of the Company and all other enabling provisions, if any, consent of the Company be and is hereby accorded to the Board of Directors of the Company to borrow from time to time any sum or sums of monies in any manner as may be required for the purpose of businesses of the Company, with or without security and upon such terms and conditions as they may think fit, notwithstanding that the monies to be borrowed together with monies already borrowed by the Company (apart from temporary loans obtained or to be obtained from the Company's bankers in the ordinary course of business) may exceed the aggregate of the paid-up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose, provided that the total amount so borrowed by the Board of Directors and outstanding at any time shall not exceed the sum of Rs.5000 crores (Rupees Five Thousand Crores)."

8. To consider and, if thought fit, to pass the following Resolution which will be proposed as an Ordinary Resolution :

"RESOLVED that supplemental to the Resolution No.8 passed at the Ninety-ninth Annual General Meeting of the Company held on 16th July, 1996 and pursuant to Section 293(1)(a) and all other applicable provisions, if any, of the Companies Act, 1956, consent of the Company be and is hereby given to the Board of Directors of the Company (hereinafter referred to as "the Board" which term shall be deemed to include any committee thereof) to create such charges and/or mortgages and hypothecations in addition to the existing charges, mortgages and hypothecations created by the Company on such terms and conditions and at such time or times and in such form and manner and with such ranking as to priority as it may think fit, on any of the Company's moveable and immoveable properties and assets, present and future comprised

in any undertaking or undertakings of the Company, as the case may be, in favour of the Lenders viz. Financial/Investment Institutions, Bank or Banks and Trustees for the holders of debentures/bonds/other instruments to secure the repayment of loans/borrowings sanctioned and/or to be sanctioned by them from time to time for a sum not exceeding Rs.5000 crores (Rupees Five Thousand Crores) as per the approval of the shareholders under section 293(1)(d) of the Companies Act, 1956 and inclusive of interest at the respective agreed rates and all other costs, charges and expenses and all monies payable by the Company in respect of such loans/borrowings as may be stipulated in that behalf and agreed to between the Board of Directors and the Lenders.

RESOLVED FURTHER that the Board of Directors of the Company be and is hereby authorized to

(i) finalise with the Lenders, agreements and other documents, if any, necessary for creating the mortgage(s) and/or charge(s), hypothecation(s) as aforesaid, and

(ii) do all such acts, deeds, matters and things and to execute all such documents, deeds and instruments in writing as may be required, incidental and/or expedient for giving effect to this resolution and to resolve any question relating thereto, or otherwise considered by the Board of Directors to be in the best interest of the Company."

9. To consider and, if thought fit, to pass the following Resolution which will be proposed as a Special Resolution :

"RESOLVED that pursuant to Section 163 and other applicable provisions, if any, of the Companies Act, 1956 the Company hereby approves that the register and index of members, the register and index of debentureholders, copies of all returns prepared under section 159 of the Companies Act, 1956 and copies of the certificates and documents required to be annexed thereto under section 161 of the Companies Act, 1956 or any one or more of them, be kept at the office of the Company's Share Transfer Agent, Intime Spectrum Registry Ltd., C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (West), Mumbai 400 078 or such other Share Transfer Agent appointed by the Company from time to time in place of the existing one and whose office is situated in Mumbai, if so determined by the Board of Directors of the Company and/or at the Registered Office of the Company and that the foregoing registers, returns, certificates and documents be kept open for inspection at the places where they are kept, by the persons entitled thereto between such hours as may be fixed by the Company on any working day of the Company except when such registers are closed as per the provisions of the said Act.

RESOLVED FURTHER that the Board of Directors be and is hereby authorized to do all such acts, deeds, matters and things as may be necessary or expedient to give effect to this resolution."

NOTES FOR MEMBERS' ATTENTION

- A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER.
- Explanatory Statement pursuant to section 173(2) of the Companies Act, 1956, in respect of Item Nos. 6 to 9 of the Notice set out above, is hereto annexed.
- The Registers of Members and Transfer Books in respect of the Equity Shares of the Company will remain closed from Friday, the 20th July, 2007 to Tuesday, the 24th July, 2007 both days inclusive.
- Pursuant to Section 205A of the Companies Act, 1956, all unclaimed/unpaid dividends upto the financial year ended 31st March, 1995 have been transferred to the General Revenue Account of the Central Government.

Those shareholders who have so far not claimed or collected their dividend for the said period may claim their dividend directly from the Registrar

of Companies, Maharashtra, by submitting an application in the prescribed form.

- (e) Members are hereby informed that dividends which remain unclaimed/unencashed over a period of 7 years have to be transferred by the Company to the Investor Education & Protection Fund constituted by the Central Government under Sections 205(A) & 205(C) of the Companies Act, 1956.

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

<u>Date of declaration of dividend</u>	<u>Dividend for the year</u>	<u>Due date of transfer to the Government</u>
9th August, 2000	1999-2000	19th September, 2007
10th July, 2001	2000-2001	8th August, 2008
4th July, 2002	2001-2002	2nd August, 2009
5th August, 2003	2002-2003	4th September, 2010
20th July, 2004	2003-2004	18th August, 2011
26th July, 2005	2004-2005	24th August, 2012
12th July, 2006	2005-2006	10th August, 2013

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

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

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

By Order of the Board,

Mumbai
Dated: 5th June, 2007

D.K. AGRAWAL
Secretary

ANNEXURE TO THE NOTICE

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

Item No.6

Shri B.L. Jain, Senior President of the Cement Divisions of the Company, was appointed as a Director on the Board of the Company, thus becoming a Whole-time Director, with effect from 1st April, 1999. His initial appointment as such was for a period of five years. On expiry of his said term of office he has been reappointed as Whole-time Director for a further period of three years with effect from 1st April, 2004 which expired on 31st March, 2007. The Board of Directors has, at its recent meeting, reappointed him as such Whole-time Director for a further period with effect from 1st April, 2007 on such terms as to remuneration and otherwise as may be decided by the Chairman. His appointment is presently fixed for a period of three years and the details of his remuneration have now been finalized as set out in the Resolution. Shri Jain who has recently attended the age of 70 years has been in the service of the Company for the last over 45 years holding very senior positions and has considerable experience about the business and affairs of the Company. It is, therefore, desirable and in the interest of the Company that it should continue to avail of his services as such Whole-time Director for the further period as aforesaid.

With regard to the remuneration payable to him incidental to his employment with the Company, considering his managerial skills and particularly his rich experience as also the prevailing trend in the industry, the same are considered to be fair, just and reasonable. It is in these circumstances that the resolution in item No.6 of the Notice is being proposed for the consideration of the Members. The same along with this Explanatory Statement may also be treated as an abstract required to be circulated to the members under the provisions of Section 302 of the Companies Act, 1956.

Shri B.L. Jain is deemed to be interested in this resolution as it concerns him.

Item Nos.7 and 8

Under Section 293(1)(d) of the Companies Act, 1956 the Board of Directors of a Company cannot, except with the consent of the Company in general meeting, borrow monies, apart from temporary loans obtained from the Company's bankers in the ordinary course of business, in excess of the aggregate of the paid up capital and free reserves of the Company, that is to say, reserves not set apart for any specific purpose. The shareholders at the Annual General Meeting of the Company held on 14th July, 1992 had accorded their consent to the Board of Directors borrowing in excess of the aggregate of the Company's paid up capital and free reserves, subject to a limit of Rs.1500 crores over and above the aggregate of the paid-up capital of the Company and its free reserves.

In view of the requirement of additional funds to meet the cost of the Company's capital expenditure programmes viz. new projects, expansion, diversification, modernization/renovation and replacement schemes, of which the members are broadly aware, as also additional working capital requirements of the Company, the Board of Directors feel that it will be necessary for the Company to raise further monies from various sources which may exceed the existing borrowing limit stated above. The consent of the Shareholders is therefore, sought in accordance with the provisions of Section 293(1)(d) of the Companies Act, to enable the Directors to borrow monies subject to a limit of Rs.5000 crores (Rupees

Five Thousand Crores). The Resolution under item No. 7 of the accompanying Notice is to obtain fresh consent of the shareholders for this purpose. Since the proposed borrowing will be in a phased manner it is expected that even with the proposed increased borrowings, the debt equity ratio of the Company should be within reasonable limits.

The proposed borrowings of the Company, may, if necessary, have to be secured by way of mortgage/charge on immoveable properties and/or hypothecation of the moveable properties of the Company, both present and future, as may be agreed to with the concerned financial/investment institutions, bank or banks or the relevant party concerned.

Since the mortgage and/or charge/hypothecation to be created as aforesaid may attract the provision of Section 293(1) (a) of the Companies Act, 1956, it is deemed advisable to obtain the approval of the members under the provision of the above Section of the said Act. The Directors accordingly commend the resolutions in item nos. 7 & 8 of the accompanying notice for the approval of the members.

Item No.9

Under the provisions of section 163 of the Companies Act, 1956 certain documents of the Company, such as, registers, indexes of members and debentureholders and other certificates and documents as mentioned in the resolution are required to be kept at the Registered Office of the Company. However the Company can by a Special Resolution authorize that any or all such registers, indexes and other documents may instead be kept at any other place within the city, town or village in which the Registered Office of the Company is situated. These records are presently being kept at the Registered Office of the Company.

It is proposed that in line with the current corporate practice, these records or any one or more of them as may be decided by the Board be kept at the office of the existing Share Transfer Agent of the Company viz. Intime Spectrum Registry Ltd., or such other Share Transfer Agent of the Company for the time being, and/or at the Registered Office of the Company, as may be found expedient by the Board.

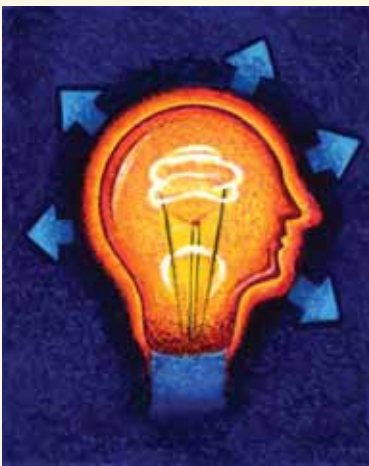
A copy of the Special resolution proposed to be passed is being forwarded to the Registrar of Companies, Maharashtra as required under Section 163 of the Companies Act, 1956. Accordingly, the Board recommends the resolution as in this item of the accompanying notice for your approval.

By Order of the Board,

Mumbai
Dated: 5th June, 2007

D.K. AGRAWAL
Secretary

Directors' Report



Innovation along with dedication is what enables one to reach the pinnacle. The management at Century encourages **creativity** and has, over the years, introduced some of the best practices in business. This is one of the attributes that has enabled Century to excel in all its endeavours while pleasing all who are associated with the Company.

Creative Conscious Courteous Consistent

Dear Shareholders,

We have pleasure in presenting the 110th Annual Report of the Company alongwith the audited statements of Accounts for the year ended 31st March, 2007. The summarised financial results are given below. The overall profitability for the accounting year 2006-07 has improved substantially as compared to the last year after charging all expenses, interest, payments made under the Voluntary Retirement Scheme (VRS), gratuity, exit payments etc. Under the accounting treatment permitted by the revised Accounting Standard 15 (AS-15) on Employee Benefits, the payments made under the VRS during the year have been spread out to be charged to profit over a period of four accounting years commencing from the accounting year 2006-07 and ending with the accounting year 2009-10.

1. SUMMARISED FINANCIAL RESULTS:

	<u>2006-07</u>		(Rs. in crore)
		<u>2005-06</u>	
Profit after Interest, VRS payments, gratuity, etc.	497.23		337.82
Less:			
Depreciation	135.19	134.46	
Net adjustment in respect of earlier years	9.50	12.26	
Provision for taxation (including Fringe Benefit Tax)	97.79	48.11	
Deferred Tax Debit/(Credit)	<u>(18.06)</u>	<u>33.94</u>	<u>228.77</u>
Net Profit	272.81		109.05
Add:			
Balance brought forward	<u>77.08</u>		<u>74.86</u>
Available Profit dealt with as under	349.89		<u>183.91</u>
Transfers & Appropriations:			
Interim Dividend paid	34.89		-
Proposed Equity Dividend	-		27.91
Corporate Dividend Tax	4.89		3.92
General Reserve	200.00		75.00
Balance carried forward	<u>110.11</u>		<u>77.08</u>
	349.89		<u>183.91</u>

The performance of each business segment of the Company has been comprehensively covered in the Management Discussion and Analysis Report based on the reports of the Wholtime Director of the Company and Presidents of each unit and forms part of this Directors' Report.

2. DIVIDEND:

In March 2007, the Board of Directors had declared an interim dividend @ 37.50% (Thirty seven and half percent) on the paid up equity share capital of the Company i.e. Rs.3.75 (Rupees Three and Paise Seventy Five Only) per equity share of Rs.10/- each for the accounting year 2006-07, amounting to Rs.34.89 crore. This dividend was paid to those who were members of the Company on 21st March, 2007. This interim dividend is being treated as the final dividend for the year 2006-07. The final dividend in the previous year was 30% (thirty percent) on the paid up equity share capital. Dividend tax amounting to Rs.4.89 crore (previous year Rs.3.92 crore) on the dividend has been borne and paid by the Company. Your Board has declared continuously increasing dividend for the past five years. We believe in a sustainable increase in dividends so that shareholders regularly receive higher returns on their investments.

3. EXPORTS:

The total exports of the Company amounted to Rs.315 crore which represents about 10% percent of the net sales.

4. EXPANSION & MODERNISATION:

a) Textiles

It has been decided to set up a new Textile Mill as a separate division of the Company named as "Birla Century" with about three hundred looms and nearly one lac spindles at GIDC Industrial Estate, Jhagadia, Dist. Bharuch in the state of

Gujarat with manufacturing capacity of about twenty five million metres of fabrics per annum, along with a captive thermal power plant of 30 MW at a total estimated capital expenditure of upto Rs.725 crore. The mill is expected to be commissioned by about June, 2008.

b) Cement

- i) The major work for capacity enhancement from 6.30 million tonnes per annum to 7.80 million tonnes per annum at all cement units has been completed except upgradation of the kiln and installation of a bag house at Maihar cement unit No. 2 which is likely to be completed by September 2007 as the H.T. Motors are expected to be delivered in June/July 2007.
- ii) We intend to expand cement manufacturing capacity to 11.30 million tonnes per annum by setting up a new cement plant of 2 million tonnes per annum capacity adjacent to existing plant of Manikgarh cement at Gadchandur, Maharashtra, along with a 35 MW captive thermal power plant and 1.50 million tonnes per annum cement grinding unit at Sagardighi in District Murshidabad, West Bengal. The estimated total capital outlay will be about Rs.965 crore. An application has been submitted to the Ministry of Environment and forest for environment clearance. The Company has also taken the necessary steps to acquire land for setting up the grinding unit in West Bengal. We intend to place orders for major equipments for expansion at Gadchandur on receipt of environmental clearance and for the grinding unit in West Bengal once land is handed over to us by the West Bengal Government.

c) Pulp & Paper

The expansion of our paper unit for manufacturing paper from waste paper has been commissioned from 03.02.2007 with a capacity of 211 tonnes per day and the plant is now running smoothly.

It has been decided to set up a 100 tonnes per day Prime Grade Tissue Paper Plant at a total capital outlay of Rs. 175 crore based on imported softwood and our own hardwood pulp as raw material. The technical study for installation of the plant has already commenced. The paper plant is proposed to be installed adjacent to the existing Pulp and Paper Plant at Lalkua, Dist. Nainital, Uttarakhand and is expected to be operative by about September, 2008.

d) General

Modernisation and technological upgradation programmes, as necessary, are being continued in all the units of the Company to maintain competitiveness and achieve better quality. Stringent cost control measures continue to be implemented in all possible areas.

5. 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 in Clause 49 of the Listing Agreement is annexed to the report on Corporate Governance.

6. GENERAL - AWARDS, SPORTS & WELFARE ACTIVITIES:

a) Rayon, Tyre Cord & Chemicals:

- i) Bagged CII National Award 2005 for "Excellence in Energy Management".
- ii) Our Volley-ball team won the Thane District Championship.
- iii) Our veteran Foot-ball team won the Mumbai Zone Championship.

b) Cement:

- i) Century Cement has received for its Limestone Mines the "Abheraj Baldota Environment Award" for the year 2005-06 from the Federation of Indian Mineral Industries (FIMI) for outstanding contribution to the national goal of sustainable development through Environment Conservation of rational utilization for natural resources.
- ii) Century Cement has received the first prize in "Waste Dump Management" and "Publicity & Propaganda" for its limestone mines during the Mines Environment and Mineral Conservation Week 2006-07 held under the aegis of Indian Bureau of Mines, Nagpur region. It has also received the first prize for "Tyre Maintenance", "Standard of working" and "Use of explosives" for the same mines during the Annual Safety week celebration for the year 2006 held under the guidance of Director General of Mines Safety, Bilaspur region.

One student from our school at Century Cement has participated in the Basketball Game at the National Level.

- iii) Maihar Cement has received the first prize in "Use of Explosives and Dust Suppression", "Machineries", "Transport of Mineral and Overburden" and "Overall performance" for its limestone mines during the Metalliferrous Mines Safety Week, 2006 of Jabalpur region.

Maihar Cement has also received the first prize in "Publicity and Propaganda" and "Air Quality Management" for its limestone mines during the Mines Environment and Mineral Conservation Week in the year 2006-07 held under the guidance of the Indian Bureau of Mines, Jabalpur region.

Maihar Cement Unit No. 2 has received the National Safety Award for outstanding performance in Industrial Safety as runner-up during the Award year 2005 in achieving "accident free year".

Maihar cement has also received a shield and certificate for the Top Central Excise Tax Payer for the year 2005-06 from the Central Excise, Customs duty and Service tax Commissionerate, Bhopal.

Eleven students (7 Scouts & 4 Guides) from our school at Maihar Cement, Sarlanagar have been selected for the Governor's award.

Three students have been honoured with the Kalaratna Award 2006 and one teacher has been honoured with "the Best Teacher Award 2006" in All India Drawing- Handwriting Contest- 2006-07 organised by Akhil Bhartiya Nagrik Vikas Kendra. Further two students have been honoured with the "Hind Kala Visharad Award" for painting/ handwriting contest 2006-07 organised by Hind Art Education Academy.

One student has achieved excellent result and secured ninth position in Rewa Division Merit List of Class X in the State Board High School Examination 2006. He has scored 100% marks in Maths & Science.

- iv) Manikgarh Cement has received the first prize in the Noise Vibration Studies and Aesthetic Beauty, Top Soil Management and Afforestation for its limestone mines during the Mines Environment and Mineral Conservation Week 2006-07, Nagpur Region (Madhya Pradesh and Maharashtra).

Manikgarh Cement has also received the first prize in the Injury Rate Performance, Explosives and Exhibition Stall for the same mines during Metalliferrous Mines Safety Week 2006-07, Nagpur Region I & II.

Manikgarh Cement Quality Circle Group has been awarded a prize for excellence in the Process category at the National convention held at Kanpur for the case study in 'Kiln Shell radiation high through burning zone'.

c) Pulp & Paper:

- i) The unit received the "Environment Award" - the First Prize for its remarkable efforts for environmental protection and enrichment for the year 2005-06, awarded by the Indian Paper Manufacturers Association, New Delhi.
- ii) This Unit's Quality Circle "Aadarsh" has secured the "Excellent" award in the National Convention on Quality Circles held at I.I.T., Kanpur.

7. ENVIRONMENTAL AND POLLUTION CONTROL:

In pursuit of our mission for environmental excellence, we continue to pay full attention to improvement in ecology and the environment. We believe in the concept of "Sustainable development" and are conscious of our responsibility towards creating, maintaining and ensuring a safe and clean environment. In our Rayon Division new initiatives taken include installation of bag filters for collection of charcoal dust, thus preventing pollution from such dust spreading in the atmosphere. Rayon Division also initiated the process for ISO 14000 and OSHA 18000 certification for environmental pollution control and industrial safety.

8. DIRECTORS:

Under Article 130 of the Articles of Association of the Company Shri P.K. Daga and Shri Arvind C. Dalal retire by rotation and being eligible, offer themselves for re-election.

9. AUDITORS:

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

10. AUDITORS' REPORT:

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

11. COST AUDITORS:

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

12. DIRECTORS' RESPONSIBILITY STATEMENT:

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

- i) that in the preparation of the annual accounts, the applicable accounting standards have been followed and proper explanations provided relating to material departures, if any;
- ii) that the Directors have selected appropriate accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for that period;

- iii) that the Directors have taken proper and sufficient care to ensure the maintenance of adequate accounting records in accordance with the provisions of the Companies Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities, if any;
- iv) that the Directors have prepared the annual accounts on a going concern basis.

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

a) Energy Conservation Awards for Cement Divisions:

- (i) In the ninth F L Smidth Energy Award 2006 for energy conservation, Maihar Cement Unit No. 2 has obtained the first prize for the lowest electrical energy consumption kwh per tonne of clinker production and per tonne of cement production among modern plants using VRM technology situated in the state of Madhya Pradesh & Chhattisgarh. Maihar cement has been getting first prize for the lowest electrical energy consumption per tonne of clinker and cement for the last seven years.
- (ii) In the ninth F L Smidth Energy Award 2006 for energy conservation in the state of Madhya Pradesh & Chhattisgarh, Maihar Cement received the first prize for Minimum Auxiliary Power Consumption with respect to captive thermal power generation for the year 2005-06.
- (iii) In the ninth F L Smidth Energy Award 2006 for energy conservation, Century Cement was honoured with the first prize for maximum percentage reduction in electrical energy consumption kwh per tonne of clinker production over the year 2004-05 amongst the cement plants of Chhattisgarh state.

b) General:

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

14. PARTICULARS OF EMPLOYEES:

Details of remuneration paid to employees, as required by Section 217(2A) of the Companies Act, 1956, are set out in a separate statement attached hereto and marked Annexure 'B' and forms part of this Report.

15. CASH FLOW ANALYSIS:

In conformity with the provisions of clause 32 of the Listing Agreement, the Cash Flow Statement for the year ended 31.03.2007 is annexed hereto.

16. APPRECIATION:

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

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

On behalf of the Board,

Dated: 3rd May, 2007

B.K. Birla
Chairman

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 / Yarn / Denim Divisions

- Stopping one compactor unit of crosrol cards filter out of two by modifying the circuit.

Rayon, Tyre Cord & Chemicals Divisions

- Installation of Supervisory Control and Data Acquisition System (SCADA). Installation of variable frequency drives on coal pushers, chilled water pumps.
- Installation of new 60 TPH fluidized bed boiler.

Cement Divisions

- Modification of raw mills by installation of high efficiency classifier at all the Cement Units.
- Modification of pre-heater cyclones at Century Cement and Manikgarh Cement Units.
- Construction of dry fly ash silos with conveying system to cement mills at all cement units.
- Close circuiting of cement mills - 3 mills at Century Cement Unit and 1 mill at Manikgarh Cement Unit.
- Installation of multichannel burner on kiln no.1 at Maihar Cement Unit.
- Installation/Upgradation of DCS for various sections of plant at Cement Units.
- Installation of DC drive for sepol fan for effecting variation in speed at Manikgarh Cement Unit.
- Optimisation of compressed air system at Century Cement Unit and Manikgarh Cement Unit.
- Installation of solar water heating system in the township of all the Cement Units.

Pulp & Paper Division

- 56 Nos. variable frequency drive installed in plant.
- 3 Neutral compensator used to restrict neutral current flow.
- Low-tension voltage optimized of 4 power transformer.
- 16 MW Turbine commissioned .
- Use of RGP Hot water in Bagasse Pulp mill.

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

- Installation of multi-channel burner at both the kilns of Century Cement and kiln no.2 at Maihar Cement Unit.
- Modification of remaining raw mills by installation of high efficiency classifier at Maihar Cement Unit and Manikgarh Cement Unit.
- Modification of pre-heater cyclones at Maihar Cement Unit No.2.
- Construction of remaining dry fly ash silos with conveying system to cement mills of all the cement units.
- Close circuiting of one cement mill at Manikgarh Cement Unit.
- Installation of SPRS for pre-heater fan and high efficiency fan for grate cooler at Manikgarh Cement Unit.
- Providing 1600 KW DC Motor for ESP fan no.2 at Manikgarh Cement Unit.
- Installation of Fuzy Logic at Century Cement and Manikgarh Cement Units.
- Natural ventilator in machine house and 16 MW Turbine at Century Pulp & Paper unit.

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

- Increase in productivity.
- Reduction in energy consumption.

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

As per Form 'A' attached.

B. TECHNOLOGY ABSORPTION:

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

Form 'B'

Research and Development (R & D)

1. Specific areas in which R & D has been carried out by the Company :
 - Improvement of viscose quality and improvement in production efficiency.
 - Increase in production of blended cement by increased use of Fly Ash and Slag.
 - Economic approach to rain water harvesting and water table recharging.
 - Re-circulation of hot air for drying wet slag and fly ash.
 - Re-circulation of conditioning tower dust with timers and limit switches.
 - Base paper for wall paper developed.
 - Wax match tissue paper developed.
 - Colour paper for export developed.
2. Benefits derived as a result of the above R & D :
 - Improvement in the quality and productivity of manufactured products.
 - Economy in cost and increased efficiency in plant.
 - Conservation of mineral, power, fuel and water.
 - Pollution free environment in and around factory, mines, colony and nearby areas.
 - Development of new market segment.
 - Improvement in running of paper machines.
3. Future Plan of Action :
 - Continuous improvement in the product quality.
 - Conservation of mineral, power, fuel and water.
 - Pollution free environment in and around factory, mines, colony and nearby areas.
 - Technical upgradation of Pollution Control facilities.
 - Augmentation and optimization by absorption of fly ash and slag in cement.
 - Aluminisation of fly ash silos for prevention of corrosion at Manikgarh Cement Unit.
 - Improve the product mix considering all four machines at Pulp & Paper Unit.
 - Development of speciality papers.
 - Cost reduction of paper chemicals.
4. Expenditure on R & D :

	(Rs. in Crore)
a) Capital	0.26
(b) Recurring (including contribution)	3.57
(c) Total	3.83
(d) Total R&D expenditure as a percentage of total turnover	0.11

Technology absorption, adaptation and Innovation

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

Rayon, Tyre Cord & Chemicals Divisions

- Flash deareator and simplex of lenzing design have been installed in Rayon Plant.
- Dye preparation, injection and shade matching system procured from M/s Fabelta, Belgium, installed in Rayon Plant for improving quality of dope dyed yarn.

Cement Divisions

- Modification of pre-heater cyclones and calciner.
- Modification of all grinding mills by installation of high efficiency classifier.
- Installation of hybrid filters for kiln and cement mills .

- Process automation by installation / upgradation of DCS.
- Loss in weight system for pozzolana feeding in cement mills at Century Cement Unit.
- Installation of sintercast tyres in Vertical Coal Mill at Manikgarh Cement Unit.

Pulp & Paper Division

- Thick stock screening system installed in Bagasse Paper Machine.
- A modern mud filter installed in chemical recovery to increase the dryness of filter cake.
- Introduction of oxygen bleaching stage in RGP to improve the quality of Rayon Grade pulp.

2. Benefits derived as result of above efforts :

Rayon, Tyre Cord & Chemicals Divisions

- Improvement in quality and productivity.

Cement Divisions

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

Pulp and Paper Division

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

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

- | | | |
|--------------------------------------------------------------------------------------------------------------|---|-----------------------------------------------------------------------------------------------------------------------------|
| a) Technology imported during last five years | - | Technical know-how agreement signed with Cordenka, GmbH, Germany, for improvement in productivity and quality of Tyre Yarn. |
| b) Year of import | - | 2005 |
| c) Has technology been fully absorbed | - | Under absorption. |
| d) If not fully absorbed, areas where this has not taken place, reasons therefore and future plans of action | - | Implementation of know-how agreement will last untill 2008, Absorption of technology will improve quality/productivity. |

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.

- In addition to what has been stated in the Management Discussion and Analysis Report, we would like to mention that we have identified several new and potential overseas markets for export of paper. The quality of our paper had an overwhelming response and our paper is regularly exported to markets like South Asia and African Countries. Export of paper during the year has increased substantially. Export of Viscose Rayon Filament Yarn remained steady during the year 2006-07. Efforts were made to improve unit price realization. Special initiatives were taken to enter into new markets such as Bulgaria, South America etc. as well as to increase focus on supply of dyed yarns to quality European markets, which yielded good results. Exports of High Tenacity Rayon Tyre Yarn, used by the automobile industry overseas remained steady during 2006-07. Based on present trends, exports during 2007-08 will remain steady. We will continue our efforts to broaden our overseas customer base further. Cement /Clinker has been exported to Nepal.

(g) Total Foreign Exchange used and earned.

The information on Foreign Exchange earnings and outgo is contained in note no. 18(a) & 17 of Schedule 17 of the accounts.

On behalf of the Board,

Mumbai
Date: 3rd May, 2007

B.K. Birla
Chairman



Century Textiles and Industries Limited

FORM 'A'

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

	Textiles	Yarn	Denim	Cement	Paper	Rayon & Tyre yarn / Fabric & Chemicals
A. POWER AND FUEL CONSUMPTION :						
1. Electricity						
(a) Purchased Unit (KWH in lacs)	538.90	202.18	-	1097.61	81.83	809.73
	(872.47)	(213.85)	(-)	(1996.26)	(104.61)	(719.36)
Total Amount (Rs.in Crore)	22.04	7.94	-	52.84	2.64	30.26
	(34.66)	(8.26)	(-)	(83.41)	(3.83)	(23.24)
Rate/Unit (Rs.)	4.09	3.93	-	4.81	3.23	3.74
	(3.97)	(3.86)	(-)	(4.18)	(3.66)	(3.23)
(b) Own Generation						
(i) Through Diesel Generator						
Unit (KWH in lacs)	-	15.17	399.80	68.82	8.35	520.00
	(-)	(17.11)	(429.33)	(89.28)	(10.46)	(518.89)
Units per Kg./Ltr. of LSHS & Diesel Oil	-	4.05	4.30	3.61	3.37	4.42
	(-)	(3.52)	(4.35)	(3.59)	(3.62)	(4.48)
Cost/Unit (Rs.)	-	4.72	3.99	11.93	9.08	4.63
	(-)	(7.32)	(3.64)	(9.94)	(8.86)	(4.43)
(iii) Through Steam turbine/generator						
Unit (KWH in lacs)	-	-	-	4314.72	1799.19	492.67
	(-)	(-)	(-)	(3059.32)	(1610.29)	(490.99)
Units per ton of Coal	-	-	-	882.07	1075.00	*
	(-)	(-)	(-)	(843.02)	(1045.00)	*
Cost/Unit (Rs.)	-	-	-	3.03	1.03	*
	(-)	(-)	(-)	(3.03)	(0.92)	*
	Cotton Fabrics	Cotton Yarn	Denim	Cement	Paper	Rayon & Tyre yarn / Fabric & Chemicals
2. Coal (Grade B,C,D and E)						
Quantity (in lac M. Tons)	-	-	-	8.87	1.11	0.77
	(-)	(-)	(-)	(8.73)	(1.13)	(0.83)
Total Cost (Rs.in Crore)	-	-	-	180.54	21.40	28.32
	(-)	(-)	(-)	(167.93)	(21.05)	(27.36)
Average Rate (Rs. per M.T.)	-	-	-	2034.64	1919.92	3693.27
	(-)	(-)	(-)	(1923.01)	(1871.23)	(3314.38)
3. Furnace Oil & Piped Natural Gas						
Quantity in M.T. (incl. LSHS & Diesel Oil & per thousand SCM)	5299.01	-	1385.31	6437.20	3997.00	3036.69
	(8553.34)	(-)	(462.66)	(8870.52)	(3370.00)	(1105.32)
Total Amount (Rs. in Crore)	5.30	-	2.32	13.73	8.59	5.82**
	(8.63)	(-)	(0.74)	(16.84)	(6.45)	(1.60)
Average Rate (Rs. in M.T.)	9995.23	-	16750.00	21328.10	21499.23	19173.09
	(10008.97)	(-)	(15994.47)	(18987.31)	(19133.02)	(14467.43)
4. Coal for producer Gas (Grade B, C & E)						
Quantity (MT in lacs)	-	-	-	-	0.14	-
	(-)	(-)	(-)	(-)	(0.12)	(-)
Total Cost (Rs. In Crore)	-	-	-	-	2.68	-
	(-)	(-)	(-)	(-)	(2.26)	(-)
Average Rate (Rs. In MT)	-	-	-	-	1919.92	-
	(-)	(-)	(-)	(-)	(1871.23)	(-)

Note:

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

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

B. CONSUMPTION PER UNIT OF PRODUCTION :

	Production Unit	Standards if any	Current Year	Previous Year	Reasons for variations
1. Electricity (KWH)					
Cotton Fabrics	Per 1000 Sq. Mtrs.	-	1085.05	977.02	(c)
Cotton Yarn	Per 100 Kgs.	-	285.59	241.09	(c)
Cotton Yarn (M.P.)	Per 100 Kgs.	-	427.42	470.39	(b)
Denim Fabrics	Per 1000 Sq. Mtrs.	-	1435.83	1537.05	(b)
Rayon Yarn	M.T.	-	4138.10	4322.65	(e)
CSY (Continuous Spg. Yarn)	M.T.	-	4815.40	4542.58	(f)
Tyre Yarn/Fabric/Fibre	M.T.	-	3561.96	3394.13	(f)
Caustic Soda	M.T.	-	2625.50	2625.10	(a)
Carbon-di-sulphide	M.T.	-	1049.37	1042.39	(a)
Sulphuric Acid	M.T.	-	50.27	50.73	(a)
Cement	M.T.	-	79.22	76.36	(a)
Paper	M.T.	-	1384.00	1378.00	(a)
2. Furnace Oil (M.T.) & Piped Natural Gas					
Cotton Fabrics	Per 1000 Sq. Mtrs.	-	0.107	0.096	(c)
Denim Fabrics	Per 1000 Sq. Mtrs.	-	0.099	0.103	(b)
Rayon Yarn	M.T.	-	0.116	0.043	(d)
CSY (Continuous Spg. Yarn)	M.T.	-	0.215	0.082	(d)
Tyre Yarn/Fibre	M.T.	-	0.135	0.048	(d)
Paper	M.T.	-	0.029	0.027	(a)
Cement	M.T.	-	0.001	0.001	-
3. Coal - B, C, D & E Grades (M.T.)					
Rayon Yarn	M.T.	-	2.927	3.245	(d)
CSY (Continuous Spg. Yarn)	M.T.	-	5.434	6.147	(d)
Tyre Yarn/Fibre	M.T.	-	3.397	3.588	(d)
Cement	M.T.	-	0.126	0.128	(b)
Paper	M.T.	-	0.817	0.898	(a)
4. Coal for Producer Gas (Grade B,C & E) (M.T.)					
Paper	M.T.	-	0.102	0.096	(b)

Notes:

(a) Minor variations.

(b) Due to energy conservation.

(c) Due to cessation of manufacturing operations.

(d) Furnace oil including LSHS and Coal are used for steam generation & consumption of energy per unit of production will vary depending upon use of each item of energy. The variations are due to relative use of different sources of energy on various occasions during the year.

(e) Due to higher production.

(f) Due to change in denier/market mix. Previous year's figures have been regrouped, wherever necessary.

ANNEXURE 'B' TO THE DIRECTORS' REPORT

Information under Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, and forming part of the Directors' Report for the year ended 31st March, 2007.

(a) Age (b) Qualification (c) Designation & Nature of Duties (d) Commencement of Employment (e) Experience (years) (f) Remuneration Gross/Net Rs. (g) Particulars of last employment, Last Post, Employer, (No. of years).

1. SHRI B.L. JAIN (a) 70 (b) B.Com., F.C.A. (c) SENIOR PRESIDENT AND WHOLETIME DIRECTOR (d) 01/02/1962 (e) 47 (f) 4791169 / 2777191 (g) SENIOR AUDIT ASSISTANT, S.B. BILLIMORIA & CO. (2)
2. SHRI B.L. KEDIA* (a) 68 (b) B.E. (MECH), M.I.E. (c) EXECUTIVE PRESIDENT (PLANT) (d) 18/02/1971 (e) 43 (f) 1163049 / 757230 (g) SR. MECH. ENGR., KESORAM INDS & COTTON MILLS LTD., UNIT KESORAM SPUN PIPES & FOUNDRIES (7-1/2)
3. SHRI D.V. SINGH* (a) 71 (b) B.Sc., (Hons), MA (SW) (c) JOINT PRESIDENT (P & A) (d) 15/01/1983 (e) 26 (f) 1011588 / 480554 (g) GENERAL MANAGER. (P & A) NEW CENTRAL JUTE MILLS LTD. (2)
4. SHRI G.P. PURWAR* (a) 58 (b) B.S.C. (ELECT. ENGG) (c) GENERAL MANAGER (PURCHASE) (d) 26/11/1971 (e) 36 (f) 1421830/ 1084918 (g) FOREMAN H.S.M. GOLA GOKARAN NATH, DISTT. KHERI (UP) (1-4/12)
5. SHRI J.K. MANDELIA* (a) 51 (b) B.Com., FICWA (c) SENIOR VICE PRESIDENT (WORKS) (d) 01/01/1985 (e) 30 (f) 1315199 / 1098645 (g) ACCOUNTS OFFICER, ANDHRA PRADESH RAYONS LTD. (3-2/12)
6. SHRI M.D. DHOKE* (a) 39 (b) I.T.I. (c) ASSTT. ENGR. (D & D) (d) 24/08/1995 (e) 19 (f) 227984 / 183226 (g) JR. ENGR. M/s. PIX TRANSMISSIONS, NAGPUR- (3/12)
7. SHRI O.P. SHARMA* (a) 62 (b) BA, LLB, DAM (c) DEPUTY GENERAL MANAGER (P & A) (d) 14/07/1965 (e) 43 (f) 268072 / 171442 (g)
8. SHRI R.K. DALMIA (a) 53 (b) B.COM., F.C.A., C TEX FTI (c) PRESIDENT (d) 01/09/1985 (e) 29 (f) 3843496 / 1869951 (g) SENIOR EXECUTIVE, GRASIM INDUSTRIES LTD. (4-8/12)
9. SHRI SURJIT SINGH* (a) 58 (b) S.S.C. B.O.E. (c) CHIEF SHIFT ENGINEER (P/HOUSE) (d) 01/05/1982 (e) 42 (f) 660776 / 628063 (g) PETTY OFFICER ENGG (MECH) INDIAN NAVY (17-9/12)
10. SHRI S.C. KORIA* (a) 58 (b) M.Com. (c) DEPUTY GENERAL MANAGER (MARKETING) (d) 08/09/1972 (e) 35 (f) 1654894 / 1375289 (g) COMMERCIAL TRAINEE, STATE BANK OF BIKANER AND JAIPUR (9/12)
11. SHRI S.K. JAIN* (a) 63 (b) B.Com., F.C.A. (c) JOINT PRESIDENT (FINANCE) (d) 29/05/1979 (e) 41 (f) 2922540 / 1635114 (g) ENGAGED IN PROFESSION
12. SHRI V.N. TIBREWALA* (a) 62 (b) B.Com., LLB (c) GENERAL MANAGER (MARKETING) (d) 24/02/1972 (e) 35 (f) 244172 / 204862 (g)

NOTES:

1. Remuneration received includes Salary, Co's contribution to Provident Fund and Superannuation Fund, House Rent Allowance / House up-keepment Allowance / Rent paid, City Compensatory Allowance, Entertainment Allowance wherever applicable, Rateable value in case of Company's flat, Insurance Premium, Medical Expenses and Leave Travel Assistance, Monetary value of perquisites calculated in accordance with the provisions of Income Tax Act, 1961 and Rules thereunder.

Net remuneration represents net amount received after deduction of Taxes, contribution to Provident and Superannuation Funds and Reimbursements.
2. Other terms and conditions : one month/three months notice on either side.
3. The name of an employee who was in the Company's employment for a part of the financial year and whose remuneration excluding compensation paid on voluntary retirement was not less than Rs.2,00,000/- per month has been included and his name is marked *.
4. None of the above employees is a relative of any Director of the Company.

On behalf of the Board,

Mumbai
Dated: 3rd May, 2007

B. K. BIRLA
Chairman

Management Discussion and Analysis Report



Every division of Century reflects the basic principles on which the Company lays its foundation. From enhancing the manufacturing capacity of every division, time and again to continuously increasing the gamut of offerings, the Company has been **consistent** when it comes to set benchmarks and deliver remarkable results.

This report discusses the operations and financial performance of your Company.

1. Overall Review:

The profitability of the Company during the year under review has improved considerably because of good performance of Cement and Pulp & Paper Divisions of the Company. The Rayon Division also performed satisfactorily. The manufacturing operations at our Textile Mill in Mumbai have effectively ceased and the detailed comments about this are given in the segmental review related to Textiles.

The interest cost in coming years is likely to increase due to continuing rise in the rates of interest.

Due to firm demand for cement for infrastructure and housing, the prospects for the cement segment appear positive. With the spread of education and the continuing thrust of the Central Government on promoting education at all levels, the demand for and prices of paper are likely to rule firm, resulting in continued good performance. Viscose Filament Yarn (VFY) and Rayon Tyre Yarn are expected to maintain steady performance based on stable prices and demand.

2.1 Business Segment - Textiles

Cotton Textiles, Yarn and Denim

a) Industry Structure & Development:

As is known to the industry, the organized mill sector in the metro cities including Mumbai has been facing serious difficulties in operating profitably because of increased cost, taxes and duties pursuant to which practically all mills in Mumbai had to close down. However, the Textile and clothing industry in India, situated in locations other than metro cities, is likely to flourish due to higher demand for outsourcing from India. This industry is back on a growth path both in the domestic and export markets which is evident from the announcements made about expansion plans of the industry. The Central Government has continued the Technology Upgradation Fund (TUF) Scheme with some proposed modifications during the 11th five year plan which should have a positive impact on the growth of the Textile industry. The technology mission on cotton introduced by the Central Government will improve the productivity and ginning of cotton, which is again a positive sign for the industry. These steps augur well for the textile industry and will help to upgrade technology and improve competitiveness in the world market.

b) Opportunities & Threats:

India has emerged as a major outsourcing hub from the global perspective due to its advantages of a reasonably economical and abundant workforce, design expertise and the wide range of textile fabrics. The quantitative restrictions imposed on China till 2008 by the European Union and the United States of America (USA) should provide an opportunity to the Indian Textile Industry to improve its market share in these countries. With greater prosperity and employment flowing from high growth, the demand for quality cloth will continue to strengthen. The upsurge in the number of major retail outlets in India should also improve the demand for quality fabrics.

As regards threats, the Indian Textile Industry has a global logistical disadvantage, as shipping cost is high and the whole process from order to delivery takes longer compared to other manufacturing countries like Mexico, Turkey etc.

If there is a slow down in the global economy, particularly the USA, consumer expenditure on Textiles may be adversely impacted. Imports from other major textile manufacturing countries including China may increase, taking market share away from Indian products.

c) Segmental Review and Analysis:

The difficulties facing the operation of our composite textile mill in Mumbai have been commented on in earlier years. The mill is unviable because of technical limitations of the machinery, comparatively high labour cost, government levies, water and electricity charges. Although serious efforts were made to continue to operate the mill on a reduced scale, in view of relentless rise in costs, it was not viable. Accordingly, a Voluntary Retirement Scheme (VRS) was introduced in the mill as a result of which over 6300 mill workers and staff which constitutes more than 95% of the total strength have opted for retirement during the months of November and December 2006. Consequently, the manufacturing operations at the mill have effectively ceased. There are still 275 workers who have not accepted Voluntary Retirement. With such a reduced number, it is not possible to operate the mill, consequently, an application was made by the Company to the Labour Commissioner under the applicable provisions of the Industrial Disputes Act for Government's permission to close the operations of the textile



Century Textiles and Industries Limited

mill. During the course of hearing before the Labour Commissioner, the Hon'ble Minister for Labour intervened at the instance of the workers and suggested that the matter be solved amicably between the management and the workers. In view of this, it was felt necessary to withdraw the application for permission for closure for the time being and discuss the issue with the workers afresh. If an amicable solution cannot be worked out in future, then, we may have to make an application once again to the Labour Commissioner with a request to allow the closure of our textile mill at Worli, Mumbai.

Ready to Wear products under the brand name 'Cottons by Century' introduced in the recent past have proved attractive to customers and are doing well. As a silverlining to the cloud, the sale of Ready to Wear products has been increasing steadily and this trend is likely to continue. 'Cottons by Century' is the only menswear brand that manufactures 100% Cotton Shirts, T-Shirts, Trousers, Kurta-Pyjamas, Boxer Shorts, Nightwear etc. In a short span of time 'Cottons by Century' has received so good a response that product lines have been expanded to make available the maximum possible range of designs, colours and products. As a step towards further improvement, we have introduced Ready to Wear products for women which should attract a large section of our female population. Unchallenged in its quality and adaptability to suit every season, occasion and taste 'Cottons by Century' till date continues to offer an endless array of contemporary designs, weaves and vivid colours in fashion formals.

The performance of Yarn Division remained fairly stable in view of depressed yarn prices during the year. The denim market was depressed throughout the year and the prices were considerably lower due to an adverse export as well as domestic market due to less demand. However, it is expected that the export and domestic demand and prices should pick up in the near future. During the year, the Company has introduced fancy denim products such as Ring, Rain, Cross-hatch, Slubs, Polyester, Lycra, Linen, Overdyed in different colours etc.

d) Risks and Concerns:

Any major downturn in the Indian economy, and to a lesser extent, a downturn in the global economy, can seriously decelerate consumer spending including clothing purchase, which would have a strong negative impact on this sector.

The Chinese threat is continued, and especially after 2008, when the quantitative restrictions on China shall be removed for the majors like USA and European Union markets, the impact is likely to be felt by all textiles and clothing producing countries including India.

Cotton which is required to manufacture yarn / fabrics is getting costlier continuously in India which is a matter of concern. The presence of low cost imported fabrics and emergence of established foreign brands in India may also prove challenging.

e) Outlook:

Our thrust will be on Ready to Wear garments marketed under the brand 'Cottons by Century'. We are hopeful that the cotton yarn and denim markets will improve leading to better results.

Century Rayon - Viscose Filament Yarn (VFY), Continuous Spun Yarn (CSY) & Rayon Tyre Yarn

a) Industry Structure & Development :

During the year under review no new capacities have been added. As the industry is capital intensive, needs stringent environmental clearances and large manpower, it is unlikely that it will witness any new capacity addition in the near future.

Gradual substitution of VFY by polyester yarn has made a dent in the demand for VFY. This has led to increase in inventory among all producers in the industry. Producers like us could not increase prices due to yarn being sold at a discount by a few producers.

b) Opportunities and Threats:

The Industry's efforts for imposition of anti dumping duty on cheaper imports from China and Commonwealth of Independent States (CIS) countries met with success as the Central Government levied an anti dumping duty on VFY. This has reduced imports of VFY. The gap created due to reduced imports provided an opportunity to domestic producers to channelize their products to consumers previously using imported yarn.

Due to environmental and other problems, one major yarn producing unit in Europe had to close down a couple of years back. This provided an opportunity for us to cater to enhanced demand in foreign markets. Our initiatives yielded positive results and

we succeeded in developing new consumers and markets in Europe and South America. It is heartening to note that during the year our overall exports have increased.

Higher prices of major raw materials like wood-pulp and sulphur coupled with new power tariffs have increased the overall cost of production.

The Central Government Budget this year did not offer any fiscal incentives for Viscose Filament Yarn but reduced import duty on polyester yarn by 2.50% thus making import of polyester yarn cheaper which is likely to put pressure on us.

c) Segmental Review and Analysis:

Despite overall decrease in demand of VFY, our production and sales have improved due to consistency in quality and introduction of a new variety of yarn (fine denier) which has been readily accepted in the market. Adherence to stringent quality norms has ensured that no complaints have been received about our yarn from users in domestic as well as foreign markets.

Increased level of stocks of Rayon Tyre Yarn had also started affecting prices in the foreign markets, where we export about 80% of our production. The production was optimized so that stock levels and prices could be maintained.

Making intense efforts we developed relationship with consumers in new markets in Western Europe and South America, thus broadening our consumer base. Export market prices are reasonable and therefore our efforts for higher exports will continue.

Increases in Dearness Allowance have worsened our already high labour cost due to proximity of our unit to Mumbai. A long term wage settlement with the Union has been concluded recently and contains positive features such as rationalization of labour, introduction of Voluntary Retirement Scheme etc, which to some extent should reduce the overall cost of labour.

The focus on implementation of energy saving schemes and automation will remain a top priority of the Company so that operational efficiency can be further improved.

It is heartening to mention that Century Rayon has been awarded Oeko-Tex Standard 100 Certificate by Institute of the International Association for Research and Testing in the Field of Textile Ecology, Germany for our Pot Spun & Continuous Spun yarn. This certificate is in recognition of our yarn meeting human ecological requirements. It is advantageous because of preference for VFY with such recognition by the European markets.

Off-take and prices of various chemical products have been steady during the year. Various measures taken by the Company have resulted in higher and more efficient production.

Production and sales of Refined Salt remained at satisfactory levels. Prices have increased due to scarcity of material. In order to run our Salt Refinery at an optimum level, we had to procure raw salt from outside sources at high prices. Optimum prices were realized for the company's export and domestic sales. Exports of Refined Salt to the Middle East and Nepal are continuing satisfactorily.

d) Risks and Concerns:

Pressure on cost of labour remains a major concern and efforts for rationalization and optimum utilization of manpower will remain top priority. Higher cost of raw-materials, particularly Wood Pulp and Sulphur may have to be absorbed, as it would be difficult at this stage to pass on this increased burden to consumers. Despite decrease in imports, prices of imported yarn are still lower than the acceptable selling prices of domestic producers. Availability of polyester yarn at low prices remains a continued threat.

Volatile conditions in exchange rates are likely to have the double effect on reducing cost of imports but also reducing prices realized for exports.

e) Outlook:

The outlook in respect of VFY appears satisfactory for both off take and pricing. We have been able to procure sizable orders for Rayon Tyre Yarn equivalent to almost 80% of our production at a satisfactory price, thus protecting ourselves from possible future uncertainties. The market for chemical products is expected to remain buoyant.



2.2 Business Segment - Cement Divisions

a) Industry Structure & Development :

India with an installed capacity of about 166 million tonnes per annum ranks second globally, next to China, which produces over a billion tonnes per annum. Cement production by India accounts for nearly 6.40% of the global production. The Industry has achieved cement production of 155.31 million tonnes in the year 2006-07 as against 141.81 million tonnes during the previous year, witnessing an annual growth of 9.52%. To meet increased demand, most cement companies operated at high levels of capacity utilization reaching 94% compared to 90% in the previous year. In conformity with the trend witnessed during the past several years, the blended cement production continued to grow and stood at about 69% of total cement production during the year 2006-07 compared to 60% in the previous year.

The cement industry exported about six million tonnes of cement and about three million tonnes of clinker during 2006-07. The export of cement is likely to decline in the future due to additional capacity coming up in the Gulf countries. Large global cement Companies may increasingly enter the more lucrative and accessible markets of India. This may affect the domestic demand/supply balance.

The Indian cement industry has witnessed a flurry of mergers and acquisitions amongst domestic producers, bringing smaller players under the umbrella of larger companies, and some larger companies being merged with global corporations. Four of the top five cement companies in the world have entered India through mergers, acquisitions or joint ventures. These include Lafarge, Holcim, Italcementi and Heidelberg. These companies have already garnered about 28% of Indian industry capacity.

Over the last two decades cement plants across the globe have undergone major technological upgradation and modernization. The Indian cement industry has also kept pace with new developments and presently about 95 per cent of the total capacity in the industry is based on the modern and environment-friendly dry process technology.

b) Opportunities and Threats :

The cement industry at present is enjoying one of the best times in terms of demand. For four successive years the Indian economy is witnessing impressive growth. During the fiscal year 2006-07, the economy has perhaps grown by about 8.5% to 9%. The cement industry accounts for approximately 1.30% of GDP and that bears a high co-relation with growth in the economy as a whole.

The boom in the housing sector, construction industry and increased activity in infrastructure development such as state and national highways, ports, airports, irrigation facilities, flyovers, setting up of Special Economic Zones (SEZs), shopping malls, multiplexes and retail chains promise good demand for cement in coming years. There are ongoing major investments by the manufacturing sector as well as the addition of many lakh square feet of office space. Any slow down in infrastructure development may have an adverse impact on cement demand.

Though the Indian cement industry has clocked a production of more than 150 million tonnes in the year 2006-07, the per capita consumption of cement in India of around 135 kgs still compares poorly with world average and underlines the tremendous scope for growth.

Inflation is hovering over 6%. Measures taken to curb inflation may initially reduce the growth momentum but in the long run the pace of growth is likely to be maintained.

Scrapping of import duty, countervailing duty and additional customs duty on Portland Cement by Government, will reduce the import parity price by about Rs. 40 per bag. However, this is not likely to have much impact on the domestic sector due to inadequate port facilities and logistical problems.

c) Segmental Review and Analysis :

All cement units of the Company are functioning at optimum levels. During the current year the Company produced 67.49 lacs tonnes cement as against 66.36 lacs tonnes during the previous year. Slower production growth was caused by planned stoppages for upgradation of plant capacity. A lot of emphasis is being placed on production of blended cement which constitutes more than 95% of the total cement produced by the Company as against 69% of cement industry in India. Production of blended cement not only conserves limestone reserves but also helps in minimizing emission of greenhouse gases (CO₂) per tonne of cement with a favourable impact on global warming. In October, 2006, the Company's project on blended cement has been registered under the Clean Development Mechanism with the executive body of the United Nations Framework Convention of Climate Change (UNFCCC).

In spite of increases in the cost of inputs and road transportation, the performance of the cement divisions is substantially better mainly due to higher sales realization and good logistics. Efforts are being made continuously to increase productivity, reduce cost, conserve energy and improve quality.

d) Risks and Concerns :

Surging inflation leading to hardening of interest rates, increased cost of land and construction may affect the growth in the housing sector and infrastructure development resulting in lower demand for cement.

Coal availability has become critical. The Ministry of Coal has reduced the allocation of coal to 80% of linkage quantity. The introduction of coal procurement through the e-booking mechanism at 30% higher than the notified price has increased the cost of fuel.

Restrictions on carrying capacity on trucks has increased the transportation cost. Poor availability of wagons, increases in power tariffs, high incidence of taxes, duties & cess are matters of concerns for the cement industry.

e) Outlook :

The Macro economic fundamentals are sound allowing the economy to make rapid growth. The Government has set a target of 9% GDP growth in 11th five year plan (2007-12). The plan addresses issues of promoting growth in industrial, housing and realty sectors. Specific focus has been placed on development of rural & urban infrastructure such as roads, railways, ports, airports, irrigations projects, housing etc. An 11.50% compounded annual growth rate (CAGR) in cement demand during the 11th plan has been projected which seems quite feasible given the huge investment planned in infrastructure development by both public and private sectors.

Though large capacity additions have been announced by various companies, it will materialize in a phased manner. Due to equilibrium in demand & supply of cement, the prices of cement in the long run are likely to remain at a remunerative level.

2.3 Business Segment - Century Pulp & Paper

a) Industry Structure & Development :

The Indian Paper industry comprises of writing and printing paper, industrial and newsprint segments. India is the 15th largest paper market in terms of consumption and 18th in terms of production in the world. The demand for paper and allied products in India is growing at 8% per annum against global growth of 3% per annum. However, the per capita consumption of India is around 7 Kgs., which is far lower compared to 20 Kgs. in China and 250 Kgs. in Japan. Asia presents a vibrant growth opportunity for growth to paper manufacturing units worldwide. India and China are key players in this industry's growth over the next few years. This growth is fuelled by factors such as overall economic growth, favourable government policies, improvement in the literacy rate etc. and the pace is going to accelerate in coming years due to economic progress and the government's thrust on education reflected in the recent union budget for 2007-08. Sensing the opportunity of growing demand in future, some of the domestic paper mills have initiated capacity expansion at their existing plants. However, no greenfield project is in the pipeline.

b) Opportunities and Threats :

Uncertainty about the long term availability of adequate raw materials continues to be an area of major concern for the entire paper industry. The industry still awaits the formulation of a policy by the Government for utilization of degraded forest or unutilized revenue land for development of plantations to meet its raw material requirements. Further, interrupted power supply could also adversely affect the growth of the industry.

c) Segmental Review and Analysis :

Prices of pulp and paper were on upswing during the year under review and plant capacity has been utilized to the optimum level. The process of introduction of new qualities / improvement in the quality of existing products is going on. Our brands have established premium positions in the market because of consistent quality and timely introduction of good supply chain through our strong distribution network. The new capacity should enable us to take full advantage of the situation to increase our market share.

In keeping with the Company's policy and objectives, we have successfully developed and marketed value added products like overlay tissue, century tissue (HB), PVC coated paper and base for wall paper, which are used for manufacturing melamine crockery, wax matchsticks, file covers and wall papers. Other products like Century Excel and Supershine printing paper are being used in executive diaries of prestigious organizations. In line with development of new products, we are planning to

manufacture prime grade tissue paper, production of which in India is around 35000 M.T. per annum, the rest of the demand is being met by imported tissue paper. The growth rate in India in this segment is around 20% in view of changing purchasing pattern of consumers and also the increasing use of hygiene related paper products.

d) Risk & Concerns :

Inadequate availability and poor quality of fuel such as coal and raw material continue to be the areas of concern. We have, however, taken several steps to use alternative raw material such as veneer chips, rice straw, wheat straw etc. and alternate fuel to minimize the negative impact. Further, the rising cost of wood, bagasse and waste paper - our major raw materials, may also put pressure on our profitability.

e) Outlook :

Considering the Government's thrust on education and the booming economy, we are fairly optimistic about the outlook for our Paper business.

3. Internal control systems and their adequacy:

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

4. The Company's Financial Performance & Analysis:

Highlights

(Rs. in crore)

Particulars	2006-2007	2005-2006
Gross Turnover	3506.31	2962.37
Net Sales	3140.16	2578.27
PBIDT	699.12	336.67
Interest	59.52	41.33
Profit after Interest, but before Depreciation, VRS, Gratuity, Exit Payments, etc. and Taxation	639.60	295.34
Depreciation	- 135.19	- 134.46
Net adjustments in respect of earlier years	- 9.50	- 12.26
Profit after depreciation but before VRS, Gratuity, Exit payments, surplus on sale of ship etc. and Taxation	494.91	148.62
Voluntary Retirement Scheme (VRS), Gratuity, Exit payments, surplus on sale of ship etc.	- 142.37	42.48
Profit after VRS, Gratuity, Exit payments, etc. but before Taxation	352.54	191.10
Provision for Taxation (including Fringe Benefit Tax)	- 97.79	- 48.11
Deferred Tax	18.06	- 33.94
Net Profit	272.81	109.05

Net Sales

Net Sales of the Company have increased by 22% during the year under review.

Depreciation

Net adjustments in respect of earlier years include Rs. 8.99 crore being the proportionate arrears of depreciation in respect of three divisions viz. Maihar Cement Unit II, Century Pulp & Paper and Century Denim as per Central Government's approval for the years 1999-2000 and 2000-2001.

Net Profit

After providing full depreciation for the year under review including the arrears as required under the Central Government's approval and tax liability, the resultant net profit was substantially higher as compared to the previous year.

5. Human Resource Development / Industrial Relations :

The total number of employees in the Company as on 31.03.2007 is 12,601 (19,543 as on 31.03.2006). The Company and its management value the dedication of its employees and acknowledge their contribution in attaining the short term and long term goals of the Company. The Company has been encouraging employees by providing a better working environment to ensure employee satisfaction.

Employee relations continued to be cordial throughout the year. Your Company is committed to leveraging its human resources to enhance competitiveness in a globally challenging environment. A high level of organizational vitality is sought to be constantly maintained with a view to achieving the Company's vision. The Board wishes to place on record its appreciation for the sustained efforts of all employees to achieve the present performance.

6. Health & Safety Measures :

We recognize our role in health and safety, as well as our responsibility towards the environment and society. Modern occupational health and medical services are accessible to all employees through well-equipped occupational health centres at all manufacturing units. Safety and security of the personnel, assets and environmental protection are on the top of the agenda of the Company at its manufacturing units and is regularly reviewed by Senior Management and the Board. Every business issue and activity is discussed with safety in mind.

Clean environment and sustainable development integrated with business objectives is the focus of the operations of the Company. The projects and activities are planned and designed with environmental protection as an integral part to ensure a safe and clean environment for sustainable development.

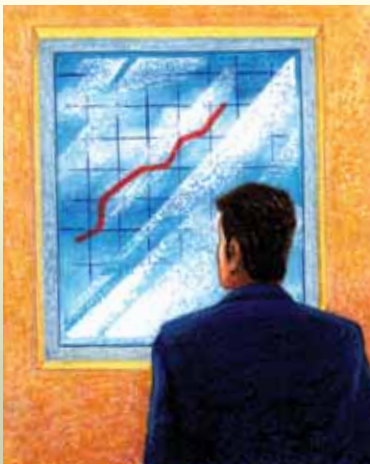
7. Cautionary Statement :

Statements in this report on Management Discussion and Analysis describing the Company's objectives, projections, estimates, expectations or predictions may be forward looking statements considering the applicable laws or 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 & 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 and other factors such as litigation and industrial relations.

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

Corporate Governance Report

The management at Century has been **consciously** striving to adhere to a strict code of 'Corporate Governance', right from the time of its inception. The company's success can be attributed to its business ethics, complete transparency, integrity and accountability. The high corporate governance standards and the respectful role that we play as a dedicated, values-driven corporate citizen responsible to shareholders, employees, customers and all other stakeholders alike – have been the strength behind our continued and remarkable progress on the path of success with a firm emphasis on corporate social responsibility.



Creative Conscious Courteous Consistent

In compliance with the Corporate Governance requirements as stipulated in Clause 49 of the Listing Agreement with the Stock Exchanges, the Company has been incorporating for the last few years, a separate section on Corporate Governance in its Annual Report. The Shareholders and Investors of the Company would have found the information informative & useful.

Company's policies on the Corporate Governance and due compliance report on specific areas, wherever applicable, for the year ended 31st March, 2007 are given hereunder divided into the following areas :-

I. Company's philosophy on Corporate Governance :-

Century believes that good Corporate Governance means transparency, accountability, integrity at all levels of operations and being fair to all its stakeholders viz. shareholders, employees, lenders, customers, government and the society at large. It is a best tool to achieve long term goal of the Company and to ensure creation of shareholders' value on a sustainable basis.

II. Board of Directors

(a) Composition of the Board:

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

Name of the Directors	Category of Directors	No. of Outside Directorships held #		No. of other Board Committee(s) of which he is a member	No. of other Board Committee(s) of which he is a Chairman	No. of Shares held in the Company as at 31.03.2007
		Public	Private			
Shri B.K. Birla - Chairman	Promoter - Non Executive	4	-	-	-	2400
Shri Kumar Mangalam Birla	Promoter - Non Executive	11	11	-	-	Nil
Shri Pradip Kumar Daga	Independent - Non Executive	5	-	2	1	80
Shri E.B. Desai	Independent - Non Executive	7	2	9	4	11,180
Shri Arvind C. Dalal	Promoter - Non Executive	3	2	3	-	820
Shri Amal Ganguli	Independent - Non-Executive	9	2	10	4	Nil
Shri B.L. Jain	Executive - Wholetime Director	-	-	-	-	500

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

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

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

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

Name of the Directors	Remuneration paid/payable for the year 2006-2007		
	Commission Payable for the Year	Sitting fees paid during the year*	Total
(All figures in Rupees)			
(i) Shri B.K. Birla	10,00,000	50,000	10,50,000
Shri Kumar Mangalam Birla	10,00,000	50,000	10,50,000
Shri Pradeep Kumar Daga	10,00,000	60,000	10,60,000
Shri E.B. Desai	10,00,000	1,80,000	11,80,000
Shri Arvind C. Dalal	10,00,000	1,80,000	11,80,000
Shri Amal Ganguli	10,00,000	1,10,000	11,10,000
(ii) Shri B.L. Jain (Wholetime Director)			Remuneration**
Salary and allowances			41,35,067
Contributions to :			
Provident Fund			2,39,540
Superannuation Fund			3,09,600
Perquisites			1,06,962
Total			47,91,169

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

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

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

(c) Board Meetings and attendance of Directors:

- (i) The members of the Board have been provided with the requisite information mentioned in the listing agreement well before the Board Meetings and the same were dealt with appropriately.
- (ii) Six Meetings of the Board of Directors were held during the year ended 31st March, 2007. These were held on :-
 - (1) 4th May, 2006 (2) 4th May, 2006 (3) 30th July, 2006
 - (4) 27th October, 2006 (5) 25th January, 2007 (6) 14th March, 2007
- (iii) The attendance recorded for each of the Directors at the Board Meetings during the year ended on 31st March, 2007 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	No
Shri Kumar Mangalam Birla	5	Yes
Shri Pradip Kumar Daga	3	Yes
Shri E.B. Desai	6	Yes
Shri Arvind C. Dalal	6	Yes
Shri Amal Ganguli	5	No
Shri B.L. Jain (Wholetime Director)	6	Yes

(d) Code of Conduct:

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

III. Audit Committee

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

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

- (ii) The Audit Committee meetings were held on 4th May, 2006, 13th June, 2006, 30th July, 2006, 27th October, 2006, 16th January, 2007 and 25th January, 2007. The attendance of each Audit Committee member is as under:-

Name of the Audit Committee Members	No. of meetings attended
Shri E.B. Desai	6
Shri Arvind C. Dalal	6
Shri P.K. Daga	2
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 Executive President (Corporate Finance) & Secretary who is acting as Secretary to the Audit Committee also attended the Audit Committee meetings to respond to queries raised at the Committee meetings.
- (iv) The role and terms of reference of the Audit Committee cover the matters specified for Audit Committees under Clause 49 of Listing Agreement as well as in Section 292A of the Companies Act, 1956.

IV. Subsidiary Companies

The Company does not have any subsidiary company.

V. Disclosures

- (i) All related party transactions have been entered into in the ordinary course of business and were placed periodically before the audit committee in summary form. There were no material individual transactions with related parties which were not in the normal course of business, required to be placed before the audit committee and that may have potential conflict with the interest of the Company at large. All individual transactions with related parties or others were on an arm's length basis.
- (ii) All Accounting Standards mandatorily required have been followed in preparation of financial statements and no deviation has been made in following the same.
- (iii) Risk assessment and its minimisation procedures have been laid down by the Company and the same have been informed to Board Members. These procedures are periodically reviewed to ensure that executive management controls risks through means of a properly defined framework.
- (iv) No money was raised by the Company through public issue, rights issue, preferential issues, etc. in the last financial year and hence provisions contained in this behalf in Clause 49 of the listing agreement are not applicable for Compliance by the Company.
- (v) (a) All pecuniary relationship or transactions of the non-executive directors vis-à-vis the company have been disclosed in item II (b) of this report.
- (b) The Company has only one Whole-time Director on the Board whose appointment and remuneration has been fixed by the Board in terms of resolution passed by the members. The remuneration paid/payable is mentioned in item II(b) of this report.
- (c) The number of shares held by each director is mentioned in item II(a) of this report.
- (vi) (a) Management Discussion and Analysis forms part of the Annual Report to the shareholders and it includes discussion on matters as required under the provisions of clause 49 of the listing agreement with Stock Exchanges.
- (b) There were no material financial & commercial transactions by Senior Management as defined in Clause 49 of the listing agreement where they have personal interest that may have a potential conflict with the interests of the Company at large requiring disclosure by them to the Board of Directors of the Company.
- (vii) No penalties or strictures have been imposed on the Company by Stock Exchanges or SEBI or any statutory authority on any matter related to capital markets during the last three years.

VI. Shareholders

- (a) The Company has constituted a Share Transfer and Shareholders/Investors Grievance Committee consisting of non-executive directors of which Shri E.B. Desai is the Chairman. The Company Secretary has been designated as the Compliance Officer. During the year ended 31st March, 2007, 108 investor complaints/queries were received and as at 31st March, 2007 there were no complaints/queries pending reply. There were no share transfers pending for registration for more than 30 days as on the said date.

(b) Details of Directors seeking re-appointment at the ensuing Annual General Meeting fixed on 24th July, 2007 are given hereunder :-

Name of Director	Shri P.K. Daga	Shri Arvind C. Dalal
Date of appointment	04.06.1963	09.05.1986
Expertise in specific Functional areas	Industrialist having rich business experience.	Share, Stock and Finance Broker
List of other Directorships held excluding foreign companies, Companies under Section 25 of the Companies Act, 1956 and Private Companies	Govind Sugar Mills Ltd Deepak Spinners Ltd. Longview Tea Company Ltd. Deepak Gears Ltd. Continental Profiles Ltd.	Borosil Glass Works Ltd. SIL Investments Ltd. Pilani Investment & Industries Corporation Ltd.
Chairman / Member of the committees of the Board of other Companies in which he is a Director	<u>Audit Committee</u> Govind Sugar Mills Ltd. Chairman <u>Remuneration Committee</u> Govind Sugar Mills Ltd. Member	<u>Audit Committee</u> Borosil Glass Works Ltd. Member SIL Investments Ltd. Member Pilani Investment and Industries Corporation Ltd. Member

VII. Compliance Certificate

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

VIII. General Body Meetings

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

AGM	Day	Date	Time	Venue
107th	Tuesday	20.7.2004	3.30 P.M.	Birla Matushri Sabhagar, Mumbai
108th	Tuesday	26.7.2005	3.30 P.M.	Birla Matushri Sabhagar, Mumbai
109th	Wednesday	12.7.2006	3.30 P.M.	Birla Matushri Sabhagar, Mumbai

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

Yes, details of which are given hereunder :-

Date	Matter
20.07.2004	Amendment of Articles of Association (For Transfer of Shares)
20.07.2004	Re-appointment of Whole-time Director.

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

No Special Resolution was passed last year.

(d) Person who conducted the postal ballot exercise ?

Not applicable.

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

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

(f) Procedure for postal ballot ?

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

IX. Means of communication

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

X. General Shareholder Information

(a) Annual General Meeting to be held:

Day, Date, time and venue:

- Day : Tuesday
Date : 24th July, 2007
Time : 3.30 P.M.
Venue : Birla Matushri Sabhagar, 19, Marine Lines, Mumbai-400020.

(b) Financial Year : 2007-2008

- First Quarterly Results : Before end of July, 2007
Second Quarterly Results : Before end of October, 2007
Third Quarterly Results : Before end of January, 2008
Audited Yearly Results for the Year ended 31st March, 2008 : Before end of June, 2008

(c) Dates of Book Closure:

20th July, 2007 to 24th July, 2007 (Both days inclusive).

(d) Dividend payment date:

In March 2007, the Board of Directors had declared payment of interim dividend @ 37.50% (Thirty seven & one-half percent) on the paid up equity share capital of the Company i.e. Rs.3.75 (Rupees Three and Paise Seventy Five Only) per equity share of Rs.10/- each for the accounting year 2006-07 amounting to Rs.34.89 crores. This dividend was paid to those who were members of the Company on 21st March, 2007 being the Record Date fixed for the purpose and the same is treated as final dividend for the year 2006-07. Hence there is no further dividend payment date applicable for the year 2006-07.

(e) Listing on Stock Exchanges:

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

- (i) Bombay Stock Exchange Ltd.
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 Rs.10/- are listed at :-

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

Note: Listing fees have been paid to the Indian Stock Exchanges for the year 2007-2008. Listing fee to the Societe de la Bourse de Luxembourg for GDRs has been paid for the calendar year 2007.

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

Equity Shares

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

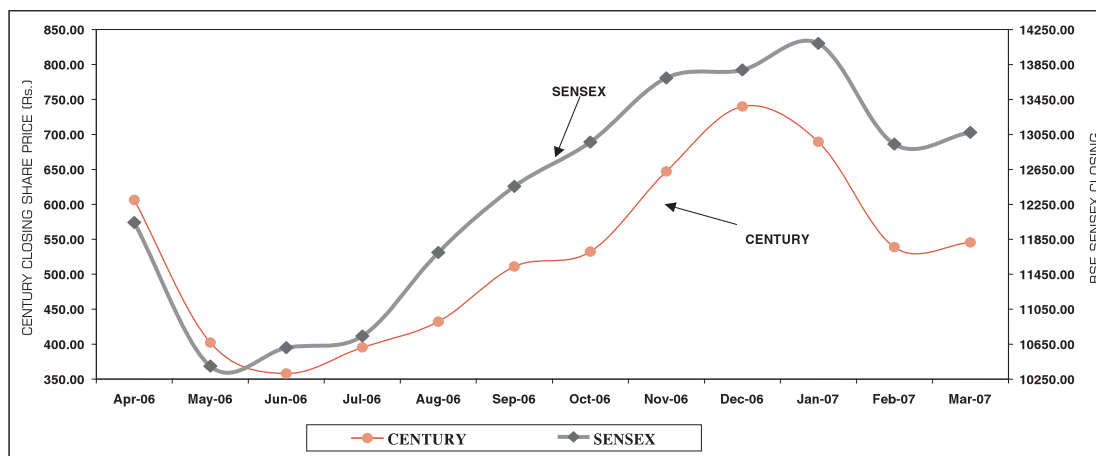
(g) Market price Data:

The details of monthly highest and lowest closing quotations of the equity shares of the Company at the Stock Exchange, Mumbai during financial year 2006-2007 are as under :-

Month	Quotation at Bombay Stock Exchange Ltd.	
	High	Low
April, 2006	659.45	447.55
May, 2006	653.15	400.65
June, 2006	397.70	267.35
July, 2006	395.35	332.60
August, 2006	444.80	386.05
September, 2006	511.10	445.60
October, 2006	532.15	494.45
November, 2006	654.05	535.25
December, 2006	739.80	584.45
January, 2007	770.40	689.40
February, 2007	715.35	538.75
March, 2007	557.85	446.15

(h) Performance in comparison to broad based indices :

CENTURY Vs BSE SENSEX



(i) Registrar and Transfer Agents:

The Company has appointed Intime Spectrum Registry Limited as its Share Transfer Agent for both physical and demat segments of Equity Shares with effect from 1st September, 2006, in place of its earlier Share Transfer Agent viz. MCS Ltd.

The Address, Telephone no., Fax no. of the new Share Transfer Agent is : Intime Spectrum Registry Ltd., Unit - Century Textiles and Industries Ltd., C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (West), Mumbai - 400 078, (Maharashtra) Telephone No. 022 - 2596 3838 Fax No. 022 - 2594 6969. Please quote on all the correspondence - Unit - Century Textiles and Industries Limited.

(j) Share Transfer System:

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

(k) Distribution of share holding :

The shareholding distribution of equity shares of face value of Rs.10/- each as at 31st March, 2007 is given below:-

Sr. No.	No. of Equity Shares held	No. of Folios	No. of Shares	Percentage of Shareholding
1.	1 to 100	53,944	24,51,439	2.64
2.	101 to 500	18,878	48,42,196	5.20
3.	501 to 1000	3,668	28,61,981	3.08
4.	1001 to 5000	3,095	65,76,737	7.07
5.	5001 to 10000	353	24,97,138	2.68
6.	10001 to 100000	275	73,04,980	7.85
7.	100001 to 500000	58	1,43,07,958	15.38
8.	500001 & above	17	5,22,03,251	56.10
9.	Total	80,288	9,30,45,680	100.00

(l) Share holding pattern as at 31st March, 2007

Sr. No.	Category	No. of Folios	% of Folios	No. of shares Held	% of share holding
1.	Promoters	32	0.04	3,89,98,720	41.91
2.	Resident Individuals	77,160	96.11	2,06,95,537	22.24
3.	Private Corporate Bodies	2,251	2.80	82,40,511	8.86
4.	Financial Institutions	7	0.01	29,85,100	3.21
5.	Nationalised Banks, Govt. Insurance Companies and Mutual Funds	108	0.14	1,06,88,112	11.49
6.	FIs	51	0.06	1,00,59,492	10.81
7.	NRIs and OCBs	677	0.84	7,34,518	0.79
8.	GDRs	2	0.00	6,43,690	0.69
9.	Total	80,288	100.00	9,30,45,680	100.00

(m) Dematerialisation of equity shares:

About 57% of total equity share capital is held in dematerialised form with NSDL and CDSL.

(n) Outstanding GDRs:

The outstanding GDRs as at 31st March, 2007 that are being traded on the Luxembourg Stock Exchange are 6,43,690 which are approximately 0.69% of subscribed and paid up equity share capital of the Company.

(o) Plant (Manufacturing Units):

TEXTILE MILLS

(Manufacturing operations effectively ceased from December, 2006)

Pandurang Budhkar Marg, Worli,
Mumbai - 400 030, (Maharashtra).

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, (Chhatisgarh)

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

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

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

CENTURY YARN
CENTURY DENIM
Satrati 451 660, Dist. Khargone, (M.P)

(p) Address for correspondence:

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

(q) Non-Mandatory Requirements

1. The Board
 - (a) An office for the use of the Chairman is made available whenever required.
 - (b) At present there is no policy fixing the tenure of independent Directors.
2. Remuneration Committee
The Company has only one Whole-time Director on the Board whose appointment and remuneration has been fixed by the Board in terms of resolution passed by the members.
In veiw of this, no Remuneration Committee is constituted.
3. Shareholders' Rights
Half yearly financial results including summary of the significant events in last six months are presently, not being sent to shareholders of the Company.
4. Audit Qualifications
There are no qualifications in the Auditor's report on the financial statements to the Shareholders of the Company.
5. Training of Board Members
There is no formal policy at present for training of the Board members of the Company as the members of the Board are eminent and experienced professional persons.
6. Mechanism for evaluating non-executive board members
There is no formal mechanism existing at present for performance evaluation of non-executive directors.
7. Whistle Blower Policy
The company has not established any formal whistle blower policy.
The above report has been placed before the Board at its meeting held on 3.5.2007 and the same was approved.

ANNEXURE – I

Declaration on Compliance of the Company's Code of Conduct

To,

Century Textiles and Industries Ltd.,
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, 2007.

Mumbai
3rd May, 2007

B.L. Jain
Whole-time Director

ANNEXURE – II

Compliance Certificate

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

We have reviewed the records concerning the Company's compliance of conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement entered into, by the company, with the Stock Exchanges of India, for the financial year ended 31st March, 2007.

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

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

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

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

Mumbai : 3rd May, 2007

For and on behalf of
DALAL & SHAH
Chartered Accountants

Ashish Dalal
Partner
Membership No.: 33596

REPORT OF THE AUDITORS TO THE MEMBERS

We have audited the attached Balance Sheet of CENTURY TEXTILES AND INDUSTRIES LIMITED, as at 31st March, 2007, the annexed Profit and Loss Account for the year ended on that date, and also the Cash Flow Statement for the year ended on that date. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

1. We conducted our audit in accordance with the Auditing Standards generally accepted in India. These Standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are free from any material misstatement. An audit includes, examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.
2. As required by the Companies (Auditor's Report) Order, 2003 and the Companies (Auditor's Report) (Amendment) Order, 2004 issued by the Central Government in terms of Section 227(4A) of the Companies Act, 1956, we annex hereto a statement on the matters specified in paragraphs 4 and 5 of the said Order.
3. Further to our comments in the annexure referred to above, we report that:
 - (i) We have obtained all the information and explanations, which, to the best of our knowledge and belief, were necessary for the purposes of our audit;
 - (ii) In our opinion, proper books of account, as required by law, have been kept by the Company so far as appears from our examination of the books of the Company;
 - (iii) The Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this report are in agreement with the books of account of the Company;
 - (iv) In our opinion, the Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956;
 - (v) Based on the representations made by the Directors and taken on record by the Board of Directors of the Company and the information and explanations given to us, none of the Directors is, as at 31st March, 2007, prima-facie disqualified from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956;
 - (vi) In our opinion and to the best of our information and according to the explanations given to us, the said financial statements, read together with the notes thereon, give the information required by the Companies Act, 1956, in the manner so required and present a true and fair view in conformity with the accounting principles generally accepted in India:
 - (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2007;
 - (b) in the case of the Profit and Loss Account, of the Profit for the year ended on that date; and
 - (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Mumbai : 3rd May, 2007

For and on behalf of
DALAL & SHAH
Chartered Accountants

Ashish Dalal
Partner
Membership No: 33596

ANNEXURE TO THE AUDITORS' REPORT

ANNEXURE REFERRED TO IN PARAGRAPH 2 OF OUR AUDITORS' REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2007 OF CENTURY TEXTILES AND INDUSTRIES LIMITED

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

- i. (a) The Company has generally maintained proper records showing particulars, including quantitative details and situation of its fixed assets;
- (b) As explained to us, fixed assets, according to the practice of the Company, are physically verified by the management at reasonable intervals, in a phased verification-programme, which, in our opinion, is reasonable, looking to the size of the Company and the nature of its business. According to the information and explanations given to us, discrepancies noticed on physical verification have been adjusted in the books of account;
- (c) The Company has not disposed off any substantial part of its fixed assets during the year, so as to affect its going concern;
- ii. (a) As explained to us, inventories have been physically verified during the year by the management, except for inventories lying with outside parties, which have, however, been confirmed by them. The intervals at which the inventories have been verified are, in our opinion, reasonable in relation to the size of the Company and the nature of its business;
- (b) The procedures explained to us, which are followed by the management for physical verification of inventories, are, in our opinion, reasonable and adequate in relation to the size of the Company and the nature of its business;
- (c) On the basis of our examination of the inventory records of the Company, we are of the opinion that, the Company is maintaining proper records of its inventory. Discrepancies which were noticed on physical verification of inventory as compared to book records, have been properly dealt with in the books of account;
- iii. (a) According to the information and explanations given to us, the Company has not granted any loan, secured or unsecured, to companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956;
- (b) According to the information and explanations given to us, the Company has not taken any loan, secured or unsecured, from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956;
- iv. In our opinion and according to the information and explanations given to us, there are generally adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchase of inventory, fixed assets and with regard to sale of goods and services. During the course of our audit, no major weakness in internal control has come to our notice;
- v. (a) On the basis of the audit procedures performed by us, and according to the information, explanations and representations given to us, we are of the opinion that, the transactions in which directors were interested, and which were required to be entered in the register maintained under Section 301 of the Companies Act, 1956, have been so entered;
- (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under Section 301 of the Companies Act, 1956 exceeding the value of Rupees five lacs in respect of any party during the year have been made at prices which are reasonable having regard to market prices prevailing at that time;
- vi. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Section 58A of the Companies Act, and its Rules, and also the directives of Reserve Bank of India. Since the Company has not defaulted in repayments of deposits, compliance of Section 58AA or obtaining any order from the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal, does not arise;
- vii. On the basis of the internal audit reports broadly reviewed by us, we are of the opinion that, the coverage of internal audit functions carried out by firms of Chartered Accountants appointed by the management, is commensurate with the size of the Company and the nature of its business;
- viii. We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under Section 209(1)(d) of the Companies Act, 1956 in respect of the Company's products to which the said rules are made applicable, and are of the opinion that, prima-facie, the prescribed accounts and records have been made and maintained. We have, however, not made a detailed examination of the records with a view to determine whether they are accurate;

- ix. (a) According to the records of the Company, it has been generally regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income tax, Sales tax, Wealth tax, Service Tax, Custom Duty, Excise Duty, Cess and other statutory dues with the appropriate authorities;
- (b) On the basis of our examination of the documents and records, the disputed statutory dues, which have not been deposited with the appropriate authorities, are as under:

Nature of the Dues	Rs. in Crore	Forum where dispute is pending
Custom Duty	0.57	High Courts and Lower Courts
	0.20	Customs Appellate Tribunal
	0.01	Customs Departmental Authorities
Excise Duty	0.07	High Courts and Lower Courts
	12.17	Central Excise and Service Tax Appellate Tribunal
	8.94	Excise Departmental Authorities
Electricity Duty	0.01	Departmental Authorities
Commercial Tax	0.50	Commercial Tax Departmental Authorities
Gramin Avsanrachna / Sadak Adhinyam	0.43	Supreme Court
	0.94	High Courts and Lower Courts
Entry Tax	5.24	Supreme Court / Tribunal
	0.47	High Courts and Lower Courts
	9.64	Entry Tax Departmental Authorities
Lease Tax	0.95	Departmental Authorities
Local Body Tax	0.01	High Courts and Lower Courts
Mandi Samiti Shulk	7.97	High Courts and Lower Courts
Octroi	20.65	High Courts and Lower Courts
Property Tax	0.75	High Courts and Lower Courts
Stamp Duty	0.32	High Courts and Lower Courts
	0.66	Departmental Authorities
Cess on Royalty	0.62	High Courts and Lower Courts
Cess on Energy Development	0.90	Departmental Authorities
Forest Cess	0.98	High Courts and Lower Courts
Water Cess	0.96	High Courts and Lower Courts
	0.16	Departmental Authorities
Registration and Road Tax	@	High Courts and Lower Courts
Sales Tax	0.11	Sales Tax Tribunal
	0.01	High Courts and Lower Courts
	0.91	Sales Tax Departmental Authorities
Service Tax	0.02	Central Excise and Service Tax Appellate Tribunal
	7.31	Departmental Authorities

@ Amount not determinable at present

- x. The Company, neither has accumulated losses at the end of the financial year nor has incurred cash losses, both, in the financial year under report and in the immediately preceding financial year;
- xi. On the basis of the records examined by us and the information and explanations given to us, the Company has not defaulted in repayment of dues to financial institutions, banks or debenture holders;
- xii. As explained to us, the Company has not granted any loans or advances on the basis of security by way of pledge of shares, debentures or any other securities;
- xiii. In respect of shares, securities, debentures or other investments dealt in or traded by the Company, proper records are maintained in respect of transactions and contracts, and timely entries have been made therein. All the investments are held by the Company in its own name;
- xiv. According to the information and explanations given to us, and the representations made by the management, the Company has not granted any guarantee for loans taken by others from any bank or financial institution;
- xv. On the basis of the records examined by us, and relying on the information compiled by the Company for co-relating the funds raised to the end use of term loans, we have to state that, the Company has, prima-facie, applied the term loans for the purposes for which they were obtained;
- xvi. According to the information and explanations given to us and on an overall examination of the financial statements of the Company and after placing reliance on the reasonable assumptions made by the Company for classification of usage of funds, we are of the opinion that, prima-facie, as at the close of the year, short term funds amounting to Rs. 88.20 Crore have been utilised for long term purposes;
- xvii. The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Companies Act, 1956;
- xviii. On the basis of the records and documents examined by us, the Company has, during the year, issued short term privately placed secured debentures aggregating Rs. 2,712 Crore, which have been repaid prior to creation of any security in favour of the debentureholders;
- xix. The Company has not raised any money by public issue, during the year;
- xx. According to the information and explanations given to us, and to the best of our knowledge and belief, no fraud on or by the Company, has been noticed or reported by the Company during the year.

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

For and on behalf of
DALAL & SHAH
Chartered Accountants

Ashish Dalal
Partner

Membership No: 33596

Mumbai : 3rd May, 2007



Century Textiles and Industries Limited

BALANCE SHEET AS AT 31ST MARCH, 2007

	Schedule	31.3.2007 (Rs. in Crore)	31.3.2006 (Rs. in Crore)
I. SOURCES OF FUNDS :			
Shareholders' Funds :			
a) Share Capital	1	93.04	93.04
b) Reserves and Surplus	2	<u>980.56</u>	<u>756.65</u>
		1073.60	<u>849.69</u>
Loan Funds :			
a) Secured Loans	3	929.87	696.72
b) Unsecured Loans	4	<u>370.51</u>	<u>233.39</u>
		1300.38	<u>930.11</u>
Deferred Tax Liability (Net) [See Note 19]		258.43	<u>277.18</u>
Total :		2632.41	<u>2056.98</u>
II. APPLICATION OF FUNDS :			
Fixed Assets :			
a) Gross Block	5	3523.54	3067.49
b) Less: Depreciation		<u>1797.06</u>	<u>1672.89</u>
c) Net Block		<u>1726.48</u>	<u>1394.60</u>
d) Capital work in progress		<u>123.30</u>	<u>104.08</u>
		1849.78	<u>1498.68</u>
Investments	6	15.94	15.94
Current Assets, Loans and Advances :			
a) Inventories	7	474.37	490.93
b) Sundry Debtors		196.90	168.28
c) Cash and Bank Balances		139.19	38.35
d) Other Current Assets		6.03	4.41
e) Loans and Advances		<u>319.46</u>	<u>313.61</u>
		<u>1135.95</u>	<u>1015.58</u>
Less:			
Current Liabilities and Provisions :			
a) Liabilities	8	412.85	374.09
b) Provisions		<u>176.17</u>	<u>122.09</u>
		<u>589.02</u>	<u>496.18</u>
Net Current Assets		546.93	<u>519.40</u>
Miscellaneous Expenditure	9		
(to the extent not written off or adjusted)		219.76	<u>22.96</u>
Total :		2632.41	<u>2056.98</u>
Notes forming part of the Accounts	17		

As per our report of even date

For and on behalf of

DALAL & SHAH

Chartered Accountants

ASHISH DALAL

Partner

Mumbai :

3rd May, 2007

D.K. AGRAWAL

Secretary

B.L. JAIN

Whole-time Director

B.K. BIRLA, Chairman

Directors

KUMAR MANGALAM BIRLA

P.K. DAGA

E.B. DESAI

ARVIND C. DALAL

AMAL GANGULI

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2007

	Schedule	2006-2007 (Rs. in Crore)	2005-2006 (Rs. in Crore)
INCOME :			
Sales, etc.	10	3506.31	2962.37
Less : Excise Duty		366.15	384.10
Net Sales		3140.16	2578.27
Other Income	11	74.64	59.27
		3214.80	2637.54
EXPENDITURE :			
Cost of Materials consumed, Purchases, Manufacturing and operating expenses	12	1722.29	1566.83
(Increase)/Decrease in Inventories	13	5.98	(13.14)
Payments to and provisions for Employees	14	300.25	292.02
Selling and Other Expenses	15	489.93	457.95
		2518.45	2303.66
Less: Expenditure transferred to capital account		2.77	2.79
Interest and Finance charges	16	59.52	2300.87
		2575.20	41.33
		2575.20	2342.20
PROFIT BEFORE DEPRECIATION AND EXCEPTIONAL ITEMS			
Depreciation		135.63	295.34
Less : Amount withdrawn from Revaluation Reserve		0.44	134.93
		135.19	0.47
		135.19	134.46
PROFIT BEFORE EXCEPTIONAL ITEMS			
- From Continuing Operations		549.42	176.11
- From Discontinuing Operations [See Note 24(b)]		(45.01)	(15.23)
		504.41	160.88
Exceptional Items relating to Discontinuing Operations [See Note 24 (c)]			
		(142.37)	42.48
		362.04	203.36
PROFIT FOR THE YEAR BEFORE TAXATION			
Add / (Less) : Provision for Taxation * :			
Current Tax		(95.00)	(44.90)
Deferred Tax (See Note 19)		18.06	(33.94)
Fringe Benefit Tax		(2.50)	(2.48)
Wealth Tax		(0.35)	(0.30)
* (Provision for Tax is net of Rs. 15.15 Crore tax shield (Previous year Rs. 5.13 Crore) due to losses from ordinary activities of discontinuing operations)			
		282.25	121.74
PROFIT FOR THE YEAR			
Add / (Less) :			
Excess/(Short) Provision for taxation (Net)		0.06	(0.43)
Prior Period Adjustments (Net) (See Note 23)		(0.51)	0.03
Installment of Arrears of Depreciation (See Note 13)		(8.99)	(12.29)
		272.81	109.05
Add : Balance as per last account		77.08	74.86
Balance Available for Appropriation		349.89	183.91
APPROPRIATIONS :			
Interim Equity Dividend		34.89	-
Tax on Interim Equity Dividend		4.89	-
Proposed Equity Dividend		-	27.91
Tax on Proposed Equity Dividend		-	3.92
Transferred to General Reserve		200.00	75.00
Balance Carried to Balance Sheet		110.11	77.08
		349.89	183.91
Weighted average number of Equity Shares outstanding during the year		93045680	93045680
Basic and diluted earnings per share of Rs. 10 each (in Rupees)			
- Including Exceptional Items		29.32	11.72
- Excluding Exceptional Items (Net of Tax)		40.59	10.19
Notes forming part of the Accounts	17		

As per our report of even date

For and on behalf of

DALAL & SHAH

Chartered Accountants

ASHISH DALAL

Partner

Mumbai :

3rd May, 2007

D.K. AGRAWAL

Secretary

B.L. JAIN

Whole-time Director

B.K. BIRLA, Chairman

Directors

KUMAR MANGALAM BIRLA

P.K. DAGA

E.B. DESAI

ARVIND C. DALAL

AMAL GANGULI



Century Textiles and Industries Limited

SCHEDULES "1" TO "17" ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT AND THE PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2007.

	<u>31.3.2007</u> <u>(Rs. in Crore)</u>	<u>31.3.2006</u> <u>(Rs. in Crore)</u>
SCHEDULE "1"		
SHARE CAPITAL :		
Authorised :		
14,80,00,000 Equity Shares of Rs. 10 each.	148.00	148.00
1,00,00,000 Redeemable Cumulative Non-Convertible Preference Shares of Rs. 100 each.	100.00	100.00
	248.00	248.00
Issued :		
9,30,61,090 Equity Shares of Rs. 10 each.	93.06	93.06
	93.06	93.06
Subscribed :		
9,30,45,680 Equity Shares of Rs. 10 each, fully paid up [including 8,78,90,120 Equity Shares, issued as fully paid up Bonus Shares by way of capitalisation of Reserves and Securities Premium Account]	93.04	93.04
Total :	93.04	93.04
SCHEDULE "2"		
RESERVES AND SURPLUS :		
Capital Reserve :		
As per last Balance Sheet	0.25	1.52
Less: Transferred to General Reserve	-	0.55
Adjusted to Fixed Assets	-	0.72
	0.25	1.27
		0.25
Securities Premium Account :		
As per last Balance Sheet	-	0.21
Less : Deferred Tax for the year [See Note 19 (b)]	-	0.21
	-	-
Capital Redemption Reserve Account	100.00	100.00
Revaluation Reserve :		
As per last Balance Sheet	21.31	21.98
Less : Adjustment on account of sale / disposal / reversal of revalued fixed assets	3.56	0.20
Transferred to Profit and Loss Account	0.44	0.47
	4.00	0.67
	17.31	21.31
General Reserve :		
As per last Balance Sheet	558.01	482.46
Add :		
a) Transferred from Profit and Loss Account	200.00	75.00
b) Transferred from Capital Reserve	-	0.55
	758.01	558.01
Less :		
a) Payment against Fractional Bonus Coupons (Rs. 13,875) [Previous year (Rs. 5,599)]	-	-
b) Defined Benefit Plans (Net of tax Rs. 2.61 Crore) [See Note 25 (a)]	5.12	-
	752.89	558.01
Balance as per annexed Profit and Loss Account	110.11	77.08
Total :	980.56	756.65

	31.3.2007 (Rs. in Crore)	31.3.2006 (Rs. in Crore)
SCHEDULE "3"		
SECURED LOANS :		
Sales Tax Loan from Madhya Pradesh Audyogik Vikas Nigam (Interest free) [See Note 1 (a)]	0.36	0.69
Term Loans from Banks [See Note 1 (b)] :		
- Rupee Loans	621.73	171.09
- Foreign Currency Loans	<u>139.13</u>	<u>66.93</u>
	760.86	238.02
Short Term Rupee Loans from Banks [See Note 1 (b)] :	50.00	150.00
Term Loan from Bank of Maharashtra [See Note 1 (c)]	0.26	0.55
Term Loan from National Horticulture Board	-	0.20
Working Capital Loans from Banks [See Note 1 (d)]	118.39	307.26
Total :	<u>929.87</u>	<u>696.72</u>
SCHEDULE "4"		
UNSECURED LOANS :		
Fixed Deposits [See Note 5 (a)]	32.00	38.87
Short Term Borrowings :		
- From Banks -		
Under Buyer's Credit Arrangement	12.00	32.14
Rupee Loans	<u>150.00</u>	<u>115.00</u>
	162.00	147.14
- From Others	<u>-</u>	<u>45.00</u>
	162.00	192.14
Other Borrowings from Banks	175.00	-
Sales Tax Deferment Loan	1.51	2.38
Total :	<u>370.51</u>	<u>233.39</u>

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SCHEDULE "6"

31.3.2007 31.3.2006
(Rs. in Crore) (Rs. in Crore)

INVESTMENTS :

A. LONG TERM INVESTMENTS (AT COST) :

TRADE :

Unquoted :

Fully Paid :

- 2 Equity Shares of Rs. 5,000 each, of Maharashtra Co-operative Floriculture Development Society Ltd. (Rs.10,000); [31.3.2006 (Rs. 10,000)].

OTHER THAN TRADE :

Government and Trust Securities :

Quoted :

1,66,200	12.32 %	Government of India Bonds	1.88	1.88
50,000	11.83 %	Government of India Bonds	0.56	0.56
50,000	10.70 %	Government of India Bonds	0.53	0.53
75,000	7.95 %	Government of India Bonds	0.91	0.91
25,000	7.95 %	Government of India Bonds	0.30	0.30
2,00,000	6.95 %	Tamil Nadu State Development Loan	2.07	2.07
25,000	11.00 %	Andhra Pradesh State Development Loan	<u>0.31</u>	<u>0.31</u>
			6.56	6.56

Unquoted :

6 Years National Savings Certificates of the aggregate face value of (Rs.21,000); [31.3.2006 (Rs. 21,000)] @

[@] Deposited with Government Departments

[31.03.2007 (Rs.10,000); 31.03.2006 (Rs.10,000)]

 6.56 6.56

Shares and Other Investments :

Quoted :

Fully paid :

4,538	Equity Shares of Rs.10 each, of Tata Motors Ltd.	0.01	0.01
1,50,000	Equity Shares of Rs.10 each, of Jayshree Tea and Industries Ltd .	0.19	0.19
18,75,000	Equity Shares of Rs.10 each, of Mangalam Cement Ltd.	3.23	3.23
7,60,000	Equity Shares of Rs.10 each, of Mangalam Timber Products Ltd.	0.76	0.76
1,36,250	Equity Shares of Rs.10 each, of Century Enka Ltd.	2.73	2.73
4,82,000	Equity Shares of Rs.10 each, of Kesoram Industries Ltd .	<u>1.76</u>	<u>1.76</u>
		8.68	8.68

Unquoted :

Fully paid :

- 85 Equity Shares of Rs.100 each, of Maharashtra State Financial Corporation (Rs.8,500); [31.3.2006(Rs.8,500)]
- 2 Shares of Rs. 50 each, of the Maharashtra State Co-operative Bank Ltd.(Rs.114); [31.3.2006(Rs.114)]
- 5,625 Equity Shares of Rs.100 each, of Industry House Ltd.

0.04 0.04

Carried Forward 0.04 0.04

Carried Over **15.24** 15.24

SCHEDULE "6" (Contd.)

		31.3.2007	31.3.2006
		(Rs. in Crore)	(Rs. in Crore)
A. LONG TERM INVESTMENTS (AT COST) : Contd.			
	Brought Over	15.24	15.24
	Brought Forward	0.04	0.04
12,000	Equity Shares of Rs.10 each, of Birla Consultants Ltd.	0.01	0.01
4,22,496	Shares of Pesos 10 each, of Indo Phil Textile Mills Inc. Republic of Philippines.	0.04	0.04
2,500	Ordinary Shares of Swiss Francs 100 each, of Birla International Ltd.	0.52	0.52
2,25,000	Equity Shares of Rs.10 each, of Kesoram Insurance Management Ltd.	0.05	0.05
1,25,000	Equity Shares of Rs. 2 each, of Kesoram Textile Mills Ltd. (allotted without any consideration in terms of the Scheme of Arrangement against holding of 1,25,000 Shares of Rs.10 each, held in Kesoram Industries Ltd)	-	-
41,400	Equity Shares of Rs.10 each, of Vasavadatta Services Ltd.	0.04	0.04
	Total : Long Term Investments	<u>15.94</u>	<u>15.94</u>

B. CURRENT INVESTMENTS (AT LOWER OF COST OR FAIR VALUE)
OTHER THAN TRADE :
Unquoted :
Total : Current Investments
-
-
Total : Investments
15.94
15.94

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

During the year the Company acquired and sold the following investments :

		Nos.	Acquisition Cost (Rs. in Crore)		
Dividend Option (Units of Rs. 10 each)					
(i)	Birla Cash Plus	5,988,322.770	6.00		
(ii)	SBI Mutual Fund	1,077,498,131.072	1081.00		
(iii)	Prudential ICICI Mutual Fund	5,000,000.000	5.00		
			<u>1092.00</u>		
		Book-Value		Market-Value	
		31.3.2007	31.3.2006	31.3.2007	31.3.2006
		(Rs. in Crore)	(Rs. in Crore)	(Rs. in Crore)	(Rs. in Crore)
	Quoted	15.24	15.24	53.35	50.06
	Unquoted	0.70	0.70		
	Total :	<u>15.94</u>	<u>15.94</u>		

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	31.3.2007	31.3.2006
	(Rs. in Crore)	(Rs. in Crore)
SCHEDULE "7"		
CURRENT ASSETS, LOANS AND ADVANCES :		
a) Inventories :		
Stores, Spares, etc., at cost less amounts written off	157.72	121.94
Stock in trade, at cost or net realisable value, whichever is lower :		
Raw Materials	128.16	171.03
Materials in process	64.54	65.31
Construction and other Work in Progress	0.09	0.12
Finished Goods	93.52	109.18
Goods for Trade	<u>19.16</u>	<u>6.69</u>
	305.47	352.33
Trial Run Products, at estimated realisable value	<u>-</u>	<u>1.72</u>
	305.47	354.05
Goods in transit, at cost to date (As certified by the Management)	<u>11.18</u>	<u>14.94</u>
	474.37	490.93
b) Sundry Debtors, Unsecured :		
(i) Outstanding for a period exceeding six months :		
Good	7.93	5.38
Doubtful	4.27	3.72
Less : Provision	<u>4.27</u>	<u>3.72</u>
	<u>-</u>	<u>-</u>
	7.93	5.38
(ii) Other, Good		
Doubtful	188.97	162.90
Less : Provision	<u>0.49</u>	<u>-</u>
	<u>0.49</u>	<u>-</u>
	<u>-</u>	<u>-</u>
	188.97	162.90
	<u>188.97</u>	<u>162.90</u>
	196.90	168.28
c) Cash and Bank Balances :		
Cash on hand (including cheques on hand Rs.95.60 Crore)	97.01	5.45
Remittances in Transit	0.45	1.27
Bank Balances with Scheduled Banks :		
In Current Account	39.93	31.11
In Savings Account (Rs.1,000); [(31-3-2006 (Rs.1,000))]		
In Deposit Accounts	1.77	0.49
Add : Interest accrued thereon	<u>0.03</u>	<u>0.03</u>
	1.80	0.52
	<u>41.73</u>	<u>31.63</u>
	139.19	38.35
d) Other Current Assets :		
Interest accrued on Investments	0.10	0.10
Interest receivable on Loans and Deposits	1.02	1.06
Other Receivables	<u>4.91</u>	<u>3.25</u>
	6.03	4.41
e) Loans and Advances, Unsecured, Good, unless otherwise specified :		
Loan to Mangalam Cement Ltd.	-	45.00
Deposits with Joint Stock Companies		
Good	-	1.35
Doubtful	1.35	-
Less : Provision	<u>1.35</u>	<u>-</u>
	<u>-</u>	<u>-</u>
	-	1.35
Advances recoverable in cash or in kind or for value to be received :		
Good	158.18	187.53
Doubtful	0.15	0.05
Less : Provision	<u>0.15</u>	<u>0.05</u>
	<u>-</u>	<u>-</u>
	158.18	187.53
Balances with Custom, Port Trust, Central Excise, State Governments, etc.	1.83	2.67
Tax paid in Advance	<u>159.45</u>	<u>77.06</u>
	319.46	313.61
Total :	1135.95	1015.58



Century Textiles and Industries Limited

SCHEDULE "8"	31.3.2007	31.3.2006
	(Rs. in Crore)	(Rs. in Crore)
CURRENT LIABILITIES AND PROVISIONS :		
a) Liabilities :		
Acceptances	-	12.54
* Sundry Creditors [See Notes 4 and 5 (a) and (b)]	406.09	352.63
Overdrawn Bank Balance as per books	2.31	6.83
Interest accrued but not due on loans	<u>4.45</u>	<u>2.09</u>
	412.85	374.09
b) Provisions :		
Taxation	155.17	74.45
Earned Leave	21.00	15.81
Proposed Equity Dividend	-	27.91
Tax on Proposed Equity Dividend	<u>-</u>	<u>3.92</u>
	176.17	122.09
Total :	589.02	496.18
* Includes Rs.0.58 Crore being commission payable to the Non-Whole time Directors (Previous year Rs. 0.39 Crore).		

SCHEDULE " 9 "

MISCELLANEOUS EXPENDITURE

(to the extent not written off or adjusted) :

a) "Front-end, Processing Fees" and Premium on pre-payment of Debentures / Loans from Financial Institutions / Banks :		
As per last Balance Sheet	-	7.46
Incurred during the year	<u>-</u>	<u>-</u>
	-	7.46
Less : Written off	<u>-</u>	<u>7.46</u>
	-	-
b) Compensation under Voluntary Retirement Scheme :		
As per last Balance Sheet	22.96	11.75
Incurred during the year	<u>274.15</u>	<u>16.97</u>
	297.11	28.72
Less : Written off [Includes Rs.75.05 Crore (Previous year Rs.5.50 Crore) written off as an exceptional item]	<u>77.35</u>	<u>5.76</u>
	219.76	22.96
Total :	219.76	22.96

Charter Hire and Freight (Gross, Tax Deducted at Source (Rs.Nil); 2005-2006 Rs.Nil)
Income from Air Taxi Operations [(Gross, Tax Deducted at Source (Rs.Nil); 2005-2006 (Rs. 18,815))

Total :

2937.30

25.04

0.03

2962.37

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SCHEDULE "11"	2006 - 2007	2005 - 2006
OTHER INCOME :	(Rs. in Crore)	(Rs. in Crore)
Dividend (On Investments other than Trade) :		
From Mutual Funds	0.89	0.24
From Domestic Companies	1.54	0.88
From a Foreign Company	<u>0.07</u>	<u>0.07</u>
	2.50	1.19
Rent from Properties (Gross, Tax Deducted at Source Rs.1.09 Crore; 2005-2006 Rs.0.93 Crore)	7.54	5.90
Lease Rent received under ' Own Your Wagon ' scheme	5.74	7.51
Profit on sale of Current Investments	-	0.75
Surplus on sale of Fixed Assets	4.54	1.64
Bad debts previously written off, now recovered	0.04	0.46
Gain on Foreign Currency Fluctuation (Net)	0.99	-
Export Benefits	8.57	8.31
Sale of Scrap	15.08	12.12
Insurance and Other Claims	3.38	1.40
Miscellaneous Income (Gross, Tax Deducted at Source (Rs.26,880) 2005-2006 (Rs.40,146)) (See Note 10)	14.82	13.94
Provisions no longer required	11.44	<u>6.05</u>
Total :	<u>74.64</u>	<u>59.27</u>

SCHEDULE "12"

COST OF MATERIALS CONSUMED, PURCHASES, MANUFACTURING AND OPERATING EXPENSES :

a) Raw Materials Consumed :

Opening Stock	171.03	153.03
Add : Purchases (Net of Sales) (including cost of raising and transporting Limestone, Shale and Laterite Rs.71.53 Crore ; 2005-2006 Rs 69.94 Crore) [See Note 12 (a)]	<u>606.70</u>	<u>600.58</u>
	777.73	753.61
Less : Closing Stock	<u>128.16</u>	<u>171.03</u>
	649.57	582.58

b) Purchase of Finished Goods for Trade [See Note 11 (B)]

c) Manufacturing and Operating Expenses :

Stores and Spare Parts consumed	397.53	345.83
Job Work Charges	3.24	2.83
Power, Fuel and Water	575.33	559.16
Building Repairs	13.52	10.66
Machinery /Ship Repairs including Dry Docking Expenses (excluding stores and spare parts consumed)	40.63	44.21
Crew Expenses	-	0.12
Floriculture Cultivation Expenses [Refer Note 12 (b)]	1.40	1.29
Other Expenses	<u>3.28</u>	<u>2.55</u>
	1034.93	966.65

Total : **1722.29** 1566.83



Century Textiles and Industries Limited

SCHEDULE "13"	2006 - 2007	2005 - 2006
(INCREASE)/DECREASE IN INVENTORIES :	(Rs. in Crore)	(Rs. in Crore)
Opening Stocks :		
Finished Goods	109.18	95.64
Materials in process	65.31	74.18
Construction and other Work in Progress	0.12	0.18
Trial Run Products	1.72	-
Goods for Trade	<u>6.69</u>	<u>1.34</u>
	183.02	171.34
Closing Stocks :		
Finished goods	93.52	109.18
Materials in process	64.54	65.31
Construction and other Work in Progress	0.09	0.12
Trial Run Products	-	1.72
Goods for Trade	<u>19.16</u>	<u>6.69</u>
	177.31	183.02
	5.71	(11.68)
Add / (Less): Variation in Excise Duty on Closing and Opening Stock of Finished Goods	0.27	(1.46)
Total :	<u>5.98</u>	<u>(13.14)</u>

SCHEDULE "14"

PAYMENTS TO AND PROVISIONS FOR EMPLOYEES :

Salaries, Wages, Bonus, etc.	248.86	238.88
Contribution to Provident and Other Funds	28.29	36.72
Welfare Expenses	22.47	15.85
Provident and Other Fund Expenses	0.63	0.57
Total :	<u>300.25</u>	<u>292.02</u>

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SCHEDULE "15"

SELLING AND OTHER EXPENSES :

2006 - 2007 2005 - 2006
(Rs. in Crore) (Rs. in Crore)

Rent		9.29	5.84
Rates and Taxes		2.35	2.46
Insurance		10.37	10.22
Freight ,Forwarding ,Octroi , etc.		337.02	325.07
Advertisement and Publicity		10.80	8.82
Miscellaneous Expenses		81.46	56.33
Loss on Foreign Currency Fluctuation (Net)		-	11.91
Advances, Loans and other debit balances, written off		3.99	0.08
Donations		0.06	0.01
Investment written off [Previous Year (Rs. 100)]		-	
Commission		15.63	15.28
Brokerage, Discount, Incentives, etc.		8.98	11.56
Directors' Fees and Travelling Expenses		0.12	0.13
Bad Debts		0.30	1.31
Loss on sale / discardment of Fixed Assets		4.54	1.00
Provision for Doubtful Debts and Advances		2.70	0.19
Amount written off against Leasehold Land and Buildings		0.02	0.02
Proportionate amounts written off against " Miscellaneous Expenditure"		2.30	7.72
Total :		489.93	457.95

SCHEDULE " 16"

INTEREST AND FINANCE CHARGES :

Interest :			
Debentures	8.63		2.50
Fixed Loans *	49.29		23.11
Others	<u>19.15</u>		<u>28.84</u>
		77.07	<u>54.45</u>
Less :			
Interest Received (Gross, Tax Deducted at Source Rs.0.78 Crore; 2005-2006 Rs.1.34 Crore) :			
On Government Securities	0.56		0.56
On Income Tax Refund [2005-2006 (Rs. 5,164)]	0.06		
Others	<u>4.37</u>		<u>6.95</u>
		4.99	<u>7.51</u>
		72.08	<u>46.94</u>
Other Finance Charges		6.21	1.31
		78.29	<u>48.25</u>
Less :			
Borrowing Costs Capitalised		18.77	6.92
Total :		59.52	<u>41.33</u>

* Net of subsidy Rs.7.20 Crore (Previous year Rs.3.89 Crore) under the Technology Upgradation Fund Scheme of the Government of India.

SCHEDULE "17"**NOTES FORMING PART OF THE ACCOUNTS :****1. Secured Loans :**

- (a) Sales Tax Interest free loan from Madhya Pradesh Audyogik Vikas Nigam is secured by hypothecation and mortgage on the movable and immovable properties of Century Cement at Raipur and Maihar Cement at Maihar, present and future and such charge to remain subsequent to the charges created / to be created by the Company in favour of Rupee/ Foreign Currency Term Loans from Banks. (Due within one year Rs.0.13 Crore).
- (b) Rupee/Foreign Currency loans from Banks are secured / to be secured by first pari passu mortgage / hypothecation of all the immovable / movable fixed assets, present and future, of the Company's Textile, Cement, Pulp & Paper (excluding leasehold land) and Rayon Divisions of the Company and second charge created / to be created in favour of certain term lenders on the current assets of the Company. Loans for the Company's Century Denim Division and proposed Textile Mill at Jhagadia, Gujarat are also secured by mortgage / hypothecation of all the immovable / movable fixed assets of the respective Divisions. (Due within one year Rs.77.68 Crore).
- (c) Loan from Bank of Maharashtra is secured against exclusive hypothecation charge of movable fixed assets and first mortgage over the immovable property of Century International Division of the Company. (Due within one year Rs. 0.26 Crore).
- (d) Pre-shipment, Post-shipment, Cash Credits, Working Capital Demand Loans and Export Bills Discounting facilities are secured against the hypothecation of the whole of the Company's Raw Materials, Finished Goods, Stock-in-process, Stores and Spares, present and future Book Debts, Receivables, etc. and second charge created / to be created over movable and immovable fixed assets of Textile, Cement, Pulp & Paper (excluding leasehold land) and Rayon Divisions of the Company. Inland Bills discounting facility from Banks are secured against Railway Receipts, Lorry Receipts, etc.
- (e) The charge by way of hypothecation of Raw Materials, Finished and Semi-finished goods and Stores and Spares in favour of banks, also extends to the guarantees given by the banks on behalf of the Company, aggregating Rs.60.98 Crore (31.3.2006 Rs. 55.93 Crore).
2. In respect of vacant and other lands held by the Company, a statement under Section 6 of the Urban land (Ceiling & Regulation) Act, 1976, has been filed with the concerned Competent Authority by the Company and necessary applications for exemption with respective State Governments have also been made. Adjustments, if any, required to be made in the accounts, will be made after disposal of all applications for exemption by the Competent Authority.
3. (a) 44 hectares of land were acquired at Manikgarh Cement Division and were subsequently surrendered to the Forest Department, Government of India, pursuant to the provisions of the Forest Conservation Act, 1980. The amount of compensation payable will be accounted for when determined by the Collector.
- (b) In respect of Manikgarh Cement Division, Land measuring 41.20 hectares occupied by the Forest Department and disputed by the Company was adjudicated by the Collector and the Divisional Commissioner (Appeals) in favour of the Company. The Government of Maharashtra on a reference made by the Forest Department directed the Collector for a fresh demarcation of the site boundaries and has also directed the Forest Department to refund the compensation paid by the Company along with interest for the land falling within their boundary. The Revisional Authority has since observed that approx. 17 hectares of land falls within the boundaries of the reserved forest. The Company has filed a writ petition before the Bombay High Court, Nagpur bench against the said order. Adjustments, if any will be made, in the year in which the matter is finally settled.
- (c) 1.7720 hectares of Adivasi land acquired during the year by Manikgarh Cement Division for Rs. 0.18 Crore is, subject to amount payable to the Government of Maharashtra as Nazrana, which will be accounted as and when finally determined by the Government of Maharashtra.
4. (a) "Sundry Creditors" in Schedule 'B' to the Accounts includes (i) Rs.1.00 Crore (31.3.2006 Rs.0.52 Crore) due to Small Scale Industrial Undertakings, (ii) Rs.405.09 Crore (31.3.2006 Rs.352.11 Crore) due to other creditors. The same is disclosed on the basis of information available with the Company regarding the status of suppliers as defined under clause (j) of Section 3 of the "Industries (Development and Regulation) Act, 1951".

Names of Small Scale Industrial Undertaking to whom any amount was payable and outstanding for more than 30 days, are as under :

Name of the Party : As per **Annexure II**

SCHEDULE "17" (Contd.)

NOTES FORMING PART OF THE ACCOUNTS : Contd.

	(b) In the absence of necessary information relating to the suppliers registered as Micro, Small and Medium enterprises under the Micro, Small and Medium Enterprises (Development) Act, 2006, the Company has not been able to identify such suppliers and the information required under the said Act could not be compiled and disclosed.		
5.	(a) Unclaimed Fixed deposit amounting to (Rs. 22,500) and (Rs. 3,150) being interest accrued and due thereon remains unpaid in view of the internal disputes between the claimants which has been referred to the Court whose decision is awaited .		
	(b) Unclaimed Dividend amounting to Rs.0.01 Crore (31.3.2006 Rs. 0.01 Crore) pending on account of litigation among claimants / Notices from Tax Recovery Officer.		
		31.3.2007	31.3.2006
		(Rs. in Crore)	(Rs. in Crore)
6.	Contingent Liabilities not provided for in respect of :		
	(a) Guarantees given by Company's bankers [Guarantees have been given by the Company's bankers in the normal course of business and are not expected to result in any liability on the Company]	8.40	6.55
	(b) (i) Claims against the company not acknowledged as debts in respect of :		
	- Custom Duty and Excise Duty	35.20	21.97
	- Sales Tax and Entry Tax	22.43	16.99
	- Power Charges	120.28	44.73
	- Royalty	102.57	83.51
	- Others	18.44	15.85
	(ii) Claims not acknowledged as debts jointly with other members of "Business Consortium of Companies" in which the Company had an interest (proportionate)	17.25	20.84
	(c) Registration and Road Tax on Dumper of Cement Division Amount not determinable at present		
	(d) Disputed tax matters in appeal [Paid thereagainst Rs. Nil ;(31.3.2006 Rs. 3.25 Crore)]	6.15	3.31
	(e) Liability on account of Jute packaging obligation upto 30th June, 1997 under the Jute Packaging Materials (Compulsory use in Packing Commodities) Act, 1987 - Amount not determinable at present Note : Item No.6(b) to 6(e) (The Company has taken legal and other steps necessary to protect its position in respect of these claims, which based on legal advice, are not sustainable. It is not possible to make any further determination of the liabilities which may arise or the amounts which may be refundable in these respects).		
7.	(a) Estimated amount of contracts remaining to be executed on Capital account and not provided for (net of advances)	72.95	296.72
	(b) Lease rental obligation :		
	- not later than one year	8.09	4.05
	- later than one year and not later than five years	11.65	3.59
	- later than five years	2.03	0.69
	(c) Lease rental income :		
	- not later than one year	4.11	9.87
	- later than one year but not later than five years	5.21	3.03
	- later than five years	2.27	2.77

SCHEDULE "17" (Contd.)

NOTES FORMING PART OF THE ACCOUNTS : Contd.

8. Licensed and Installed Capacity, Production, Turnover and Stocks :

(A) Licensed and Installed Capacity and Production :

Class of Goods	Licensed / Registered Capacity		Installed Capacity (c)		Production (a)	
	31.3.2007	31.3.2006	31.3.2007	31.3.2006	2006-2007	2005-2006
Cloth (See Note 24 (a))	3042 Looms	3042 Looms	1824 Looms	1824 Looms	31695460 Mtrs.	56997461 Mtrs.
Cotton Yarn	146564 Spindles	146564 Spindles	133272 Spindles	133272 Spindles	28003 Kgs.	76062 Kgs.
Cotton Yarn/Blended Yarn	25200 Spindles	25200 Spindles	24960 Spindles	24960 Spindles	5087675 Kgs.	4911164 Kgs.
Denim Cloth	21000000 Mtrs.	21000000 Mtrs.	21000000 Mtrs.	21000000 Mtrs.	17534361 Mtrs.	10150836 (g) Mtrs.
	M.T.	M.T.	M.T.	M.T.	M.T.	M.T.
Viscose Filament Yarn and Viscose Tyre Yarn/Industrial Yarn	(b) (j) 23200 1800	23200 1800	25000	25000		
Rayon Yarn					18432	17151
Tyre Yarn and Fabric)))) High Performance) Viscose Staple Fibre)	(b)				(d) 5274	(d) 6046
Sulphuric Acid	(j) 58000 13000	58000 13000	71000	71000	64981	59039
Carbon di-sulphide	(j) 10500 5500	10500 5500	18000	18000	16900	15482
Caustic Soda	28426	28426	20000	20000	20410	18314
Liquid Chlorine	(j) 10500 6500	10500 6500	17000	17000	17300	15116
Hydrochloric Acid	47241	47241	19241	19241	3296	3680
Refined Salt	(i) 100000	100000	100000	100000	97274	97128
Salt					97941	106694
Cement	(e)& (l) 6800000	6300000	6800000	6300000	6749442	6635867
Paper including Paper Board/Straw Board	29800	29800	37250	37250	42369	41932
Rayon and/or Paper Grade Pulp	(f) 20000	20000	31320	31320	38285	37645
Bagasse based Paper	(h)	(h)	84600	84600	85335	83303

SCHEDULE "17" (Contd.)

NOTES FORMING PART OF THE ACCOUNTS : Contd.

8. Licensed and Installed Capacity, Production, Turnover and Stocks : Contd.

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

Class of Goods	Licensed/Registered Capacity		Installed Capacity (c)		Production (a)	
	31.3.2007	31.3.2006	31.3.2007	31.3.2006	2006-2007	2005-2006
Newsprint	20000	20000	-	-	-	-
Recycle Based Paper	(m)	(m)	75960	-	8815	-
Compressed Hydrogen M3	4000000	4000000	5000000	5000000	5952365	4546864
(j)	1800000	1800000				
Spinning Machines and other equipments	Nos. 74	Nos. 74	(k) Nos.	(k) Nos.	- Nos.	- Nos.
Cut Rose Flowers	Not applicable	Not applicable	445264 Mother Plants equivalent to 9167200 Flowers per annum	428639 Mother Plants equivalent to 10925471 Flowers per annum	5295654 Flowers	5002870 Flowers
Carnation Flowers	Not applicable	Not applicable	50500 Mother Plants equivalent to 383648 Flowers per annum	233865 Mother Plants equivalent to 1776672 Flowers per annum	194153 Flowers	994957 Flowers
Carnation Plants	Not applicable	Not applicable	15000 Mother Plants equivalent to 750000 Plants per annum	15000 Mother Plants equivalent to 750000 Plants per annum	109959 Plants	656335 Plants
Gerbera Flowers	Not applicable	Not applicable	16530 Mother Plants equivalent to 661200 Flowers per annum	38238 Mother Plants equivalent to 1474075 Flowers per annum	150972 Flowers	1253723 Flowers
Capsicum	Not applicable	Not applicable	Nil	12600 Plants equivalent to 50.40 ton per annum	-	27 Ton
Rose Plants	Not applicable	Not applicable	325000 Rose Plants per annum	325000 Rose Plants per annum	-	-

(a) Including production for internal consumption and regenerated and/or reprocessed production.

(b) Licensed and Installed capacity includes for High Performance Viscose Staple Fibre and Tyre Yarn Fabric.

(c) As certified by the Management and being a technical matter accepted by the Auditors as correct.

(d) Includes 442 M.T. for Captive Consumption (2005-2006, 345 M.T.).

(e) Memorandum / Applications for enhanced capacities are filed with Appropriate Authorities for Century Cement.

(f) Company holds letter of Intent No.16(1997) dated 28.1.1997 for enhancement of capacity upto 31,320 M.T.

(g) Including Trial Run Production of 68819 Mtrs.

(h) For Bagasse based Paper Plant, Company has filed memorandum to manufacture 84600 M.T. of paper with Department of Industrial Development, Ministry of Industry, Government of India.

(i) Capacity as per registration given by Dy.Salt Commissioner vide its office letter No.18(9) salt/91/1143 dated 19th January, 1999.

(j) Company has filed memorandum with the Department of Industrial Development, Ministry of Industry for additional capacity vide letter No. 1839/SIA/IMO/2003 dated 9th July, 2003 and letter No. 1977/SIA/IMO/2003 dated 24th July, 2003

(k) Central workshop facilities have been closed.

(l) Licensed/Registered and Installed capacity increased by 500000 MT w.e.f. 01.01.2007

(m) For Recycle based Paper Plant, Company has filed memorandum to manufacture 75,960 M.T. of paper with Ministry of Commerce & Industry, Government of India.

SCHEDULE "17" (Contd.)

Notes Forming Part of the accounts : Contd.

9. 'Sales' are net of cash discounts Rs.26.03 Crore (2005-2006 Rs. 27.76 Crore).
 10. Miscellaneous Income includes revenue subsidies aggregating Rs. Nil (2005-2006 Rs. 0.14 Crore)
 11. Raw Materials Consumed, Purchase of Finished Goods for Trade and Imported and Indigenous material consumption:

(A) Raw Materials Consumed :

	Unit	2006-2007		2005-2006	
		Quantity	(Rs. in Crore)	Quantity	(Rs. in Crore)
Cotton	Kgs.	24803368	133.60	(c) 27121106	145.00
Cotton Yarn	Kgs.	1158167	13.39	(d) 448805	7.23
Fabrics	Mtrs.	-	-	733	0.01
Wood Pulp	M.T.	10497	51.28	10449	49.58
Salt	M.T.	60323	5.73	43345	4.30
Sulphuric Acid	M.T.	22874	(a)	22267	(a)
Sulphuric Acid Purchased	M.T.	-	-	172	0.04
Zinc and Zinc Oxide	M.T.	236	4.21	229	1.93
Sulphur	M.T.	36957	16.29	34101	17.31
Charcoal	M.T.	5043	5.46	4614	4.18
Caustic Soda	M.T.	16374	(b) 0.50	15604	(b) 0.48
Caustic Soda Purchased	M.T.	-	-	401	0.71
Carbon - di - Sulphide	M.T.	7072	(a)	6926	(a)
Limestone	M.T.	6975755	91.91	6885590	87.30
Gypsum	M.T.	227637	30.10	267335	32.17
Pozzolana	M.T.	1616139	79.57	1463407	67.77
Slag	M.T.	220251	9.68	194398	8.07
Laterite	M.T.	195087	4.51	190943	3.82
Shale	M.T.	19110	0.14	24240	0.20
Iron Ore	M.T.	8278	0.74	12756	0.94
Eucalyptus Wood	M.T.	210500	86.34	173617	57.77
Bamboo	M.T.	11879	5.09	4324	1.70
Pulp for Paper	M.T.	12178	37.41	12333	31.14
Bagasse	M.T.	323536	45.23	358805	51.25
Poplar	M.T.	14597	5.30	33525	9.20
Waste Paper	M.T.	14613	23.09	-	-
Others			-		0.48
Total :			<u>649.57</u>		<u>582.58</u>

(a) Internal Consumption

(b) Octroi Duty on Internal Consumption.

(c) Includes 250444 Kgs. Cotton value Rs. 1.22 Crore consumed during Trial Run.

(d) Includes 2304 Kgs Yarn value Rs.0.03 Crore consumed during Trial Run

SCHEDULE "17" (Contd.)

Notes Forming Part of the accounts : - Contd.

	Unit	2006-2007		2005-2006	
		Quantity	(Rs. in Crore)	Quantity	(Rs. in Crore)
(B) Purchase of Finished Goods for Trade:					
Garments	Pcs	1000394	33.66	414113	14.04
Fabrics	Mtrs	102075	2.33	93334	1.93
Cut Rose Flowers	Nos.	1541839	0.54	3451921	1.03
Gerbera Flowers	Nos.	-	-	270	(Rs. 1,250)
Others			1.26		0.60
			<u>37.79</u>		<u>17.60</u>

	2006 - 2007		2005 - 2006	
	(Rs. in Crore)	Percentage	(Rs. in Crore)	Percentage
(C) Imported and Indigenous Consumption:				
(a) Raw Materials :				
Imported	109.18	16.81	86.68	14.88
Indigenous	540.39	83.19	495.90	85.12
	<u>649.57</u>	<u>100.00</u>	<u>582.58</u>	<u>100.00</u>
(b) Spare Parts				
Imported	33.82	19.82	26.84	20.36
Indigenous	136.80	80.18	104.99	79.64
	<u>170.62</u>	<u>100.00</u>	<u>131.83</u>	<u>100.00</u>

	2006-2007 (Rs. in Crore)	2005-2006 (Rs. in Crore)
12.(a) Expenditure incurred during the year on Cost of raising and transporting Limestone, Shale and Laterite :		
Stores and Spare Parts consumed	8.46	9.23
Power and Fuel	6.34	6.01
Repairs to Plant and Machinery	1.14	1.57
Payments to and Provisions for employees	6.35	5.88
Insurance	0.05	0.03
Royalty and Cess	29.59	29.79
Building Repairs	1.05	0.88
Rates and Taxes	0.02	0.01
Hire Charges of Mining Equipments	15.69	13.16
Amortisation of mining leasehold land	0.30	0.30
Other Expenses	1.87	2.46
	<u>70.86</u>	<u>69.32</u>
Depreciation	0.67	0.62
Total :	<u>71.53</u>	<u>69.94</u>
(b) Floriculture Cultivation Expenses :		
* Stores, Spares and Packing Material Consumed	0.64	0.69
Carnation, Propagation and Cultivation Expenses	0.25	0.14
Floral and Polyhouse Repairs and Maintainance	0.06	0.02
Salaries, Wages etc	0.40	0.37
Contribution to Provident and Other Funds	0.01	0.02
Provident and Other Fund Expenses	(Rs. 11,380)	(Rs. 12,879)
Welfare Expenses	0.03	0.03
Others	0.01	0.02
Total :	<u>1.40</u>	<u>1.29</u>
* Includes Pesticides, Chemicals, Manures and Fertilizers .		

SCHEDULE "17" (Contd.)

Notes Forming Part of the accounts : - Contd.

	2006-2007 (Rs. in Crore)	2005-2006 (Rs. in Crore)
(c) Indirect Expenditure incurred during Construction period Capitalised :		
Power Fuel and Water	-	0.24
Salary and Wages	-	0.31
Rates and taxes	-	0.03
Insurance Premium	-	0.27
Legal and Professional Fees	0.33	-
Travelling and Conveyance Expenses	0.17	-
Miscellaneous Expenses	0.06	-
	0.56	<u>0.85</u>
(d) Expenditure on Trial Runs Capitalised :		
Raw material consumed	-	1.25
Stores and spare parts consumed	-	0.22
Power, Fuel and Water	-	0.23
Salaries and Wages	-	0.08
Excise duty provision on Trial Run Inventory	-	0.01
Miscellaneous Expenses	-	(Rs.40,916)
	-	<u>1.79</u>
Less:- Estimated value of Trial Run Product	-	<u>1.72</u>
	-	0.07
Interest and Finance charges	-	0.14
Depreciation	-	<u>0.22</u>
	-	0.43
Less: Capitalised	-	<u>0.43</u>
	-	-

13. Pursuant to the approval of the Central Government under Section 205 (2)(c) of the Companies Act, 1956, an installment of arrears of depreciation for the accounting years 1999-2000 and 2000-2001 amounting to Rs.8.99 Crore has been charged in the current year. Arrears of depreciation to be written off in future periods in terms of the approval aggregate Rs.53.23 Crore.

14. Revenue expenditure on Research and Development activities relating to Government recognised in-house Research and Development laboratories incurred and charged out during the year through the natural heads of account, aggregate Rs.0.49 Crore (2005-2006 Rs.0.96 Crore). The Capital expenditure incurred for Research and Development purposes aggregate Rs. Nil (2005-2006 Rs.Nil).

	2006-2007 (Rs. in Crore)	2005-2006 (Rs. in Crore)
15. (a) Managerial Remuneration under Section 198 of the Companies Act, 1956 to the Whole-time Director :		
Salary	0.41	0.26
Contribution to:		
Provident Fund	0.03	0.02
Superannuation Fund	0.03	0.02
Perquisites	0.01	<u>0.01</u>
Total :	0.48*	<u>0.31*</u>

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

SCHEDULE "17" (Contd.)

Notes Forming Part of the accounts : - Contd.

	<u>2006-2007</u> <u>(Rs. in Crore)</u>	<u>2005-2006</u> <u>(Rs. in Crore)</u>
b) Statement showing the computation of Net Profit in accordance with Section 198(1) of the Companies Act, 1956 :		
Profit before Tax as per Profit and Loss Account	362.04	203.36
Add / (Less) :		
Managerial Remuneration	1.08	0.71
Investment written off (previous year Rs.100)	-	
Directors Sitting Fees	0.06	0.06
Surplus on Sale of Fixed Assets as per Section 349	-	(0.33)
Surplus on Sale of Ship	-	(47.98)
Profit on Sale of Current Investments	-	(0.75)
Prior Period Adjustments	(0.51)	0.03
Installment of Arrears of Depreciation	(8.99)	(12.29)
	353.68	142.81
Commission Payable to Non - whole time Directors @ 1% Restricted to :	3.54	1.43
	0.60	0.40
16. Auditors' Remuneration :		
(a) Statutory Auditors :		
As Auditors	0.76	0.67
In Other Capacity :		
Tax Audit Fees	0.17	0.10
Certificates and other jobs	<u>0.16</u>	0.14
	0.33	0.24
For Expenses	0.07	0.07
Total :	1.16	0.98
(b) Cost Auditors :		
As Auditors	0.03	0.03
For Expenses	(Rs.7,006)	(Rs. 20,030)
Total :	0.03	0.03
17. C.I.F. value of Imports and Expenditure in Foreign Currency :		
(a) C.I.F. Value of Imports (Including in Transit) :		
Raw Materials	96.72	82.27
Spare Parts	33.97	23.66
Capital Goods	189.93	69.35
(b) Expenditure in Foreign Currency (including expenses capitalised) :		
Interest and Finance charges	9.75	19.58
Technical Supervision charges	0.45	-
Commission	1.48	2.56
Legal charges and Professional fees	1.26	1.18
Ship operating expenses	-	3.05
Ship sale related expenses	-	2.15
Other matters	6.69	7.32

SCHEDULE "17" (Contd.)

Notes Forming Part of the accounts : - Contd.

	<u>2006-2007</u> (Rs. in Crore)	2005-2006 (Rs. in Crore)
18. (a) Earnings in Foreign Currency :		
F.O.B. value of exports	224.02	230.63
Freight and Charter Hire	-	25.04
Sale proceed of Ship	-	102.54
Dividend	0.07	0.07
Others	0.11	0.95
(b) Total exports during the year :		
Exports in Foreign Currency	234.03	239.92
Exports in Indian Currency	<u>29.92</u>	<u>27.79</u>
	263.95	267.71
Sales to Merchants - For exports	27.83	23.36
Deemed exports	<u>23.03</u>	<u>27.00</u>
	314.81	318.07

	Accumulated As at 31.3.2006	(Rs. in Crore) Charge/Credit during the year	<u>As at 31.3.2007</u>
19 (a) Deferred Taxation :			
Deferred Tax Liability on account of :			
(i) Depreciation	<u>306.20</u>	(3.95)	302.25
	<u>306.20</u>	(3.95)	302.25
Deferred Tax Asset on account of :			
(i) Deferred Revenue	(0.71)	5.38	4.67
(ii) Expenses allowable for Tax Purpose when paid	23.24	5.35	28.59
(iii) Earned Leave	5.32	1.81	7.13
(iv) Provision for Doubtful Debts and Advances	1.17	0.96	2.13
(v) Others	-	1.30	1.30
	<u>29.02</u>	<u>14.80</u>	43.82
Net Deferred Tax Liability / (Asset) :	<u>277.18</u>	(18.75)*	258.43
* Credit during the year			
- To General Reserve		0.69	
- To Profit and Loss Account		18.06	

(b) The Hon'ble Bombay High Court vide its order dated 16.01.2003, has allowed the Company to utilise the Securities Premium Account shown under the head "Reserves and Surplus" towards, meeting the liability of Deferred Tax as per the prevailing Accounting Standard (AS-22).

20. Related Party Information

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

Notes :

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

SCHEDULE "15" (Contd.)

Notes Forming Part of the accounts : - Contd.

2. Transactions with related parties:

(Rs. in Crore)

Particulars	Related parties		
	Referred in 1 (a) above	Referred in 1 (b) above	Referred in 1 (c) above
Purchases :			
Goods and Material	- (-)	- (-)	1.22 (1.42)
Sales :			
Goods and Material	- (-)	- (-)	28.48 (20.38)
Expenses :			
Rent and Other Services	0.24 (-)	- (-)	0.17 (0.14)
Guarantee Commission	- (-)	- (-)	0.10 (0.45)
Directors Fees and Expenses	- (-)	- (-)	0.01 (0.01)
Commission to Director	- (-)	- (-)	0.10 (0.06)
Remuneration	-	See Note 15 (a) to the Accounts	-
Income :			
Rent and Other Services	[Rs. 5,000] (-)	- (-)	0.47 (0.21)
Other Receipts :			
Guarantee Commission	- (-)	- (-)	0.07 (0.63)
Outstandings :			
Payable	- (-)	- (-)	- (0.39)
Commission to Director	- (-)	- (-)	0.09 (0.06)
Receivable	- (-)	- (-)	0.05 (1.91)

Previous year figures are given in brackets.

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SCHEDULE "17" (Contd.)

Notes Forming Part of the accounts : - Contd.

21. SEGMENT INFORMATION

A. Information about Business Segment - Primary

(Rs. in Crore)

S.No.	Particulars	Textiles		Cement		Pulp and Paper		Others		Total	
		2006-07	2005-06	2006-07	2005-06	2006-07	2005-06	2006-07	2005-06	2006-07	2005-06
1	Segment Revenue	793.16	763.16	1,756.28	1,295.75	592.42	503.82	69.51	86.07	3,211.37	2,648.80
	Sales etc.	793.16	763.16	1,756.28	1,295.75	592.42	503.82	69.51	86.07	3,211.37	2,648.80
	Less: Inter Segment Revenue	16.39	20.59	3.21	2.81	50.66	45.66	0.95	1.47	71.21	70.53
	Net Revenue from Operations	776.77	742.57	1,753.07	1,292.94	541.76	458.16	68.56	84.60	3,140.16	2,578.27
2	Result										
	Segment Result	(29.29)	1.86	494.30	108.41	103.52	87.97	5.68	14.25	574.21	212.49
	Inter Segment Profit / (Loss)									(0.24)	0.92
	Net Segment Result									573.97	213.41
	Unallocated Corporate Expense (Net of Income)									19.54	23.46
	Operating Profit									554.43	189.95
	Less: Interest (Net)									59.52	41.33
	Total Profit before exceptional item and tax									494.91	148.62
	Add / (Less) :										
	Exceptional Items relating to discontinuing operations									(142.37)	42.48
	Total Profit before Tax									352.54	191.10
	Add / (Less) :										
	Excess / (Short) Provision for Income Tax									0.06	(0.43)
	Provision for Current Tax									(95.00)	(44.90)
	Deferred Tax									18.06	(33.94)
	Fringe Benefit Tax									(2.50)	(2.48)
	Provision For Wealth Tax									(0.35)	(0.30)
	Net Profit after tax									272.81	109.05
3	Other Information										
	Segment Assets	673.41	710.10	961.84	914.05	933.58	645.18	68.60	72.87	2,637.43	2,342.20
	Add: Unallocated Common Assets									584.00	210.96
	Total Assets									3,221.43	2,553.16
	Segment Liabilities	112.85	131.99	187.61	160.41	80.15	54.17	7.09	8.36	387.70	354.93
	Add: Unallocated Common Liabilities									1,760.13	1,348.54
	Total Liabilities									2,147.83	1,703.47
4	Capital Expenditure during the year	27.02	111.42	90.63	132.69	369.91	85.68	1.62	4.56	489.18	334.35
	Add: Unallocated Capital Expenditure									17.06	0.47
										506.24	334.82
5	Depreciation and amortisation *	30.77	33.49	65.80	61.49	42.08	39.30	6.39	13.42	145.04	147.70
	Add: Unallocated Depreciation									0.57	0.68
										145.61	148.38
6	Non Cash Expenditure	-	-	-	-	-	-	-	-	-	-
	Add: Unallocated Non Cash Expenditure									77.35	13.22
										77.35	13.22

* Includes charged to cost of raising and transporting Limestone, Shale and Laterite and to Capital Account.

SCHEDULE "17" (Contd.)

Notes Forming Part of the accounts : - Contd.

B Secondary Segment - Geographical by Customers

(Rs. in Crore)

S.No.	Particulars	Total	
		2006-2007	2005-2006
1	Segment Revenue		
	In India	2876.21	2285.52
	Outside India	263.95	292.75
	Total	3140.16	2578.27
2	Carrying Cost of Assets by location of Assets		
	In India	2583.35	2295.64
	Outside India	54.08	46.56
	Total	2637.43	2342.20
	Unallocated	584.00	210.96
	Total	3221.43	2553.16
3	Addition to Assets and Intangible Assets		
	In India	489.18	334.35
	Outside India	-	-
	Total	489.18	334.35
	Unallocated	17.06	0.47
	Total	506.24	334.82

C. Other Disclosures

- Segments have been identified in line with the Accounting Standard, AS-17 "Segment Reporting" (AS-17), taking into account the organisation structure as well as the differing risks and returns.
- Company has disclosed Business Segment as the primary segment.
- Composition of the Business Segment

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

22. Disclosures of Derivatives

- (a) Hedging commitments outstanding :

	31.3.2007		31.3.2006	
	Forward		Forward	
	USD		USD	
Foreign Currency				
1) Loan taken	-		7.67	
2) Other payables	-		0.07	

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

- (c) Uncovered risks :

Foreign Currency	(In Million)					
	31.3.2007	31.3.2007	31.3.2007	31.3.2007	31.3.2007	31.3.2007
	(31.3.2006)	(31.3.2006)	(31.3.2006)	(31.3.2006)	(31.3.2006)	(31.3.2006)
	USD	GBP	EURO	JPY	AUD	DANISH KRONER
1) Debtors	4.64	0.05	5.42	1.34	-	-
	(6.90)	(0.02)	(2.57)	(0.32)	* (AUD 5015)	(-)
2) Creditors	0.05	-	* EURO 705	-	-	-
	(2.29)	(-)	(0.02)	(-)	(-)	(-)
3) Loan taken	3.44	-	23.41	-	-	-
	(21.23)	(-)	(0.23)	(-)	(-)	(-)
4) Bank balance						
In EEFC account	* USD 2312	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)	(-)
5) Acceptances	-	-	-	-	-	-
	(2.81)	(-)	(-)	(-)	(-)	(-)
6) Other receivables	0.11	0.45	0.23	-	-	-
	* (USD 3822)	* (GBP 850)	(-)	(-)	(-)	(-)
7) Other payables	0.15	0.49	0.09	-	-	-
	(0.13)	(-)	(-)	(-)	(-)	(6.46)

* At Actuals

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SCHEDULE "17" (Contd.)

Notes Forming Part of the accounts : - Contd.

23. Prior period adjustments represent :

	2006-2007 (Rs. in Crore)	2005-2006 (Rs. in Crore)
(a) Depreciation adjustments	0.22	0.37
(b) Credit relating to earlier years	0.49	0.04
(c) Debit relating to earlier years	(1.22)	(0.38)
	(0.51)	0.03

24. (a) Due to the unviability of operations at the Textile Mill at Worli, Mumbai the Company introduced a "Voluntary Retirement Scheme" (VRS) in November, 2006, pursuant to which more than 95% of the workers and staff opted for retirement. The manufacturing operations at the mill have effectively ceased and the Company is in the process of negotiating with the remaining workers, failing which, the Company shall take necessary steps for closure of the Textile Mill.

Assets, liabilities, as at 31st March, 2007 and revenues, expenses and cash flows, for the year ended 31st March, 2007 contains amounts in respect of ordinary activities attributable to the discontinuing operations (reported under "Textiles Segment") as under :

	March, 2007 (Rs. in Crore)	March, 2006 (Rs. in Crore)
Revenue	157.51	238.08
Expenditure	202.41	264.86
Tax shield	(15.11)	(9.01)
Cash Flows :		
- Operating	60.89	(6.53)
- Investing	-	1.28
- Financing	(0.27)	(0.32)
Total assets	62.25	170.42
Total liabilities	17.79	23.12

Assets retired from active use as at 31st March, 2007.

Assets	Book value As at 31st March, 2007 (Rs. in Crore)
Building	1.01
Plant and Machinery	16.55

Notes :

- (i) In the opinion of the management, these assets are expected to atleast realise the value at which they are stated herein.
(ii) The effect of revaluation of the above assets and the related balance in revaluation reserves amounting to Rs.3.56 Crore have been reversed as on 31st March, 2007.

- (b) Profit / (Loss) from discontinuing operations are as under :

	2006-2007 (Rs. in Crore)	2005-2006 (Rs. in Crore)
Textile Mill at Worli	(44.90)	(26.78)
Shipping Operations	(0.11)	11.55
Net Loss from discontinuing operations	(45.01)	(15.23)

- (c) Exceptional Items :

(i) Compensation under Voluntary Retirement Scheme	(75.05)	(5.50)
(ii) Gratuity, exit payments, etc.	(67.32)	-
(iii) Surplus on Sale of Ship	-	47.98
	(142.37)	42.48

SCHEDULE "17" (Contd.)

Notes Forming Part of the accounts : - Contd.

25. (a) Pursuant to adoption of Accounting Standard 15 (Revised 2005) (AS-15) on "Employee Benefits" issued by the Institute of Chartered Accountants of India, transitional liability as at 1st April, 2006 of Rs.5.12 Crore (net of tax of Rs.2.61 Crore) has been adjusted against the opening balance of General Reserve and the liability for the year arising on account of the revision to AS-15 amounting to Rs.0.61 Crore is charged to Profit and Loss Account.
- (b) Pursuant to the accounting treatment permitted by the revised Accounting Standard 15 (AS-15) on Employee Benefits, the payments made during the year, under the Voluntary Retirement Scheme (VRS), are being charged to the Profit and Loss Account over a period of four accounting years commencing from the accounting year 2006-07. Accordingly, VRS (including prior year VRS) charged for the year ended 31st March, 2007 aggregate Rs.77.35 Crore, of which, Rs.75.05 Crore relates to the Textile Mill at Worli.

	31.3.2007	31.3.2006
	(Rs. in Crore)	(Rs. in Crore)
26. Computation of Profit for Earnings per Share:		
Profit for the year after tax	282.25	121.74
Add / (Less):		
Excess / (Short) provision for taxation (Net)	0.06	(0.43)
Prior period adjustments (Net)	(0.51)	0.03
Installment of Arrears of Depreciation	(8.99)	(12.29)
Profit including Exceptional Items	272.81	109.05
Add/(Less): Exceptional Items (net of taxes)	104.88	(14.25)
Profit excluding Exceptional Items	377.69	94.80

27. Figures less than Rs.50,000 have been shown at actuals in brackets, since the figures are rounded off to the nearest lac.

28. Previous year's figures have been regrouped/recast wherever necessary.

29. Significant Accounting Policies followed by the Company are as stated in the Statement annexed to this Schedule as Annexure I.

As per our report of even date

For and on behalf of

DALAL & SHAH

Chartered Accountants

B.K. BIRLA, Chairman

ASHISH DALAL

Partner

Mumbai :

3rd May, 2007

D.K. AGRAWAL

Secretary

B.L. JAIN

Whole-time Director

Directors

KUMAR MANGALAM BIRLA

P.K. DAGA

E.B. DESAI

ARVIND C. DALAL

AMAL GANGULI

STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Statement referred to in Note 29 in Schedule - 17 to the Accounts for the year ended 31st March, 2007.

I. 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) Compensation to employees under Voluntary Retirement Scheme by the Company, is amortised over a period of four years.
- d) Share Issue Expenses are charged, first against available balance in the Securities Premium Account.
- e) Sale of goods is recognized on transfer of significant risks and rewards of ownership which is generally on the dispatch of goods. Export Sales are accounted for on the basis of the dates of 'On Board Bill of Lading'. However, sales in respect of Floriculture division through foreign consignment agents, are accounted for on the basis of the Account - Sale - Notes received from such agents.

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/ materialised.

III. FIXED ASSETS AND DEPRECIATION:

A) FIXED ASSETS:

- (a) Fixed Assets are carried at cost of acquisition or construction or at revalued amounts, less accumulated depreciation and amortisation.
- (b) Machinery Spares which are specific to a particular item of fixed asset and whose use is expected to be irregular, are capitalised in terms of Accounting Standard AS-10.

B) DEPRECIATION ON FIXED ASSETS:

a) LEASEHOLD LAND:

Cost of Leasehold land is amortised over the lease period.

b) OTHER FIXED ASSETS:

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

	Rates adopted by the Company on the basis of useful life	Rates Specified in Schedule XIV
Polyhouses (Buildings)	10.00%	3.34%
Floral Plantation (Rose)	16.66%	Not Specified
Floral Plantation (Gerbera)	50.00%	Not Specified
Floral Plantation (Carnation)	50.00%	Not Specified
Floral Plantation (Orchid)	20.00%	Not Specified

- iv) Depreciation on railway wagons given on lease is provided either at the rates worked out on a Straight Line basis over the total period of lease as stated in the lease agreement, or at the rates specified in Schedule XIV to the Companies Act, 1956, whichever is higher.
- v) Arrears of depreciation for the accounting year 1999-2000 and 2000-2001 in respect of assets of three divisions, namely, Maihar Cement Unit II, Century Pulp & Paper and Century Denim, in terms of approval of the Central Government, is provided over the remaining life of the assets.
- vi) Depreciation on other assets, except to the extent stated in (a) and [(b) (ii) (iii) (iv) and (v)] above, has been provided on Straight Line Method at the rates and in the manner prescribed in Schedule XIV to the Companies Act, 1956.
- vii) Depreciation on additions to assets or on sale/disposal of assets is calculated pro-rata from the month of such addition, or upto the month of such sale/disposal, as the case may be.

IV. 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.

V. FOREIGN CURRENCY TRANSLATIONS:

- a) All loans and deferred credits repayable in foreign currency and outstanding at the close of the year, are expressed in Indian Currency at the appropriate rates of exchange prevailing on the date of the Balance Sheet, except in cases where these borrowings are covered by forward exchange contracts. Any increase or reduction in these liabilities, to the extent they relate to borrowings for financing imported fixed assets, is shown as addition to or deduction from the cost of the asset acquired out of such borrowings, and the balance is charged to revenue. In respect of transactions covered by Forward Exchange contracts, 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.
- b) Balances in the form of Current Assets and Current Liabilities in foreign currency, outstanding at the close of the year, are converted in Indian Currency at the appropriate rates of exchange prevailing on the date of the Balance Sheet. Resultant gain or loss is recognised during the year.
- c) All other foreign currency transactions are accounted for at the rates prevailing on the dates of the transactions.

VI. INVENTORY VALUATION:

- i) Raw Materials, Materials in Process, Construction work in Progress, Finished Goods, Goods for Trade and Property - Commercial Units, are valued at Cost or Net Realisable value, whichever is lower.
- ii) Stores, Spares, etc., are valued, either at Cost or at Cost less amounts written off.
- iii) Trial Run Products are valued at estimated realisable value.
- iv) Goods in transit are valued at cost to date.
- v) 'Cost' comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventory to their present location and condition. Cost formulae used is either 'First in First Out', or 'Specific Identification', or the 'Average Cost', as applicable.
- vi) Due allowances are made for obsolete inventory based on technical estimates made by the Company.
- vii) Interdivisional transfers are valued, either at Works/Factory Costs of the transferor unit/division, plus transport and other charges.

VII. RETIREMENT BENEFITS:

- i) Retirement benefit in the form of Provident Fund and Superannuation/Pension Schemes, whether in pursuance of any law or otherwise, is accounted on accrual basis and charged to the Profit and Loss Account for the year.
- ii) Provision for payments to the Employees' Gratuity Trust Fund, after taking into account the funds available with the Trustees of the Gratuity Fund, is based on actuarial valuation carried out at the close of the year. Effect of changes in assumptions adopted by the Actuary, are duly given effect to in the Profit and Loss Account.
- iii) Provision for Earned Leave is accrued and provided for at the end of the financial year on the basis of an actuarial valuation.

VIII. GOVERNMENT GRANTS:

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

IX. RESEARCH AND DEVELOPMENT :

Revenue expenditure, including overheads on Research and Development, is charged out 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 are applicable.

X. EXPENDITURE DURING CONSTRUCTION AND EXPENDITURE ON NEW PROJECTS:

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

XI. BORROWING COSTS:

Interest and other borrowing costs attributable to qualifying assets, are capitalised. Other interest and borrowing costs are charged to revenue.

XII. PREMISES TAKEN ON LEASE:

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

XIII. TAXATION:

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

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 assets exceeds the recoverable amount, an impairment loss is charged to the Profit and Loss Account in the year in which an asset is identified as impaired. An impairment loss recognized in prior accounting periods is reversed or reduced if there has been a favourable change in the estimate of the recoverable amount.

Annexure II

Names of Small Scale Industrial Undertakings in whose account any amount was outstanding for more than 30 days as referred in Note 4 (a) in Schedule-17 to the Accounts for the year ended 31st March, 2007.

PARTY'S NAME	PARTY'S NAME
ADHUNIK PACKAGINGS	MADRAS ENGINEERING WORKS, MUMBAI
APEX KNIVES PVT.LTD.	MAGNUM ENGINEERS
ASHOK BROTHERS INDUSTRIES	NAINITAL WOVEN SACKS PVT. LTD.
B.S. ENGINEERING CO. (INDIA)	NARAYAN INDUSTRIES
BALAJI ENTERPRISES	NAV DURGA PRINTING PRESS,LALKUA
BHARAT SALT CO. , RAJASTHAN	NIVAM INSTRUMENTS PVT. LTD.
BHILWARA POLYMERS, BHILWARA	PAL MINERAL INDUSTRIES
BOARD & PAPER LAMINATION	POOJA PACKAGING INDUSTRIES
CAMBRIAN MINERAL & CHEMICALS	PRAKASH ENGINEERING WORKS, BLY
CRESCENT VALVES MFG CO. PVT LTD, MUMBAI	PRECISION INDUSTRIES
DARLING MUESCO (INDIA) PVT. LTD. AHMEDABAD	PREM ENGINEERING INDUSTRIES,RUDRAPUR
DIAMOND DYE_CHEM PVT LTD	R.J. MINIRAL INDUSTRIES (P) LTD
ENDEE ENGINEERS PVT. LTD. B. BAY	RAJ PACKWELL LTD.
ENGINEERING & CASTING CORPORATION	RAJEEV INDUSTRIAL CORPORATION,KASHIPUR
FINE CORE PIPE PVT. LTD	SAM CABLES AND CONDUCTORS, RUDRAPUR
FLEXIBLES	SHENCO VALVES PVT. LTD, AHMEDABAD
HINDUSTAN INDUSTRIAL CORPORATION	SHYAM PLASTIC INDUSTRY
J.D. JONES & CO. PVT. LTD	SURYODAY TEXTILE FACTORY, AHMEDABAD
JAY RAPID ROLLERS LTD, DELHI	TECHNIKA INDIA, HARIDWAR
K.D. TRADERS	TECHNO PACKINGS
KHATIMA FIBERS, KHATIMA	UNIQUE ENGINEERS, SAHARANPUR
KHYATI CHEMICAL INDUSTRIES	VALFLO PVT. LTD.
KRISHI DISCS PVT LTD, BAREILLY	VISHNU STEEL INDUSTRIES
LATHIA RUBBER MFG. CO. PVT. LTD.	

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2007

	<u>2006-2007</u> (Rs. in Crore)	2005-2006 (Rs. in Crore)
A. CASH FLOW FROM OPERATING ACTIVITIES :		
NET PROFIT BEFORE TAX AND EXTRAORDINARY ITEMS	362.04	203.36
Add / (Less) :		
Depreciation (Net)	135.86	135.08
Surplus on Sale of Fixed Assets (Net)	-	(48.62)
Interest and Finance Charges	59.52	41.33
Dividend Income	(2.50)	(1.19)
Amount written off against Leasehold land and building	0.32	0.32
Proportionate amount written off against Miscellaneous Expenditure	77.35	13.22
Prior Period Adjustments (Net)	(0.73)	(0.34)
Profit on Sale of Investments (Net)	-	(0.75)
Currency fluctuations on borrowings	2.12	11.15
Provision for doubtful debts and advances (Net)	2.49	(1.14)
	<u>274.43</u>	<u>149.06</u>
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	636.47	352.42
Adjustment for :		
Trade and other Receivables	1.57	(27.10)
Inventories	16.56	(48.37)
Trade Payables	33.77	50.05
	<u>51.90</u>	<u>(25.42)</u>
CASH GENERATED FROM OPERATIONS	688.37	327.00
Add / (Less) :		
Voluntary Retirement Compensation Paid	(274.15)	(16.97)
Direct Taxes (Paid) / Refund	(97.54)	(47.18)
	<u>(371.69)</u>	<u>(64.15)</u>
NET CASH FROM OPERATING ACTIVITIES	316.68	262.85
B. CASH FLOW FROM INVESTING ACTIVITIES :		
Purchase of Fixed Assets (Includes Borrowing Costs Capitalised)	(506.24)	(334.60)
Sale of Fixed Assets	6.19	103.23
Interest received	5.03	7.55
Dividend Income	2.50	1.19
Deposits with Joint Stock Companies	45.00	0.33
Sale / Acquisition of Current Investments [Net]	-	12.75
NET CASH USED IN INVESTING ACTIVITIES	<u>(447.52)</u>	<u>(209.55)</u>

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2007 (Contd.)

	<u>2006-2007</u> <u>(Rs. in Crore)</u>	<u>2005-2006</u> <u>(Rs. in Crore)</u>
C. CASH FLOW FROM FINANCING ACTIVITIES :		
Working Capital and Fixed Deposit (Net)	(195.74)	19.77
Repayment of Other Borrowings	(295.89)	(371.99)
Other Loans Taken	859.78	381.87
Interest and Finance Charges paid	(66.23)	(49.11)
Dividend Paid	(62.71)	(23.23)
Tax on Dividends	(8.81)	(3.26)
NET CASH (USED) IN FINANCING ACTIVITIES	230.40	(45.95)
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	99.56	7.35
CASH AND CASH EQUIVALENTS - Opening Balance	37.83	30.48
CASH AND CASH EQUIVALENTS - Closing Balance	137.39	37.83
Reconciliation to Cash and Bank Balances given in Schedule 7, is as follows :		
Cash and Bank Balances	139.19	38.35
Less: Lien marked deposits and interest accrued thereon	1.80	0.52
Cash and Cash Equivalents - Closing Balance	137.39	37.83

As per our report of even date

For and on behalf of

DALAL & SHAH

Chartered Accountants

B.K. BIRLA, Chairman

ASHISH DALAL

Partner

Mumbai :
3rd May, 2007

D.K. AGRAWAL
Secretary

B.L. JAIN
Whole-time Director

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

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

I. Registration details

Registration no. State Code Balance Sheet
Date Month Year

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

Public Issue Right Issue Bonus Issue Private Placement

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

Total Liabilities Total Assets

Source of Funds:

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

Application of Funds :

Net Fixed Assets Investments Net Current Assets Misc Expenditure

Accumulated Losses

IV. Performance of Company (Rs. in Crore)

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

Earning Per Shares in Rs. Dividend rate %

V. Generic Names of Three Principal Products/Services of Company (as per monetary terms)

Item Code No. (ITC Code) Product Description

Item Code No. (ITC Code) Product Description

Item Code No. (ITC Code) Product Description

Creative
Courteous

Consistent

Conscious

Notes

A series of horizontal dotted lines for writing notes.

Notes

A series of horizontal dotted lines for writing notes.



The Group logo – As represented by the 21st Century Atlas

Atlas, the Titan – Collective strength

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

The Sun – Enlightenment and Growth

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

The Earth Segments – Diversified Activities

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

The Globe – Global Vision

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

The Base – Solid Foundations

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

The Symmetry – The Resilience, Versatility and Stability

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

Strong Foundation • Sustained Growth • Proven Leadership

Century Textiles And Industries Limited

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

Company's Website : www.centurytextind.com