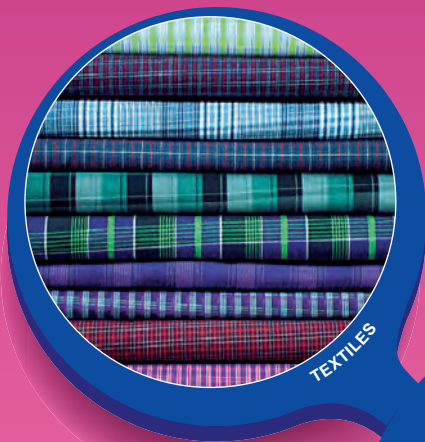


CENTURY TEXTILES AND INDUSTRIES LIMITED

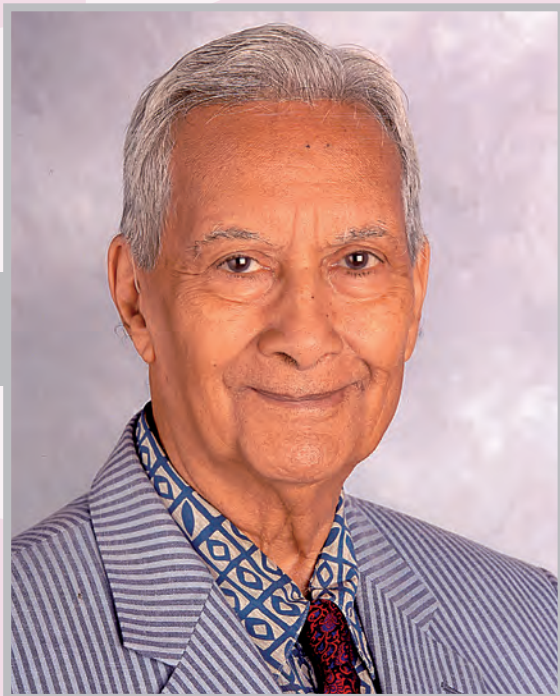


114TH ANNUAL REPORT & ACCOUNTS 2010-11



Sights Set on Newer Horizons...

CHAIRMAN'S STATEMENT



Dear Shareholders,

A globalised world with various uncertainties and rapidly changing scenario brought to the Indian economy opportunities and challenges simultaneously. The economy is growing, but a number of adverse features are apparent and seem to be here to stay such as persistent and stubborn inflation, unprecedented higher commodity and all other input costs, which are impediments to industrial progress. Though the Reserve Bank of India has adopted tighter monetary policies to contain or reduce inflation, this has correspondingly resulted in hardening interest costs which is another burden that industry has to cope with.

The emphasis on addressing structural concerns such as weak supply chain linkages and shortcomings in the marketing of commodities are expected to provide long term solutions for sustainable growth of the industry in future.

The continued thrust of the Government on improving infrastructure (which lags far behind what our country needs and what is available even in developing nations) and promoting education at all levels is expected to provide a significant impetus to the growth of the cement and paper industries, which are two major businesses of the Company.

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

B. K. Birla
Chairman

BOARD OF DIRECTORS

(As on 02/05/2011)



Shri B. K. Birla, Chairman
Shri Kumar Mangalam Birla
Shri Pradip Kumar Daga
Shri Arvind C. Dalal
Shri Amal Ganguli
Shri B. L. Jain, (Whole-time Director)

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

TEAM OF EXECUTIVES

(As on 02/05/2011)

Textiles

Century Textiles

Birla Century, Century Yarn and Denim

Shri R.K. Dalmia	Senior President
Shri D.K. Agrawal	President (Corporate Finance) & Secretary
Shri U.C. Garg	Executive President (Purchase & Projects)
Shri R.C. Panwar	Joint President (Marketing)
Shri Sanjay Khimesra	Joint President (Birla Century)
Shri S.K. Somani	Vice President (Finance)

Rayon

Century Rayon, Tyrecord and Chemicals

Shri O.R. Chitlange	Senior President
Shri R. Lalwani	President (Commercial)
Shri S.M. Sanklecha	Joint President (Purchase)
Shri S.K. Mital	Joint President (Engineering Services & Auxiliaries)
Shri Subodh Dave	Senior Vice President (Personnel & Administration)
Shri Apurva Gupta	Senior Vice President (Rayon & Development)
Shri V.K. Jhingon	Senior Vice President (Tyre Cord & CSY)
Shri Sudhir Luthra	Senior Vice President (Chemicals)
Shri B. Manmohan	Vice President (Finance)
Shri Arun Jhawar	Vice President (Marketing)

Cement

Century, Maihar, Manikgarh and Sonar Bangla Cements

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

Century Cement & Sonar Bangla Cement

Shri Alok Patni	President (Works)
Shri J. L. Tiwari	Executive President (Projects-Cement Division)
Shri Rakesh Sharma	Executive President (Personnel & Administration)
Shri M.K. Jain	Senior Vice President (Purchase)
Shri A.K. Panja	Senior Vice President (Commercial)
Shri Satish Gurtoo	Senior Vice President (Electrical & Instt.)
Shri Arun Gaur	Senior Vice President (Finance)
Shri C.S. Vithalkar	Vice President (Mechanical)
Shri A.K. Biswas	Vice President (Project)
Shri A.K. Bajpai	Vice President (Marketing)

Maihar Cement Units I & II

Unit I

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

Unit II

Shri R.S. Doshi	Executive President (Commercial)
Shri S. K. Tewari	Joint President (Mines & Projects)
Shri Ashok Maheshwari	Senior Vice President (Commercial)
Shri P.K. Agarwal	Senior Vice President (Purchase)
Shri H.P. Tiwari	Senior Vice President (Personnel & Administration)
Shri A.S. Thakur	Vice President (Materials & Systems)
Shri J. P. Pandey	Vice President (Mechanical)

Manikgarh Cement Units I & II

Unit I

Shri P.S. Bakshi	President (Works)
Shri S.K. Mandelia	Executive President (Commercial)
Shri A.D. Karwa	Executive President (Finance & Marketing)
Shri Vijay Kumar	Joint President (Plant)
Shri R.K. Udge	Senior Vice President (Mines)
Shri A.K. Jain	Senior Vice President (Mechanical)
Shri O.P. Moondra	Senior Vice President (Instrument)
Shri N.D. Hemke	Senior Vice President (Mechanical)
Shri Kiran Sharma	Vice President (Generation)

Unit II

Shri Surendra Kumar	Vice President (Project)
Shri E. V. Ravikumar	Vice President (Finance)
Shri V. K. Sharma	Vice President (Mechanical)
Shri Deepak Jaisinghani	Vice President (Mechanical)

Paper

Century Pulp and Paper

Dr. B.L. Bihani	Senior President
Shri S.K. Agarwal	Senior Vice President (Commercial)
Shri A.C. Mittal	Senior Vice President (Production)
Shri J.K. Jain	Senior Vice President (Raw Material)
Shri R.K. Sharma	Senior Vice President (Engineering)
Shri S.L. Sharma	Vice President (Commercial)
Shri U.K. Agarwal	Vice President (Process)
Shri S.P. Bhandari	Vice President (Sales & Marketing)
Shri C.V. Ramaraju	Vice President (Technical)

Salt

Genray Minerals and Chemicals

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

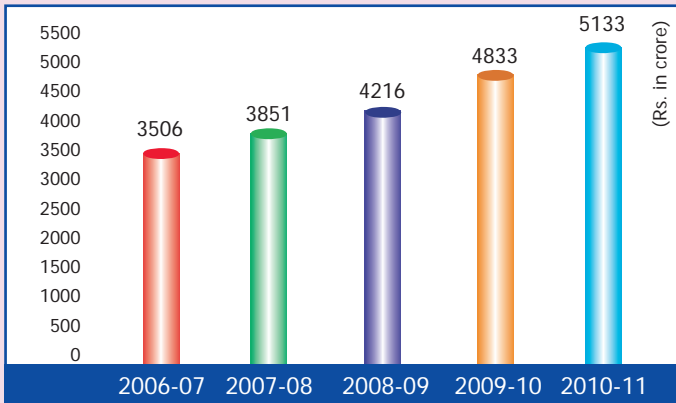
Dalal & Shah, Mumbai

Registered Office

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

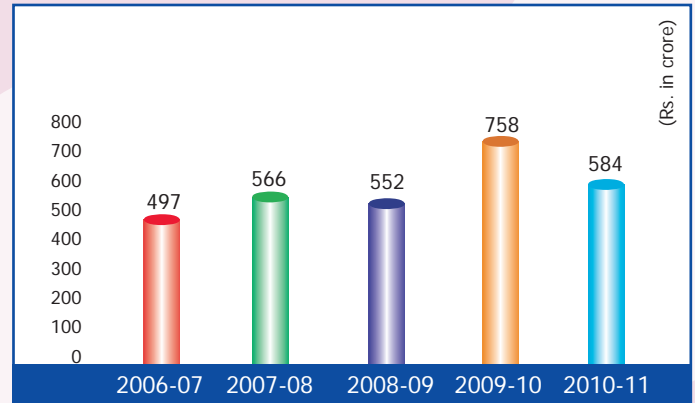
PERFORMANCE HIGHLIGHTS

Gross Sales*



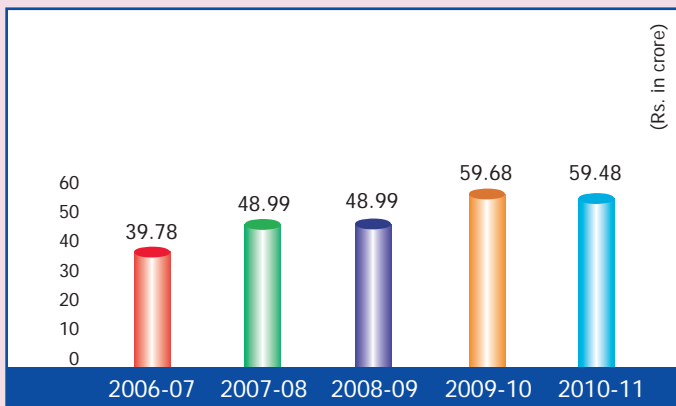
*Gross Sales are net of rebates and returns

Gross Profit

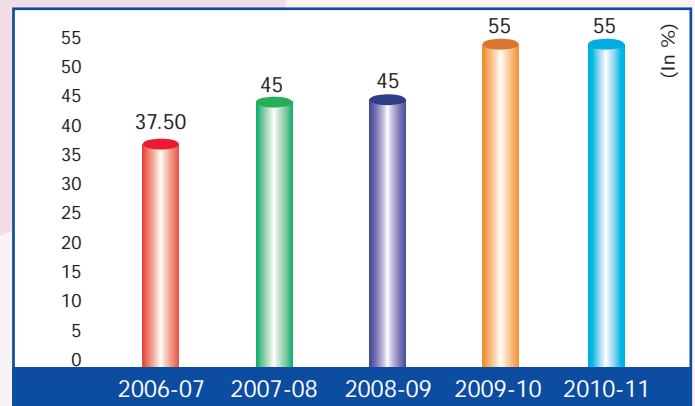


Amount of Dividend

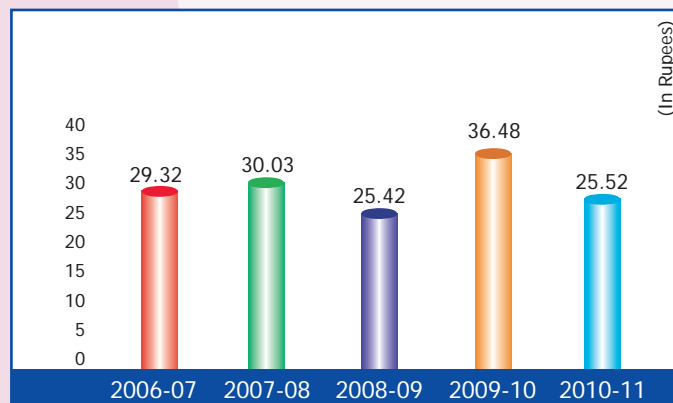
(including tax on it)



Rate of Dividend



Earning Per Share**



** Earning per share is including exceptional items

FABRICS AND APPAREL



A Trophy awarded to BIRLA CENTURY for Best Supporting Mill to Apparel Industry during "Source Zone" Fabrics & Accessories Show at New Delhi (November, 2010) organized by Apparel Export Promotion Council



Birla Century - Product display at Heimtextil fair, Frankfurt, Germany (January, 2011)

Our new Textile mill named 'Birla Century' in Gujarat, with state-of-the-art Textile production facility, manufactures mainly fine and superfine qualities. We participated in Heimtextil fair in Frankfurt, Germany held every year with the main objective of displaying to prospective buyers all over the world our products including Bed Linen, Table Linen, Bath Linen & Accessories etc. The visitors to the fair were from across the world and especially from Europe and USA which provided better marketing opportunities.

Our Rayon Division produces various speciality Yarns like, Intermingled Yarn, Fancy Yarn, Carpet Yarn, Monofilament Split Yarn, which are used for various purposes and effects.

Intermingled Yarn lends textile a unique shine, just as Fancy Yarn. Speciality Yarn like Carpet Yarn and Monofilament Split Yarn have their individual, specific end uses and effects.



INTERMINGLED YARN



FANCY AND CARPET YARN PUFFS



YARN FOR CARPET



MONOFILAMENT SPLIT YARN

ADOPTION OF STATE OF ART TECHNOLOGY FOR WATER CONSERVATION -INSTALLATION OF AIR COOLED CONDENSER



AIR COOLED CONDENSER AT MANIKGARH CEMENT

Every year it has been a challenge for us to maintain optimum Thermal Generation particularly during summer when river surface water depletes, it turns into desert and acute water shortage prevails. Priorities by State Government are being given for supply of water to towns/villages for drinking. For time to come water availability as such shall become severe.

Water conservation is the most cost-effective and environmentally sound way for most essential natural resources of earth. It is told "A drop of water is worth more than a sack of gold for the thirsty man".

Water less Dry Cooling System namely Air Cooled Condenser (ACC) was learnt to be the Best Available Technology (BAT) to reduce water consumption at thermal power plants.

Thus, we adopted this technology and Installed Air Cooled Condenser for our 10 MW TG Set at Manikgarh Cement unit in Gadchandur, Maharashtra with a capital investment of around 9 crore rupees not only to sustain our production level but also to conserve water for the society as a whole. We are saving around 8 lakh litres of precious water per day. Use of chemicals for water treatment has also reduced.

Similar system for water conservation is under installation at Century Cement Unit, Baikunth Dist. Raipur (Chhattisgarh) and at Maihar Cement Unit, Sarlanagar, Maihar Dist Satna (Madhya Pradesh).



**MANIKGARH CEMENT
WAS AWARDED FIRST PRIZE
GOLD AWARD
IN THE INTERNATIONAL
CONVENTION ON QUALITY
CIRCLES HYDERABAD
OCTOBER, 2010**



We are one of the largest paper producers in the country and shall become only paper company to offer writing & printing grades, copier, speciality grades, tissue and packaging boards manufactured from varied mix of the raw materials at a single location. This variability of raw materials and a range of the various grades of paper and board offers us an opportunity to be an agile supplier of paper related solutions to the customers, creating additional value for ourselves in the process.

During the coming year, we plan to launch products in various segments which are aimed to be the market leaders in terms of quality and innovation.

Century speciality tissue has now been well established in the International market.

We are known for our ability to provide customer delight through a culture that encompasses creation of value and wealth through promotion of quality, environmental and safety concerns.

Excellence at Century continues to be all pervasive. Our goal to reach the top in the world of paper and packaging industry will soon become a reality.

NOTICE OF MEETING

REGISTERED OFFICE :
CENTURY BHAVAN, DR. ANNIE BESANT ROAD, WORLI, MUMBAI 400 030

NOTICE is hereby given that the 114th Annual General Meeting of the Shareholders of the Company will be held at Nehru Centre Auditorium, Discovery of India Building, Dr. Annie Besant Road, Worli, Mumbai – 400 018 on Saturday, the 13th August, 2011 at 3.30 p.m. to transact with or without modifications as may be permissible, the following business :

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2011 and Profit and Loss Account for the year ended on that date and the Reports of the Directors and the Auditors of the Company.
2. To declare dividend on Equity Shares for the year ended 31st March, 2011.
3. To appoint a Director in place of Shri B.K. Birla who retires from office by rotation, but being eligible, offers himself for re-election.
4. To appoint a Director in place of Shri Amal Ganguli 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 an Ordinary Resolution.

“RESOLVED that pursuant to the provisions of Section 258 and all other applicable provisions, if any, of the Companies Act, 1956, the number of Directors in office do for the time being stand reduced from 7 to 6.”

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.7 passed at the 110th Annual General Meeting of the Company held on 24th July, 2007 and pursuant to Section 293(1)(d) of the Companies Act, 1956 read with 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 such sum or sums of monies in any manner from time to time 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) over and above the aggregate of the paid-up capital of the Company and its free reserves.”

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 110th Annual General Meeting of the Company held on 24th July, 2007 and pursuant to Section 293(1)(a) and all other applicable provisions, if any, of the Companies Act, 1956, the consent of the Company be and is hereby accorded 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) over and above the aggregate of the paid-up capital of the Company and its free reserves and apart from temporary loans obtained or to be obtained from the Company's bankers in the ordinary course of business 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 to 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 the provisions of Sections 198, 269, 309, 311, 314 and all other applicable provisions, if any, of the Companies Act, 1956, read with Schedule XIII thereto and all guidelines for managerial remuneration issued by the Central Government from time to time, the Company hereby approves of the reappointment by the Board of Directors ("the Board") of Shri B.L. Jain as Director in the whole time employment of the Company for a further period of two years with effect from 1st April, 2012 with liberty to either party to terminate the appointment on three months notice in writing to the other, upon the following terms as to remuneration as set out hereafter, and with further liberty to the Board of Directors or Chairman of the Board from time to time to alter the said terms in such manner as may be in the best interests of the Company, subject however to the restrictions, if any, contained in the Companies Act, 1956, including Schedule XIII thereto as amended upto date or otherwise as may be permissible at law, viz. :-

- A) Basic Salary & Allowances per month as on 1.4.2012 :
- i) Basic Salary : Rs.3,50,000/-
 - ii) Allowances:
 - a) Entertainment Allowance Rs.60,000/-
 - b) City Compensatory and House Upkeepment Allowance Rs. 1,65,000/-
 - 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 of Directors or Chairman of the Board from time to time subject to a minimum of Rs.60 lacs in any one financial year.
- C) Perquisites and other amenities payable/provided to Shri B.L. Jain as under :-
- i) Company's contribution towards provident fund (presently 12%) and Superannuation Fund (presently 15%) as per the Rules applicable to Century Cement Division of the Company, and not exceeding the limit as laid

down under the Income-Tax Rules, 1962.

- ii) Ex-gratia payment equivalent to 20% of basic salary.
- iii) As per the rules of Century Cement Division of the Company in respect of the following:
 - a) Reimbursement of Leave Travel and Medical expenses for self and family.
 - b) Leave with full pay and allowances.
 - c) Gratuity.
 - d) Personal accident insurance premium.
- iv) Fees of the clubs subject to a maximum of two clubs excluding admission and life membership fees.
- v) Provision of a chauffer driven car provided and maintained by the Company for the use on Company's business.
- vi) The housing society maintenance charges and electricity charges in respect of flat occupied by him shall be paid at actuals.
- vii) Provision of Telephone, telefax and other modern communication facilities at residence,

with authority to the Board of Directors or Chairman of the Board to fix Performance-cum-Long Term Service Allowance as mentioned in Item (B) above and to fix annual increments in basic salary and aforesaid allowances as mentioned in Item (A) from time to time as may be deemed appropriate, so that the remuneration in the aggregate inclusive of basic salary, all allowances and perquisites as mentioned in Items (A), (B) and (C) above, excluding gratuity, does not exceed a sum of Rs. 2.75 crores (Rupees Two Crores Seventy Five Lacs) per annum during the term of his appointment.

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

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

NOTES FOR MEMBERS' ATTENTION

- (a) A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER.
- (b) Explanatory Statement pursuant to section 173(2) of the Companies Act, 1956, in respect of Item Nos. 6 to 9 of the Notice set out above, is hereto annexed.
- (c) The Registers of Members and Transfer Books in respect of the Equity Shares of the Company will remain closed from Thursday, the 28th July, 2011 to Saturday, the 13th August, 2011 both days inclusive.
- (d) Pursuant to Section 205A of the Companies Act, 1956, all unclaimed/unpaid dividends upto the financial year ended 31st March, 1995 have been transferred to the General Revenue Account of the Central Government.

Those shareholders who have so far not claimed or collected their dividend for the said period may claim their dividend directly from the Registrar of Companies, Maharashtra, by submitting an application in the prescribed form.

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

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

Date of declaration of dividend	Dividend for the year	Due date of transfer to the Government
20th July, 2004	2003-2004	18th August, 2011
26th July, 2005	2004-2005	24th August, 2012
12th July, 2006	2005-2006	10th August, 2013
14th March, 2007*	2006-2007	12th April, 2014
23rd July, 2008	2007-2008	21st August, 2015
28th July, 2009	2008-2009	26th August, 2016
27th July, 2010	2009-2010	25th August, 2017

* (Interim treated as final)

It may be noted that no claim of the shareholders will be entertained for the unclaimed dividends which have

been transferred to the credit of the Investor Education & Protection Fund of the Central Government under the provisions of Section 205(B) of the Companies Act, 1956.

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

- (f) Members are requested to send all their documents and communications pertaining to shares to **Link Intime India Pvt. Ltd. (Formerly known as Intime Spectrum Registry Limited), Share Transfer Agent of the Company at their address at** "C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (West), Mumbai 400 078, (Maharashtra) Telephone No. 022 – 2596 3838, Fax No. 022 – 2594 6969 for both physical and demat segments of Equity Shares. Please quote on all such correspondence – "Unit – Century Textiles and Industries Limited." **For Shareholders queries – Telephone No. 022-2594 6970 Email ID – rnt.helpdesk@linkintime.co.in**
- (g) Members holding shares in the same name under different Ledger Folios are requested to apply for consolidation of such Folios and send the relevant share certificates to Link Intime India Pvt. Ltd. for their doing the needful.
- (h) Members are requested to notify change in address, if any, immediately to Link Intime India Pvt. Ltd. quoting their folio numbers.
- (i) It is observed that few members have still not surrendered their old Share Certificates for Equity Shares of Rs.100/- each for exchange with the new Share Certificates for Equity Shares of Rs.10/- each. They are once again requested to surrender the Share Certificates for Equity Shares of Rs.100/- each at the **Registered Office of the Company** so as to enable the Company to do the needful.
- (j) Pursuant to the recommendation of the SEBI Committee on Corporate Governance for reappointment of the retiring Directors, the relevant details of the concerned Directors are given in the Report on Corporate Governance forming part of the Annual Report.

By Order of the Board,

Mumbai,

D.K. AGRAWAL

Dated : 1st July, 2011

Secretary

Important Communication

The Ministry of Corporate Affairs, vide its General Circular No.18/2011 dated 29th April, 2011, has clarified that as a measure of "Green initiative in Corporate Governance" it will be in compliance, if the Annual Report (i.e. documents listed in section 219(1) of the Companies Act, 1956) is sent through e-mail. To support this green initiative, members holding shares in demat form are requested to provide their e-mail ID to the depository through their concerned depository participant and members holding shares in physical form are requested to provide their e-mail ID to the Company's RTA, M/s.Link Intime India Pvt. Ltd. by filling the form available on the Company's website and also update the e-mail address as and when there is any change.

ANNEXURE TO THE NOTICE

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

Item No. 6

On account of the sad demise of Shri E.B. Desai, a Director of the Company, the number of Directors now in office stands reduced from 7 to 6 and the vacancy is not proposed to be filled up for the time being. The specific Resolution as in item No. 6 though not strictly necessary is being proposed to be passed in view of the provisions of section 258 of the Companies Act, 1956, by way of abundant caution.

Item Nos. 7 & 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 110th Annual General Meeting of the Company held on 24th July, 2007 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.5000 crores.

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 feels 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 Board of Directors to borrow monies subject to a limit of Rs.5000 crores (Rupees Five Thousand Crores) in addition to the aggregate of the Company's paid-up capital and its free reserves as mentioned in the resolution. 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 increase in 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 provisions 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

Shri B.L. Jain was reappointed as the Whole-time Director of the Company for a period of two years with effect from 1st April, 2010 and his reappointment was also confirmed by a Special Resolution passed by the members at their meeting held on 28th July, 2009.

The Board of Directors has, at its recent meeting held on 2.5.2011, reappointed him as such Whole-time Director for a further period w.e.f. 1st April, 2012 on such terms as to remuneration and otherwise as may be decided by the Chairman. His appointment has been presently fixed for a period of two years. The details in respect of his remuneration have now been finalized as set out in the resolution.

Shri Jain who has recently attained the age of 74 years, has been in the service of the Company for the last over 49 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 for a further term incidental to his employment with the Company, considering particularly his rich experience and his managerial skills as also the modern corporate trend, the same is considered to be fair, just and reasonable. It is in these circumstances that the resolution in item no.9 of the accompanying notice is being proposed for the consideration of the members.

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

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

By Order of the Board,

Mumbai,

Dated : 1st July , 2011

D.K. AGRAWAL

Secretary

DIRECTORS' REPORT

Dear Shareholders,

We have pleasure in presenting the 114th Annual Report of the Company along with the audited statements of Account for the year ended 31st March, 2011. The financial results for the year are shown below. The working and operational parameters at all the plants of the Company were quite satisfactory during the year, but profitability was adversely affected in comparison to the previous year due to adverse market conditions prevailing mainly in the Cement industry. Further, increase in the overall cost of all operations of the Company also depleted profitability. In view of all the challenges in the industries and markets in which your Company does business, the results are considered satisfactory.

1. SUMMARISED FINANCIAL RESULTS:

	(Rs. in crore)	
	2010-11	2009-10
Profit after interest, VRS payments, gratuity, ex-gratia/compensation etc.	583.51	758.00
<u>Less:</u>		
Depreciation	239.66	234.47
Prior Period Adjustments (Net)	-	0.19
Provision for taxation	93.76	222.61
Deferred Tax Debit/(Credit)	12.60	<u>(38.74)</u>
Net Profit	237.49	339.47
<u>Add:</u>		
Balance brought forward	307.89	<u>178.10</u>
Available Profit dealt with as under	545.38	<u>517.57</u>
<u>Transfers & Appropriations:</u>		
Proposed Equity Dividend	51.18	51.18
Corporate Dividend Tax	8.30	8.50
General Reserve	150.00	150.00
Balance carried forward	335.90	<u>307.89</u>
	545.38	<u>517.57</u>

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

2. DIVIDEND:

The Board of Directors has recommended a dividend of Rs.5.50 (Rupees five and paise fifty) per share of Rs.10/- each equivalent to 55% (fifty five percent) on the paid up equity share capital of the Company for the year ended 31.03.2011 as against Rs.5.50 (Rupees five and paise fifty) equivalent to 55% (fifty five percent) paid in the previous year on the equity shares of Rs.10/- each. The dividend will be paid when declared by the shareholders in accordance with law. The dividend will be free of tax in the hands of the shareholders. The Company will have to pay dividend distribution tax @ 15% plus applicable surcharge and education cess, aggregating about 16.22% on the dividend amount so distributed.

3. EXPORTS:

The total exports of the Company amounted to Rs.366 crore (Previous year Rs.372 crore) representing about 8 percent of the net sales.

4. EXPANSION & MODERNISATION:

a) Rayon

The process of installation of 12 machines for production of viscose filament yarn is in progress in order to increase the production capacity of viscose filament yarn by about 5 per cent per annum. Further, two existing electrolyzers are being replaced by an energy efficient electrolyzer in the Caustic Soda plant. These improvements involve capital expenditure of about Rs.50 crore and are expected to be completed before December, 2011.

b) Cement

Purchase orders for supply of main plant & machinery for 1.5 million tonnes per annum (tpa) cement grinding unit named Sonar Bangla Cement at Sagardighi, Distt. Murshidabad, West Bengal and for expansion of 2.8 million tpa cement manufacturing capacity at Manikgarh Cement, Gadchandur, Distt. Chandrapur, Maharashtra have been released.

At Sonar Bangla Cement (Grinding Unit) extensive pilling work on account of soil condition had to be undertaken and it is likely to be over by June, 2011. Thereafter main plant civil work will commence. Civil work for Manikgarh Cement expansion will start from June, 2011. The Sonar Bangla Cement (Grinding Unit) is expected to be operational by September, 2012 and Manikgarh Cement expansion by March, 2013.

After ongoing upgradation & expansion, the total cement manufacturing capacity will stand increased to 12.8 million tonnes per annum.

c) Pulp and Paper

The Fibre Line (Pulp Plant) with a capacity of 1.62 lac tonnes per annum and Multilayer Packaging Board Plant with a capacity of 1.8 lac tonnes per annum are near completion. The production is expected to commence during May, 2011 and will get stabilized in due course. It may be added that the 43 MW turbine has already been commissioned successfully.

Further, we have undertaken upgradation of Paper Machine based on recycled pulp by installing a size press and A-4 cutter for copier paper for which orders have already been placed. We are also increasing the bagasse pulping capacity by another 23,400 tonnes per annum by installing a continuous digester and carrying out modifications in the existing plant. The total cost for these initiatives is expected to be about Rs.220 crores and these are likely to be completed before the end of the current financial year.

d) General

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

5. LAND DEVELOPMENT AT WORLI, MUMBAI:

At present, one office building adjacent to Century Bhavan, the registered office of the Company and another office building with an entry plaza on Century Mill's land at Worli, both meant for leasing, are under construction with a total constructed area of about thirteen lac square feet including parking spaces etc. at a total cost of about Rs.625 crore. In view of various regulatory approvals required from time to time for construction of such buildings, a long monsoon in 2010 and shortage of sand, the completion is taking more time than expected. Efforts are being made to expedite completion which is now anticipated to take about a year. As regards the legal dispute with the existing lessor in respect of about 10 acres of leasehold land where a part of Century Mill was situated at Worli, the matter continues to be sub judice.

6. CORPORATE GOVERNANCE:

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

7. GENERAL – AWARDS, SPORTS & WELFARE ACTIVITIES:

Various Divisions of the Company have received awards for environmental excellence, efficiency in energy, safety provisions etc. Some notable awards are as under:-

a) Century Cement:

- * First Prize for “Standard of Working”, “Tyre Maintenance” and “Environment Management & Pollution Control” for the limestone mines from the Director General of Mines Safety, Bilaspur Region.
- * First Prize for “Noise Vibration Control and Aesthetic Beauty” for the limestone mines, from Indian Bureau of Mines, Nagpur Region (Chhattisgarh State).
- * Six students of our school and college (1 in Football, 1 in Soft Ball and 4 in Net Ball) have been selected at the National Level.
- * Five students of our school (2 of class VII, 1 of Class VIII and 2 of class XII) have attained merit positions in the Board Exams for the academic session 2009-10.

b) Maihar Cement :

- * First prize for “Standard of Working”, “Electrical Installation & Ore Handling Plant” and “Best Team of First-Aid Competition” for the limestone mines from the Director General of Mines Safety, Jabalpur Region.
- * First prize for “Waste Dump Management” for the limestone mines, from the Indian Bureau of Mines, Jabalpur Region.
- * Master Devesh Gedam, student of Class VII of our School received the Gold Medal in “Junior General Knowledge & Intelligence Test” conducted by the “Central Institute of General Knowledge Learning, New Delhi”.
- * 13 Students from our school (8 Scouts and 5 Guides) have been selected for the “Governor’s Award” during the academic session 2010-11.

c) Manikgarh Cement :

- * First Prize “Gold Award” in the International Convention of Quality Circles held at Hyderabad on the case study titled “To eliminate Bags and Electrodes damage inside Hybrid ESP”.
- * First Prize for “Overall Performance”, “Opencast Working”, “Transport in Mines & Dust Suppression”, “House Keeping & Provision of Welfare Facility”, “Injury Rate Performance” and “Exhibition Stall” for the limestone mines, from the Directorate General of Mines Safety, Western Zone, Nagpur Region.
- * First Prize for “Environment Excellence”, “Waste Dump Management”, “Noise Vibration Control and Aesthetic Beauty” and “Water Quality Management” for the limestone mines from the Indian Bureau of Mines, Nagpur Region (Maharashtra & Madhya Pradesh States).

d) Pulp and Paper:

- * The Unit’s Quality Circle “AGRO” has secured the “Gold Award” in the 21st Regional Convention on Quality Circles, organized by the Quality Circle Forum of India, Kanpur Chapter, held at Kanpur on 13 November 2010 for their case study presentation.
- * The Unit’s Quality Circle “AGRO” has secured “Excellent Award” in the 24th National Convention on Quality Circles, organized by the Quality Circle Forum of India, Visakhapatnam Chapter, held at Visakhapatnam during 27th to 30th December, 2010 for their case study presentation.
- * Certified for Forest Stewardship Council (FSC) Chain-of-custody (CoC), an International Certification, for the period from 24.01.2011 to 23.01.2016 which will assist us for business with improved international market access in an increased environmentally aware sector.
- * The Unit has begged the Certificate of Export Recognition, a ‘Special Export Award’ in recognition of achievement in exports in respect of Printing & Writing Paper for the year 2009-10, by CAPEXIL (Sponsored by the Ministry of Commerce & Industry, Govt. of India), in the Annual Award Function held at Delhi on 4th March, 2011.

8. ENVIRONMENT AND POLLUTION CONTROL:

Century continues to give top priority to maintenance and performance improvement of all pollution abatement facilities like effluent treatment plants, air emission control and waste disposal facilities at its manufacturing plants. As far as possible rainwater harvesting and treated effluent recycling is being carried out at manufacturing plants to reduce dependence on water from other natural resources. Training, awareness and learning have been always at the forefront of Century's journey to become world class in environmental performance. Century has inculcated the habit to be in harmony with nature and in this context, afforestation, maintenance of green belts and gardens, and reuse of treated water in horticulture activities are routine practices. Environment impact assessment and risk analysis have been performed right from the stage of planning for implementation of all new major expansion projects to incorporate the necessary measures to minimise adverse environmental impact.

All manufacturing facilities have obtained environmental clearance from the respective Pollution Control Boards and are in compliance with all current environmental legislation. As an integral part of its environment protection drive, the Company ensures the very minimum quantity of generation of waste, low emission levels and low noise pollution levels during operations of all manufacturing facilities.

9. DIRECTORS:

The Directors express their profound sorrow at the sad demise on 24th December, 2010 of Shri E.B. Desai, their esteemed erstwhile colleague who was the Senior Partner of Mulla and Mulla and Craigie Blunt and Caroe, Solicitors and Advocates and Director of many large companies and place on record their deep sense of appreciation for the valuable services rendered by him during his association as a Director of the Company for a long period of about 40 years. The Board expresses its grateful appreciation for his advice and guidance which have been beneficial to the Company during his tenure as a Director.

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

10. AUDITORS:

The retiring Auditors, M/s. Dalal & Shah, Chartered Accountants (Firm Registration Number: 102021W), are eligible for re-appointment and have expressed their willingness to accept the re-appointment. In terms of Section 224A of the Companies Act, 1956, their re-appointment needs to be approved by the members and their remuneration has to be fixed.

11. AUDITORS' REPORT:

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

12. COST AUDITORS:

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

13. DIRECTORS' RESPONSIBILITY STATEMENT:

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

- i) that in the preparation of the annual accounts, the applicable accounting standards have been followed and proper explanations provided relating to material departures, if any;
- ii) that the Directors have followed appropriate accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that year;
- 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, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities, if any;
- iv) that the Directors have prepared the annual accounts on a going concern basis.

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

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

15. PARTICULARS OF EMPLOYEES:

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

16. CASH FLOW ANALYSIS:

In conformity with the provisions of clause 32 of the Listing Agreement the Cash Flow Statement for the year ended 31.03.2011 is annexed hereto.

17. APPRECIATION:

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

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

On behalf of the Board,

Dated: 2nd May, 2011

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 Division

- Ambient temperature in all offices maintained to save electrical energy.
- Modification in tube oil system in Air Compressor.

Rayon, Tyre Cord & Chemicals Divisions

- Optimization of lighting voltage by servo controller.
- LP steam heater in place of electrical heater.
- VFD for Waste Heat Recovery Boiler.
- Installation of Mist Condenser in place of Vacuum pump in Evaporator.
- Replacement of conventional water spray nozzles in place of heavy duty atomized nozzles in all CSY air washer system.

Cement Divisions

- Replacement of conventional lights with eco-friendly CFL lamp, T5 & LED rods at all Cement units in a phased manner.
- Installation of energy manager system in packing plant and cement mill compressors at Century Cement.
- Installation of screw compressors in place of existing low efficient VYDT compressor at Century Cement and Maihar Cement.
- Upgradation of grate clinker cooler (first compartment) at Manikgarh Cement.
- Upgradation of DCS in kiln, clinker cooler, coal mill and raw mill circuit at Manikgarh Cement and in packing plant at Century Cement.
- Upgradation of the ESP to hybrid filters for raw mill and kiln compound circuit at Manikgarh Cement.

Pulp & Paper Division

- Film press agitator motor pulley dia reduced in PM-3.
- Electrical contractor logic replaced by upgradation of PLC logic on Rewinder No.2 of WPP.
- Foul Condensate is used in place of soft water in Oxygen Bleaching in RGP.
- Running hours of Buffer Tank agitator reduced in PM-4.
- Deflaker made by pass without affecting the process in PM-4.

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

- Water jet ejector in place of Vacuum pump in Spinbath.
- Energy efficient water pumps in Engine Room & Spinbath.
- Optimization of water consumption for gland/mechanical seal cooling.
- Installation of energy manager system in captive thermal power plant at Century Cement.
- Installation of vertical roller mill for coal grinding at Maihar Cement.
- Installation of DCS in packing plant at Manikgarh Cement.

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

- Increase in productivity.
- Reduction in energy consumption.
- Optimum loading of captive water sources.

(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:
 - Increase speed of spinning machines.
 - Optimization of conditioning in processing area.
 - Development of specialty yarn.
 - Installation of sewage treatment plant at mines of Maihar Cement.
 - Installation of XRF-XRD combined unit for measuring clinker phases and free lime at Century Cement and Manikgarh Cement.
 - Colored Copier (in 4 Shades) developed in WPP Street.
 - High Strength Kraft paper Developed for Self consumption.
2. Benefits derived as a result of the above R & D :
 - Improved quality & higher production of rayon yarn.
 - Development of new market segment.
 - Water conservation.
 - Increase in productivity.
 - Cost reduction.
3. Future Plan of Action :
 - Upgradation of ESP of 11 MW captive thermal power plant into hybrid filter at Century Cement and for cement mills at Maihar Cement Unit No.II.
 - Conservation of mineral, power, fuel and water.
 - Optimization of fly ash absorption in cement.
 - Continuous improvement in the product quality.
 - Cost reduction of paper chemicals.
4. Expenditure on R & D (Rs. in Crore)

(a) Capital	2.68
(b) Recurring (including contribution)	5.60
(c) Total	8.28
(d) Total R&D expenditure as a percentage of total turnover	0.16

TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

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

Rayon, Tyre Cord & Chemicals Divisions

- Higher Spinning Speed of spinning machines.
- Installation of Wind Ventilators.

Cement Divisions

- Work of installation of air cooled condensers at our captive power plants has been taken up. Unit at Manikgarh Cement has been commissioned and at Century Cement and Maihar Cement shall be commissioned during the year 2011-12.

Pulp & Paper Division

- Veneer Chips consumption increased to reduce the cost of raw material in WPP.
- CTS logo incorporated in MICR Cheque Paper as per RBI Guidelines.
- MC Pump installed in place of TSP pumps at Bagasse Pulp Mill.
- Excess back water from recycle based paper plant (PM-IV) is used for dilution purpose at Paper Machine No.III.
- Vacuum pump Seal Tank Overflow water diverted to Press water Tank for internal Consumption.

2. Benefits derived as a result of above efforts :

Rayon Division

- Higher output with reduced energy consumption.
- Better working conditions.

Cement Divisions

- Water conservation.

Pulp & Paper Division

- Improvement in Productivity.
- Improvement in quality.
- Cost reduction.
- Higher use of agriculture residue.
- Use of industrial waste in power generation.

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

C. FOREIGN EXCHANGE EARNINGS AND OUTGO:

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

We have made exports to various customers in USA, Germany, Italy, Norway, UAE and U.K. We plan to export fabrics and made-ups for which sampling and presentation are in process. We had also participated in exhibitions like Heimtextil Fair to promote export sales.

In the case of Viscose Filament Yarn, the focus is continuing to be on South American markets. As regards tyre yarn, the export potential is being encouraged in view of increase in tyre companies production in Europe. We have diversified our markets from earlier African countries to non conventional Indian paper markets. Efforts are being made to develop new markets in European countries and USA. Exports of paper and tissue paper are expected to increase in due course.

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

(g) Total Foreign Exchange used and earned.

The information on Foreign Exchange earnings and outgo is contained in note no.17(a) & 16(b) of Schedule 17 of the accounts.

On behalf of the Board,

Mumbai
Date: 2nd May, 2011

B. K. Birla
Chairman

FORM 'A'

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

	Textiles (Birla Century)	Cotton Yarn	Denim	Cement	Paper	Rayon & Tyre yarn / Fabric & Chemicals
A. POWER AND FUEL CONSUMPTION :						
1. Electricity						
(a) Purchased Unit (KWH in lacs)	-	216.92	394.94	1437.05	137.95	869.32
	(-)	(209.89)	(230.56)	(1245.34)	(311.44)	(873.47)
Total Amount (Rs.in Crore)	-	9.45	16.51	80.69	7.02	44.62
	(-)	(8.24)	(10.25)	(65.98)	(13.08)	(40.86)
Rate/Unit (Rs.)	-	4.36	4.18	5.61	5.09	5.13
	(-)	(3.92)	(4.45)	(5.30)	(4.20)	(4.68)
(b) Own Generation						
(i) Through Diesel Generator Unit (KWH in lacs)	-	0.54	1.43	33.77	0.05	400.68
	(-)	(2.29)	(131.90)	(28.59)	(4.01)	(389.93)
Units per Kg./Ltr. of LSHS & Diesel Oil	-	4.25	4.09	3.51	2.49	4.39
	(-)	(4.20)	(4.18)	(3.52)	(3.59)	(4.32)
Cost/Unit (Rs.)	-	6.17	6.40	13.04	13.38	7.74
	(-)	(6.10)	(4.94)	(10.56)	(9.41)	(7.38)
(ii) Through Steam turbine/generator Unit (KWH in lacs)	-	-	-	4555.79	2553.72	456.33
	(-)	(-)	(-)	(4812.71)	(2460.06)	(443.42)
Units per ton of Coal	-	-	-	910.86	869.00	*
	(-)	(-)	(-)	(915.22)	(848.00)	(*)
Cost/Unit (Rs.)	-	-	-	3.35	1.85	*
	(-)	(-)	(-)	(4.24)	(1.90)	(*)
(iii) Through Gas Turbine Unit (KWH in lacs)	1007.30	-	-	-	-	-
	(901.91)	(-)	(-)	(-)	(-)	(-)
Units per SCM of Gas (KWH per SCM)	3.48	-	-	-	-	-
	(3.38)	(-)	(-)	(-)	(-)	(-)
Cost/Unit(Rs.)	4.86	-	-	-	-	-
	(4.69)	(-)	(-)	(-)	(-)	(-)
	Textiles (Birla Century)	Cotton Yarn	Denim	Cement	Paper Century	Rayon & Tyre yarn/ Fabric & Chemicals
2. Coal (Grade B,C,D and E)						
Quantity (in lac M. Tons)	-	-	-	14.15	1.44	0.89
	(-)	(-)	(-)	(14.85)	(1.59)	(0.83)
Total Cost (Rs.in Crore)	-	-	-	483.79	41.87	43.72
	(-)	(-)	(-)	(468.86)	(45.07)	(34.78)
Average Rate (Rs. per M.T.)	-	-	-	3419.90	2903.00	4935.25
	(-)	(-)	(-)	(3158.19)	(2837.15)	(4206.57)
3. Furnace Oil / Diesel Oil						
Quantity in M.T. (incl. LSHS & Diesel Oil & per thousand SCM)	-	-	3631.26	2763.76	3916.00	35.00
	(-)	(-)	(2264.53)	(3731.82)	(4001.00)	(7.20)
Total Cost (Rs. in Crore)	-	-	9.52	8.94	12.32	0.09 **
	(-)	(-)	(4.68)	(10.27)	(11.09)	(0.02)
Average Rate (Rs. per M.T.)	-	-	26213.00	32351.16	31450.37	26152.71
	(-)	(-)	(20657.00)	(27519.24)	(27705.26)	(25012.09)
4. Coal for producer Gas (Grade B, C & E)						
Quantity (MT in lacs)	-	-	-	-	0.16	-
	(-)	(-)	(-)	(-)	(0.16)	(-)
Total Cost (Rs. In Crore)	-	-	-	-	4.70	-
	(-)	(-)	(-)	(-)	(4.49)	(-)
Average Rate (Rs. In MT)	-	-	-	-	2903.00	-
	(-)	(-)	(-)	(-)	(2837.15)	(-)

	Textiles (Birla Century)	Cotton Yarn	Denim	Cement	Paper	Rayon & Tyre yarn / Fabric & Chemicals
5. LP Gas						
Quantity (MT)	-	-	-	-	1095.45	-
	(-)	(-)	(-)	(-)	(1107.13)	(-)
Total Cost (Rs. In Crore)	-	-	-	-	5.23	-
	(-)	(-)	(-)	(-)	(4.49)	(-)
Average Rate (Rs. Per MT)	-	-	-	-	47762.76	-
	(-)	(-)	(-)	(-)	(40540.40)	(-)

Note:

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

*

Incidental to generation of Steam, hence no cost allocable.

** Net of tax

B. CONSUMPTION PER UNIT OF PRODUCTION :

	Production Unit	Standards if any	Current Year	Previous Year	Reasons for variations
1. Electricity (KWH)					
Cotton Fabrics	Per 1000 Sq.mtrs.	-	2195.00	2732.00	(c)
Cotton Yarn (M.P.)	Per 100 Kgs.	-	511.78	537.40	(c)
Denim Fabrics	Per 1000 Sq.mtrs.	-	1682.49	1617.54	(a)
Rayon Yarn	M.T.	-	4109.07	4100.21	(a)
CSY (Continuous Spg. Yarn)	M.T.	-	5133.17	4683.73	(f)
Tyre Yarn/Fabric/Fibre	M.T.	-	4523.48	5564.89	(e)
Caustic Soda	M.T.	-	2646.00	2643.47	(a)
Carbon-di-sulphide	M.T.	-	1053.50	1097.02	(a)
Sulphuric Acid	M.T.	-	48.44	49.33	(a)
Cement	M.T.	-	76.94	77.06	(c)
Paper	M.T.	-	1221.00	1224.00	(a)
2. Furnace Oil / Diesel Oil (M.T.)					
Cotton Fabrics	Per 1000 Sq.mtrs.	-	-	-	-
Denim Fabrics	Per 1000 Sq.mtrs.	-	0.154	0.123	(f)
Rayon Yarn	M.T.	-	-	-	-
CSY (Continuous Spg. Yarn)	M.T.	-	-	-	-
Tyre Yarn/Fibre	M.T.	-	-	-	-
Paper	M.T.	-	0.018	0.018	(-)
Cement	M.T.	-	0.0004	0.0005	(a)
3. Coal - B, C, D & E Grades (M.T.)					
Rayon Yarn	M.T.	-	3.736	3.707	(a)
CSY (Continuous Spg. Yarn)	M.T.	-	8.005	6.156	(d)
Tyre Yarn/Fibre	M.T.	-	4.301	4.694	(e)
Cement	M.T.	-	0.115	0.118	(a)
Paper	M.T.	-	0.655	0.701	(c)
4. Coal for Producer Gas (Grade B,C & E) (M.T.)					
Paper	M.T.	-	0.074	0.070	(a)
5. LP Gas (MT)					
Paper	M.T.	-	0.005	0.005	(-)

Notes:

(a) Minor variations.

(b) Due to own generation.

(c) Due to energy conservation.

(d) Less availability of waste heat Boiler steam and more production of Finer denier.

(e) Due to increase in production.

(f) Due to change in denier mix/market mix.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

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

1. OVERALL REVIEW:

The overall profitability of the Company during the year under review has been adversely affected as compared to the previous year due to unfavourable market conditions prevailing for a major part of the year, particularly in the cement segment which is a major contributor to the revenues of the Company. Global economic recovery is still uneven and weak though emerging economies have grown strongly. Commodity prices have risen sharply. Oil prices are uncomfortably high due to various factors including unrest in several middle eastern countries. In India, the economy has grown well. Concerns include rising commodity prices, high inflation, particularly food price inflation and high current account deficit. The rupee has been strengthening against the dollar putting pressure on realizations from exports. In order to control high inflation, RBI has adopted tighter monetary policies which have resulted in higher interest rates. Interest cost is likely to increase further in the coming years partly due to higher borrowings for various expansion programmes and partly because of a general increase in the interest rates on all types of borrowings, whether short term or long term. Other input costs such as those of coal, power and oil are also rising regularly year after year due to various factors including fresh levies by way of excise duty, service tax, etc. by the Government and the market is not in a position to absorb compensating cost increases fully. We expect the growing economy to result in increased demand and the ability and willingness to accept price increases.

2.1 BUSINESS SEGMENT – TEXTILES COTTON TEXTILES, YARN AND DENIM:

a) Industry Structure & Development:

The Textile industry faces a particularly acute challenge as the price of its raw material, viz. cotton, has increased by more than 100 per cent in just the last one year. The industry has not been able to take the advantage of heavy investments made in recent years because of lack of demand. Particularly in the export market, the prices realizable are not remunerative. The importing countries are still not fully out of the demand recession and the adverse rupee dollar parity does not encourage exports. Allowing export of cotton has created an acute shortage of this commodity. This factor coupled with increased cost to an unprecedented level and partial restrictions on the export of yarn up to March, 2011 have all added to the problems of the industry. Unless export policies get stabilized on a sound footing, it will be difficult for the industry to improve substantially in the near future.

b) Opportunities and Threats:

In view of rising income levels and resultant higher demand, the industry has an opportunity for growth which has to be fully exploited in both domestic and export markets. Once the global demand recession is over, opportunities for exports should increase and to take full advantage, improvement in quality will have to be given priority. As the textile upgradation fund has been restarted by the Government, it would definitely provide support to the industry to gain fully from the opportunity for expansion and sustained and profitable growth.

In view of the rising input costs including those of raw materials, it will be difficult to compete and those countries, where manufacturing costs can be controlled with the support of their Governments, would be better placed.

c) Segmental Review and Analysis:

Our new textile mill named 'Birla Century' in Gujarat manufactures mainly fine and superfine qualities of textile fabrics which have been well accepted in the market. However, due to the severe increase in the prices of cotton, wages, oil and gas, the cost of manufacturing has been steadily rising whereas the markets were under pressure due to demand recession and prevailing general inflation in consumer goods prices. It has not been possible to increase the selling prices commensurate with the increase in the input costs and therefore, the margins have been under severe pressure. Fresh levy of excise on made ups will further increase their selling prices which the consumers are not ready to accept. There are indications that the markets may improve in the near future which should enable the unit to perform better.

The sales of our ready-to-wear garments marketed under the brand name 'Cottons by Century' have been adversely affected due to the demand recession and increase in costs. The recent introduction of excise duty on the manufacture of ready made garments will further increase the prices, which will be very difficult to pass on to customers.

The yarn and denim Divisions of the Company have shown satisfactory performance. The market has absorbed to a reasonable level the increase in input costs and demand for denim fabrics, mainly in the domestic market has improved.

d) Risks and Concerns:

The regular availability of cotton at reasonable prices particularly in view of increasing global demand for cotton may prove an obstacle in continuing uninterrupted manufacturing operations. Coupled with this, the availability of skilled labour in States where the textile industry is located has become difficult. The strength of migrating textile workers from different States has reduced resulting in this acute shortage, which is a matter of concern. Moreover, the increased incentives being provided by our competitors like China, Pakistan, Bangladesh, Vietnam etc. are enabling the manufacturers in those countries to get ahead of us in the various export markets.

e) Outlook:

In spite of the current stressful situation outlined above, the demand for cotton textiles in the long run should remain strong in India and abroad. Our continued efforts to maintain quality and scouting for new and better markets should promote growth and we hope to achieve a better performance in the near future.

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

a) Industry Structure and Development:

During the year under review, overall demand for VFY improved in the backdrop of a spurt in consumption for few end-use segments, ensuring off-take outstripping supplies. Arrivals from China continue to remain high and more quantities now emanating are in the form of value added products like doubled and twisted yarn.

In view of high imports of double and twisted yarn and embroidery yarn from China, an application has been filed by the industry to Government to impose a safe guard duty on imports, so as to provide a level playing field to Indian producers.

Due to this industry being labour intensive, and subject to stringent environment control the world over, including India, no new major expansions are in the pipeline.

In a positive note for the industry, consumption of finer denier yarn is on the rise and fabric selling prices are firm.

b) Opportunities and Threats:

Cost of cotton yarn has reached an all time high. Introduction of finer denier VFY by the industry has been very well accepted in the market and is being used as a substitute for silk, thus giving an opportunity to penetrate a part of the market which was exclusively dominated by silk. Widening use of rayon yarn with other yarns like cotton, silk etc., shall provide opportunity for expanding the overall market.

The increase in the average Indian's disposable income has paved the way to altering their preferences from polyester to other fabrics made from rayon, cotton etc. which are more eco-friendly and comfortable to wear due to their inherent qualities. This provides an opportunity to increase the market size.

The threat from cheaper polyester yarn continues. Due to continuous research being undertaken by the polyester industry, new varieties of polyester yarn are being introduced, making it suitable for alternative use and compete better against rayon yarn.

c) Segmental Review and Analysis:

All products of the unit continue to be well accepted in the market. It is heartening to note that due to various efforts undertaken for improving the technical parameters of the yarn like tenacity etc, our yarn in several deniers is preferred by the market.

Though the off-take of rayon tyre yarn is showing an improved trend from the last quarter of 2010 in view of better capacity utilization by tyre manufacturers in Europe, our unit is still not in a position to utilize its full capacity due to increase in pulp prices resulting in higher cost without corresponding increase in selling prices.

Continuous unprecedented rise in costs of all raw materials has adversely impacted our margins. Though, the prices of VFY were increased from October 2010, it was inadequate to compensate for the increases in the cost of all major inputs including utilities. In spite of all these hurdles, due to a better procurement policy and considering the market scenario, the performance of the unit has been satisfactory and our capacity has been optimally utilised.

Salt Works

Heavy and prolonged rains resulted in lower raw salt production. Refined salt production has also suffered due to poor availability of quality raw salt.

d) Risks & Concerns:

Textile centres are facing labour shortages as the migrant labour population seems to have contracted due to better opportunities in the workers' home towns. This may pose a serious challenge going forward. High inflation has increased employee costs as dearness allowance has gone up sharply and is highest in the rayon manufacturing industry.

The Government of China continues to provide fiscal support to VFY producers to make them more competitive globally. The Chinese currency, the yuan, has not been allowed to appreciate vis-à-vis the dollar, making their product more competitive in the international market.

Environmental control will lead to an increase in the cost of effluent treatment. Scarcity of water and rapid urbanization around the plant continue to be a matter of concern.

e) Outlook:

Finer denier yarn and eco-friendly fabrics are being increasingly favoured by discerning customers and we have the advantage of versatility in suiting our yarn to what the fashion industry wants. Therefore, our outlook for VFY remains comfortable.

2.2 BUSINESS SEGMENT – CEMENT DIVISIONS

a) Industry Structure and Development:

The Indian cement industry is the second largest in the world. The industry occupies an important place in the national economy because of its strong linkages to other sectors such as construction, coal, power and transportation. It is also one of the major contributors to the exchequer by way of direct and indirect taxes.

The Indian cement industry has witnessed healthy trends such as cost control and continuous technology up-gradation. The present installed capacity is about 280 million tonnes and it is set to achieve the capacity of 298 million tonnes (including mini plants) targeted by the working group on the cement industry for the XI five year (2007-12) plan.

During the year 2010-11, cement production in the country stood at 210.52 million tonnes as against 201.28 million tonnes during the previous year 2009-10 witnessing a growth of about 4.6%.

b) Opportunities and Threats:

The main drivers of cement demand are development of infrastructure like power plants, roads, ports, airports and mass housing, both urban and rural.

The thrust being given by the Government for the development of infrastructure, which is totally inadequate and lags very much behind when compared with even developing countries like Malaysia and Indonesia, the focus on growth by providing supportive schemes for rural economic development, Bharat Nirman Programme and new metro projects should certainly spur cement demand. The cement industry is expected to grow by more than 10% per year during the next few years.

Capacity has been substantially augmented, in the recent past resulting in the industry's capacity utilization coming down to about 75%. In the medium term, cement industry is likely to face pressure on realization and margins and mismatches between demand and supply across regions.

c) Segmental Review and Analysis:

All the cement units of the Company have operated at optimum levels and achieved capacity utilization of about 98.74% as against industry capacity utilization of about 75%. Captive thermal power plants have also worked equally well. The technical performance of the cement units is thus satisfactory. During the year, the Company has produced 77.02 lac tonnes (previous year - 75.83 lac tonnes) which is marginally higher. Due to unfavourable market conditions, the profitability has been adversely affected this year.

Continuing efforts are being made to increase productivity, and hold down or reduce costs, conserve energy and improve quality.

d) Risks and Concerns:

The availability of coal against linkage is only 50-60% necessitating procurement of coal from the market/e-auction route at substantial premiums. The recent steep hike in coal prices by Coal India and withdrawal of exemption of excise duty on input items will increase cost of production of cement substantially. Restriction on carrying capacity of trucks has increased the transportation cost. Poor availability of wagons, increase in crude oil prices and power tariffs, and high incidence of taxes, duties & cess are matters of concern for the cement industry and the Company.

Hardening of interest rates may adversely affect demand from the housing sector.

e) Outlook:

Pricing pressures will continue in the short / medium term and competition may be intensified by greater fragmentation of production with many small players increasing capacity to become mid size players. Companies enjoying a leaner cost structure, locational advantages, strong capital structures and geographically dispersed plants would be in a better position to face competition.

Looking further ahead, high domestic growth is expected to boost consumption. The pace of capacity addition is expected to slow down from 2012 onwards. The long term outlook for the industry looks positive.

2.3 BUSINESS SEGMENT – CENTURY PULP AND PAPER

a) Industry Structure & Development:

The demand for paper in India is estimated to be growing at 8 to 9% p.a. which is higher than the world average. This is also helped by the emphasis of the Government on improving literacy and spreading education through various programmes like Sarva Siksha Abhiyan. The production capacities on the other hand are also being augmented in the last 2 to 3 years. The increase in demand is now catching up with the increased production and demand and supply should come to an equilibrium during the current year.

With the economy growing, the demand for tissue paper has improved and is likely to increase in the domestic as well as international markets in the coming years.

b) Opportunities and Threats:

Higher demand for Paper will provide opportunity to grow but due to increased competition, it will be necessary to diversify the product mix and efforts to reduce input costs remain an imperative.

Our entry into the packaging board segment with value added products should afford us an opportunity to grow and become one of the industry leaders in due course.

c) Segmental Review and Analysis:

Our major focus is on extending our reach to segments beyond exercise note book manufacturers. To achieve this, the product mix has been reworked with new product launches targeted at publishing houses and other commercial sectors.

Demand for tissue paper is also slowly increasing especially in export markets and our aim is to improve the capacity utilization for tissue paper substantially subject to demand remaining firm.

In view of higher cost of manufacture mainly due to input costs on the one hand and pressure on selling prices of all types of paper on the other, the overall financial performance was weak and should improve in future.

During the current year, we have been awarded forest stewardship certification for our various grades of paper including tissue paper testifying our commitment to preserve our natural resources. This certification should also help us to reach more customers in export markets.

d) Risks and Concerns:

The availability of wood at reasonable prices is a matter of concern for the industry. Wood supply has gone down in Uttarakhand and Uttar Pradesh due to increased consumption by the particle board and Medium Density Fibre (MDF) industry and the Haryana/Punjab paper industry. Wood is becoming scarcer year after year and unless the growing of wood increases, the concern will continue. The availability of bagasse was better during the crushing season of 2010-11 in comparison to earlier years. Overall regular availability of raw materials at reasonable prices is of major concern for the paper industry. The availability of bagasse is totally dependent on adequate rains and growth of sugarcane, due to which it is not possible to ensure a steady supply.

e) Outlook:

The overall outlook for writing and printing paper, packaging board etc. in both domestic and export markets is positive.

3. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:

The Company has proper and adequate system of internal control, to safeguard assets against loss from unauthorised use or disposition. This also ensures that all transactions are authorised, recorded and reported correctly. Regular internal audit and checks are carried out to check the existence of adequate system. The Management also reviews the internal control systems and procedures to ensure its application. The emphasis on internal control prevails across functions and processes, covering the entire gamut of various activities. An effective and comprehensive reviews by the Audit Committee of the Board have strengthened the internal controls within the organization.

4. The Company's Financial Performance & Analysis:

Highlights

(Rs. in crore)

Particulars	2010-2011	2009-2010
1. Gross Turnover	5132.92	4833.22
2. Net Sales	4676.68	4452.90
3. PBIDT	705.50	946.69
4. Interest	- 118.21	- 100.53
5. Profit before depreciation, VRS, gratuity, exit payments, exgratia/compensation, etc. and taxation	587.29	846.16
6. Depreciation	- 239.66	- 234.47
7. Prior Period Adjustments (Net)	-	- 0.19
8. Profit before VRS, gratuity, exit payments exgratia/compensation etc. and taxation	347.63	611.50
9. Voluntary Retirement Scheme (VRS), gratuity, exit payments, exgratia/compensation, etc.	- 3.78	- 89.67
10. Surplus on sale of assets	-	1.51
11. Profit before taxation	343.85	523.34
12. Provision for taxation	- 93.76	- 222.61
13. Deferred Tax (Debit (-) / Credit)	- 12.60	38.74
14. Net Profit	237.49	339.47

Net Sales

Net Sales of the Company have increased by 5%, during the year under review.

Net Profit

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

5. HUMAN RESOURCE DEVELOPMENT / INDUSTRIAL RELATIONS:

The total number of employees as on 31.3.2011 was 11495 (11326 as on 31.3.2010).

The Company has adopted a progressive policy for helping employees to develop their organizational skill, knowledge, and abilities to achieve greater efficiency. The focus of all aspects of Human Resource Development is on developing superior workforce so that the organization and individual employees can accomplish their work goals of service to customers. The progress made by the Company was possible due to the sustained efforts of the entire team. Industrial relations were harmonious at all our units. Welfare and training at all levels of our employees continue to be areas of major focus for the Company.

6. HEALTH AND SAFETY MEASURES:

We firmly believe that safe and healthy working conditions at factories and other premises are as necessary and as important as production, productivity and quality. Your Company complies with all applicable statutory provisions pertaining to health and safety and takes all possible measures to prevent accidents and occupational hazards. The Company provides the necessary information, promotes awareness and provides training to all employees to carry out their tasks in a safe and responsive manner. Periodic audits and risk analysis for hazardous operations are done and corrective actions taken. All employees are obliged to ensure that they fully understand all policies and that they fully comply with the requirements.

7. CAUTIONARY STATEMENT:

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

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

CORPORATE GOVERNANCE REPORT

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

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

Century believes Corporate Governance for an entity means conducting business in an ethical and transparent manner for the benefit of all its stakeholders viz. Shareholders, Creditors, Customers, Lenders etc. and the community at large.

II. BOARD OF DIRECTORS

(a) Composition of the Board:

The Board of Directors comprises six members consisting of five Non-executive Directors who account for more than eighty percent of the Board's strength as against the minimum requirement of fifty percent as per the Listing Agreement. The Non-executive Directors are eminent professionals, drawn from amongst persons with experience in business & industry, finance, 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 31.03.2011
		Public	Private			
Shri B.K. Birla – Chairman	Promoter – Non Executive	4	-	-	-	1,31,900
Shri Kumar Mangalam Birla	Promoter – Non Executive	9	15	-	-	Nil
Shri Pradip Kumar Daga	Independent – Non Executive	6	-	5	2	80
Shri Arvind C. Dalal	Independent – Non Executive	1	-	-	-	1,300
Shri Amal Ganguli	Independent – Non Executive	10	3	9	5	Nil
Shri B.L. Jain	Executive – Whole-time Director	-	1	-	-	500

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

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

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

Memberships of the Directors in various Committees are within the permissible limits of the listing agreement.

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

Name of the Directors		Remuneration paid/payable for the year 2010-2011 (All figures in Rupees)		
		Commission Payable for the Year	Sitting fees paid during the year*	Total
(i)	Shri B.K. Birla	17,44,742	60,000	18,04,742
	Shri Kumar Mangalam Birla	17,44,742	80,000	18,24,742
	Shri Pradip Kumar Daga	17,44,742	1,70,000	19,14,742
	Shri E.B. Desai (Expired on 24.12.2010)	12,76,290	1,20,000	13,96,290
	Shri Arvind C. Dalal	17,44,742	2,30,000	19,74,742
	Shri Amal Ganguli	17,44,742	1,20,000	18,64,742
(ii)	Shri B.L. Jain (Wholetime Director)			Remuneration**
	Salary and allowances			1,65,62,833
	Contributions to : Provident Fund			4,39,200
	Superannuation Fund			5,49,000
	Perquisites			6,26,166
	Total			1,81,77,199

- * Sitting fees for attending meetings of the Board and/or Committee thereof.
- ** As the employee – wise break up of liability on account of Employee Benefits based on actuarial valuation is not available, the amounts relating to the Whole-time Director is not considered.

Notes :-

- 1) In view of the responsibilities undertaken by the non-executive Directors and in keeping with the best Corporate Governance practices, the Company pays commission to the non-executive Directors as approved by the shareholders by special resolution and subject to a limit fixed by the Board each year, within the overall ceiling of 1% of the net profits under Section 198 of the Companies Act, 1956.
- 2) None of the non-executive Directors has any material financial interest in the Company apart from the remuneration by way of fees and commission received by them. Certain professional services were rendered to the Company by a firm in which a non-executive director was a partner. In the opinion and judgement of the Board, this did 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.
- (ii) Five Meetings of the Board of Directors were held during the year ended 31st March, 2011. These were held on :-

(1) 3rd May, 2010	(2) 3rd May, 2010	(3) 26th July, 2010
(4) 1st November, 2010	(5) 24th January, 2011	
- (iii) The attendance recorded for each of the Directors at the Board Meetings during the year ended on 31st March, 2011 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	3	Yes
Shri Kumar Mangalam Birla	4	Yes
Shri Pradip Kumar Daga	5	Yes
Shri E.B. Desai (Expired on 24.12.2010)	3	Yes
Shri Arvind C. Dalal	5	Yes
Shri Amal Ganguli	4	Yes
Shri B.L. Jain (Whole-time Director)	5	Yes

(d) Code of Conduct:

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

III. AUDIT COMMITTEE

- (i) The Audit Committee was constituted by the Board at its meeting held on 27th May, 2000. Member Directors of the Audit Committee are as under :-

(1) Shri Pradip Kumar Daga	(2) Shri Arvind C. Dalal	(3) Shri Amal Ganguli
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All the members of the Audit Committee are Non-executive Directors. During the year one member viz. Shri E.B. Desai who was also the Chairman of the Committee expired on 24.12.2010. Shri Amal Ganguli presided over the last meeting of the Committee as its Chairman. All the members of Audit Committee are financially literate and one member has accounting and related financial management expertise.

- (ii) The Audit Committee meetings were held on 3rd May, 2010, 26th July, 2010, 26th July, 2010, 1st November, 2010, 24th January, 2011 and 24th January, 2011. The attendance of each Audit Committee member is as under:-

Name of the Audit Committee Members	No. of meetings attended
Shri E.B. Desai (Expired on 24.12.2010)	3
Shri Pradip Kumar Daga	6
Shri Arvind C. Dalal	6
Shri Amal Ganguli	4

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

IV. SUBSIDIARY COMPANIES

The Company does not have any subsidiary company.

V. DISCLOSURES

- (i) All related party transactions have been entered into in the ordinary course of business and were placed periodically before the audit committee in summary form. There were no material individual transactions with related parties which were not in the normal course of business, required to be placed before the audit committee and that may have potential conflict with the interest of the Company at large. All individual transactions with related parties or others were on an arm's length basis. Related party transactions have been audited by the Statutory Auditors.
- (ii) All Accounting Standards mandatorily required have been followed without exception in preparation of the financial statements.
- (iii) Procedures for assessment of risk and its minimisation have been laid down by the Company and reviewed by the Board. These procedures are periodically reassessed to ensure that executive management controls risks through means of a properly defined framework.
- (iv) No money was raised by the Company through any public issue, rights issue, preferential issue, etc. in the last financial year.
- (v) (a) All pecuniary relationships or transactions of the non-executive Directors vis-à-vis the Company have been disclosed in item II (b) of this report.
- (b) The Company has one Whole-time Director on the Board whose appointment and remuneration has been fixed by the Board in terms of a 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 any personal interest that may have a potential conflict with the interests of the Company at large requiring disclosure by them to the Board of Directors of the Company.
- (vii) No penalties or strictures have been imposed on the Company by Stock Exchanges or SEBI or any statutory authority on any matter related to capital markets during the last three years.

VI. SHAREHOLDERS

- (a) The Company has constituted a Share Transfer and Shareholders'/Investors' Grievance Committee of which Shri Arvind C. Dalal a Non-Executive Director is the Chairman. Prior to him Shri E.B. Desai a Non-Executive Director was the Chairman who expired on 24.12.2010. The Company Secretary has been designated as the Compliance Officer. During the year ended 31st March, 2011, 56 investor complaints/queries were received and have been resolved. There were no share transfers pending for registration for more than 30 days as on the said date.
- (b) Details of Directors seeking re-appointment at the ensuing Annual General Meeting fixed on 13th August, 2011 are given hereunder :-

Name of Director	Shri B.K. Birla	Shri Amal Ganguli
Date of appointment	23.05.1973	31.07.2004
Expertise in specific Functional areas	Industrialist having rich Business experience	Eminent Chartered Accountant having vast experience in Finance
List of other Directorships held excluding foreign Companies, Companies under Section 25 of the Companies Act, 1956 and Private Companies	Century Enka Ltd. Jay Shree Tea & Industries Ltd. Kesoram Industries Ltd. Pilani Investment And Industries Corporation Ltd.	Maruti Suzuki India Ltd. Tata Communications Ltd. ICRA Ltd. HCL Technologies Ltd. New Delhi Television Ltd. Triveni Engineering and Industries Ltd. AVTEC Ltd. Hughes Communications India Ltd. Aricent Technologies (Holdings) Ltd. Tata Teleservices Maharashtra Ltd.
Chairman/Member of the committees of the Board of other Companies in which he/she is a Director @	Nil	<u>Audit Committee</u> Maruti Suzuki India Ltd. Chairman Tata Communications Ltd. Chairman ICRA Ltd. Member HCL Technologies Ltd. Member New Delhi Television Ltd. Chairman Triveni Engineering and Industries Ltd. Member Hughes Communications India Ltd. Chairman Aricent Technologies (Holdings) Ltd. Chairman Tata Teleservices Maharashtra Ltd. Member

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

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
111 th	Wednesday	23.07.2008	3.30 P.M.	Birla Matushri Sabhagar, Mumbai
112 th	Tuesday	28.07.2009	3.30 P.M.	Ravindra Natya Mandir, P.L. Deshpande Maharashtra Kala Academy, Mumbai
113 th	Tuesday	27.07.2010	3.30 P.M.	Ravindra Natya Mandir, P.L. Deshpande Maharashtra Kala Academy, Mumbai

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

Yes, details of which are given hereunder :-

Date	Matter
23.07.2008	Authorising payment of commission to non whole-time Directors of the Company.
23.07.2008	Commencement of business of designers, engineers, builders, contractors of all kinds of buildings and to establish super markets and departmental stores etc.
28.07.2009	Payment of Revised Remuneration to Whole-time Director.
28.07.2009	Re-appointment of Whole-time Director.
27.07.2010	Re-commencement of shipping business

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

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

(d) Person who conducted the postal ballot exercise ?

Not applicable.

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

Special Resolution to be passed at the ensuing Annual General Meeting of the Company is 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
Whether it also displays official
News releases and presentations
made to Institutional investors/analysts | www.centurytextind.com
Official news releases are
displayed on the web site. |
- (b) Shareholders' grievances/complaints:
Grievance redressal division's
E-mail ID for investors
- investorrelations@centurytext.com

X. GENERAL SHAREHOLDER INFORMATION

(a) Annual General Meeting to be held:

Day, Date, time and venue	:	
Day	:	Saturday
Date	:	13th August, 2011
Time	:	3.30 P.M.
Venue	:	Nehru Centre Auditorium, Discovery of India Building, Dr. Annie Besant Road, Worli, Mumbai-400 018.

(b) Financial Year : 2011-2012

First Quarterly Results	:	On or before 14th August, 2011
Second Quarterly Results	:	On or before 14th November, 2011
Third Quarterly Results	:	On or before 14th February, 2012
Audited Yearly Results for the Year ended 31st March, 2012	:	On or before 30th May, 2012

(c) Dates of Book Closure:

28th July, 2011 to 13th August, 2011 (Both days inclusive).

(d) Dividend payment date:

Dividend on Equity Shares when approved will be made payable from Thursday, the 18th August, 2011 to those Shareholders whose names stand on the Company's Register of Members on 13th August, 2011 in physical form to whom dividend warrants will be posted. In respect of shares held in electronic form, the dividend will be paid on the basis of beneficial ownership position as at the end of the day on Wednesday, the 27th July, 2011 as per the data to be furnished by National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) for this purpose.

(e) Listing on Stock Exchanges:

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

(i) Bombay Stock Exchange Ltd. 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.
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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 2011-2012. Listing fee to the Societe de la Bourse de Luxembourg for GDRs has been paid for the calendar year 2011.

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

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

(g) Market price Data:

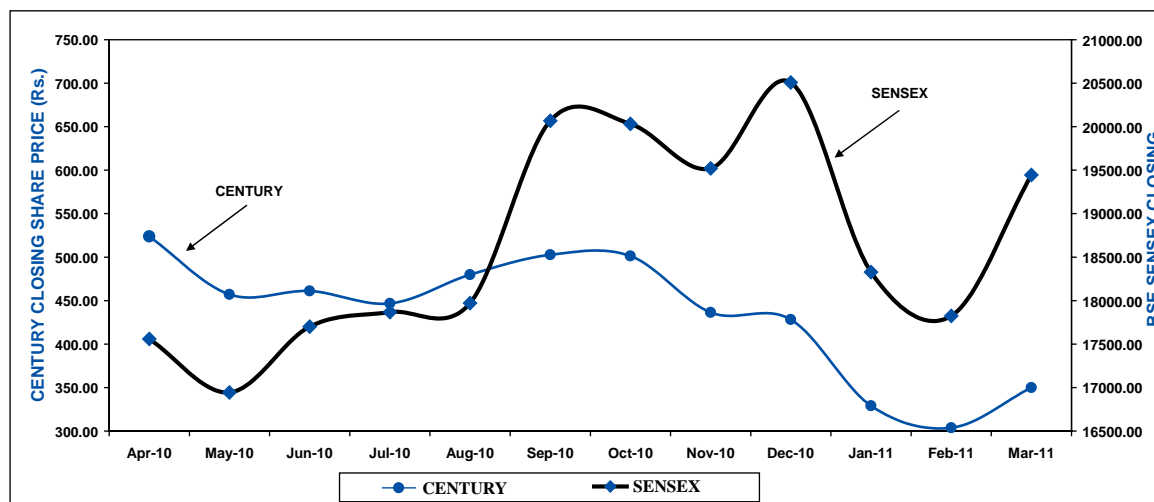
The details of monthly highest and lowest closing quotations of the equity shares of the Company during financial year 2010-2011 are as under :-

(In Rs. Per Share)

Month	Bombay Stock Exchange Ltd.		National Stock Exchange of India Ltd.	
	High	Low	High	Low
April, 2010	549.35	515.20	549.95	516.35
May, 2010	509.90	422.85	509.85	423.65
June, 2010	473.55	433.95	474.00	433.95
July, 2010	466.90	446.70	467.60	446.80
August, 2010	518.05	447.55	518.45	447.80
September, 2010	528.35	490.70	528.45	490.85
October, 2010	544.85	500.00	544.05	500.30
November, 2010	540.95	419.20	541.00	419.55
December, 2010	455.35	398.70	455.35	399.90
January, 2011	439.60	329.15	440.15	329.15
February, 2011	343.30	285.95	343.15	285.05
March, 2011	354.70	307.85	354.00	307.20

(h) Performance in comparison to broad based indices :

CENTURY VS BSE SENSEX



(i) Registrar and Transfer Agents:

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

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

Link Intime India Pvt. Ltd. Unit – Century Textiles and Industries Ltd., C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (West), Mumbai – 400 078, (Maharashtra) Telephone No. 022 – 2596 3838, Fax No. 022 – 2594 6969. Please quote on all the correspondence – Unit – Century Textiles and Industries Limited. **For shareholders queries - Telephone No. 022 – 2594 6970 Email ID – rnt.helpdesk@linkintime.co.in**

(j) Share Transfer System:

Share transfers are registered and returned within a period of 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, 2011 is given below:-

Sr. No.	No. of Equity Shares held	No. of Folios	No. of Shares	Percentage of Shareholding
1.	1 to 100	59,454	25,63,151	2.75
2.	101 to 500	19,067	48,07,563	5.17
3.	501 to 1000	3,662	28,51,150	3.06
4.	1001 to 5000	3,053	66,04,888	7.10
5.	5001 to 10000	376	27,12,579	2.92
6.	10001 to 100000	331	87,52,636	9.41
7.	100001 to 500000	43	97,08,377	10.43
8.	500001 & above	20	5,50,45,336	59.16
9.	Total	86,006	9,30,45,680	100.00

(l) Share holding pattern as at 31st March, 2011

Sr. No.	Category	No. of Folios	% of Folios	No. of shares Held	% of share holding
1.	Promoters	22	0.03	3,75,69,660	40.38
2.	Resident Individuals	82,435	95.85	2,18,01,578	23.43
3.	Private Corporate Bodies	2,278	2.65	1,13,39,905	12.19
4.	Financial Institutions	3	0.00	32,35,812	3.48
5.	Nationalised Banks, Govt. Insurance Companies and Mutual Funds	84	0.10	1,15,38,901	12.40
6.	FII's	68	0.08	60,31,189	6.48
7.	NRIs and OCBs	1,114	1.29	12,12,955	1.30
8.	GDRs	2	0.00	3,15,680	0.34
9.	Total	86,006	100.00	9,30,45,680	100.00

(m) Dematerialisation of equity shares:

About 59.99% of total equity share capital is held in dematerialised form with NSDL and CDSL.

(n) Outstanding GDRs:

3,15,680 GDRs were outstanding as at 31st March, 2011. These are traded on the Luxembourg Stock Exchange and represent approximately 0.34% of subscribed and paid up equity share capital of the Company.

(o) Plant (Manufacturing Units):

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

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

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

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

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

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

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

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

(p) Address for correspondence:

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

(q) Non-Mandatory Requirements

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

(r) CEO/CFO Certification

As required by sub clause V of Clause 49 of the Listing Agreement with the Stock Exchanges, the CEO and CFO have certified to the Board about compliance by the Company with the requirements of the said sub clause for the financial year ended 31st March, 2011.

The above report has been placed before the Board at its meeting held on 02.05.2011 and the same was approved.

ANNEXURE I

DECLARATION ON COMPLIANCE OF THE COMPANY'S CODE OF CONDUCT

To,

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

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

All the members of the Board and Senior Management Personnel of the Company have affirmed due observance of the said Code of Conduct in so far as it is applicable to them and there is no non compliance thereof during the year ended 31st March, 2011.

Mumbai,
2nd May, 2011

B. L. Jain
Whole-time Director

ANNEXURE II

Auditors' Certificate regarding compliance of conditions of Corporate Governance

To the Members of
Century Textiles and Industries Limited

We have examined the compliance of conditions of Corporate Governance by **Century Textiles and Industries Limited**, for the year ended 31st March 2011, as stipulated in Clause 49 of the Listing Agreements of the said Company with stock exchanges in India.

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

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

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

For **DALAL & SHAH**
Firm Registration Number : 102021 W
Chartered Accountants

S. Venkatesh
Partner
Membership No: F-037942

Mumbai: 2nd May, 2011

AUDITORS' REPORT TO THE MEMBERS OF CENTURY TEXTILES AND INDUSTRIES LIMITED

1. We have audited the attached Balance Sheet of CENTURY TEXTILES AND INDUSTRIES LIMITED as at 31st March, 2011, and the related Profit and Loss Account and Cash Flow Statement for the year ended on that date annexed thereto, which we have signed under reference to this report. 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.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of 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 financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003, as amended by the Companies (Auditor's Report) (Amendment) Order, 2004 (together the "Order"), issued by the Central Government of India in terms of sub-section (4A) of Section 227 of 'The Companies Act, 1956' of India (the 'Act') and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we report that:
 - (a) We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit;
 - (b) In our opinion, proper books of account, as required by law, have been kept by the Company so far as it appears from our examination of those books;
 - (c) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - (d) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Act;
 - (e) On the basis of written representations received from the directors, as on 31st March, 2011 and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2011 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Act;
 - (f) In our opinion and to the best of our information and according to the explanations given to us, the said financial statements, together with the notes thereon and attached thereto, give in the prescribed manner, the information required by the Act, and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2011
 - (ii) in the case of the Profit and Loss Account, of the profit for the year ended on that date and
 - (iii) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

For **DALAL & SHAH**
Firm Registration Number: 102021 W
Chartered Accountants

S. Venkatesh
Partner

Membership No.: F-037942

Mumbai: 2nd May, 2011

ANNEXURE TO THE AUDITORS' REPORT

Referred to in paragraph 3 of the Auditors' Report of even date to the members of **Century Textiles and Industries Limited** on the financial statements for the year ended 31st March, 2011

1. (a) The Company is generally maintaining proper records showing full particulars, including quantitative details and situation of its fixed assets.
(b) The fixed assets are physically verified by the Management in accordance with a phased verification programme designed to cover all the items over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of the fixed assets has been physically verified by the Management during the year and no material discrepancies between the book records and the physical inventory have been noticed.
(c) In our opinion and according to the information and explanations given to us, a substantial part of fixed assets has not been disposed of by the Company during the year.
2. (a) The inventory (excluding stocks with third parties) has been physically verified by the Management during the year. In respect of inventory lying with third parties, these have substantially been confirmed by them. In our opinion, the frequency of verification is reasonable.
(b) In our opinion, the procedures of physical verification of inventory followed by the Management are, reasonable and adequate in relation to the size of the Company and the nature of its business.
(c) On the basis of our examination of the inventory records, in our opinion, the Company is maintaining proper records of inventory. The discrepancies noticed on physical verification of inventory as compared to book records, were not material.
3. (a) The Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under Section 301 of the Act.
(b) The Company has not taken any loans, secured or unsecured, from companies, firms or other parties covered in the register maintained under Section 301 of the Act.
4. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory, fixed assets and for the sale of goods and services. Further, on the basis of our examination of the books and records of the Company, and according to the information and explanations given to us, no major weakness has been noticed or reported.
5. (a) In our opinion and according to the information and explanations given to us, the particulars of contracts or arrangements referred to in Section 301 of the Act have been entered in the register required to be maintained under that section.
(b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements and exceeding the value of rupees five lakh in respect of any party during the year, have been made at prices which are reasonable, having regard to the prevailing market prices at the relevant time.
6. In our opinion and according to the information and explanations given to us, the Company has complied with the directives issued by Reserve Bank of India and the provisions of Sections 58A and 58AA or any other relevant provisions of the Act and the Companies (Acceptance of Deposits) Rules, 1975 with regard to the deposits accepted from the public. According to the information and explanations given to us, no order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal on the Company in respect of the aforesaid deposits.
7. In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
8. We have broadly reviewed the books of account maintained by the Company in respect of products where, pursuant to the Rules made by the Central Government of India, the maintenance of cost records has been prescribed under clause (d) of sub-section (1) of Section 209 of the Act, and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records, with a view to determine whether they are accurate or complete.

9. (a) According to the information and explanations given to us, and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing the undisputed statutory dues, including provident fund, investor education and protection fund, employees' state insurance, income-tax, sales-tax, wealth tax, service tax, customs duty, excise duty, cess and other material statutory dues as applicable, with the appropriate authorities.
- (b) According to the information and explanations given to us and the records of the Company examined by us, the particulars of dues of Income-tax, sales-tax, service-tax, customs duty, excise duty and cess as at 31st March, 2011, which have not been deposited on account of disputes, are as follows:

Nature of dues	Amount (Rs. in Crore)	Period to which the amount relates	Forum where the dispute is pending
Income Tax	10.68	2006-07 to 2009-10	Departmental Authorities
Custom Duty	0.11	2000-01	High Court
	2.54	1996-97 to 2003-04	Tribunal(CESTAT)
	0.01	1999	Departmental Authorities
Excise Duty	5.96	1997-98 to 2001-02	Supreme Court
	0.09	1994-95 to 2006-07	High Court
	35.06	1994-95 to 2009 -10	Tribunal
	0.92	1994 to 2010-11	Department Authorities
Sales Tax, Entry Tax, etc.	51.81	2005-06 to 2010-11	Supreme Court
	11.52	1999-2000 to 2010-11	High Court
	3.85	1994-95 to 2010-11	Tribunal
	21.35	1985 to 2010-11	Department Authorities
Service Tax	0.09	2005-06 to 2007-08	Supreme Court
	0.35	2005-06 to 2007-08	Tribunal
	1.51	2004-05 to 2010-11	Departmental Authorities
Cess on Water, Royalty, Energy, etc.	9.89	2001-02 to 2010-11	Supreme Court
	33.44	1985 to 2010-11	High Court
	10.39	1978-79 to 2010-11	Departmental Authorities

There were no disputed amounts due towards Wealth Tax.

10. The Company has no accumulated losses as at 31st March,2011 and it has not incurred any cash losses in the financial year ended on that date or in the immediately preceding financial year.
11. According to the records of the Company examined by us and the information and explanations given to us, the Company has not defaulted in repayment of dues to any financial institution or bank or debenture holder, during the year.
12. The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. In our opinion, the Company has maintained proper records of transactions and contracts relating to dealing or trading in shares, securities, debentures and other investments during the year and timely entries have been made therein. Further, such securities have been held by the Company in its own name.

14. According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions, during the year.
15. In our opinion, and according to the information and explanations given to us, on an overall basis, the term loans have been applied for the purposes for which they were raised.
16. On the basis of an overall examination of the Balance Sheet of the Company, in our opinion and according to the information and explanations given to us, as at the close of the year, short term loans aggregating Rs.871.18 Crore stand utilized for long term investment.
17. The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Act, during the year.
18. On the basis of documents and records examined by us, the Company has, during the year, issued short term privately placed secured debentures from time to time, aggregating Rs.2,600 Crore (maximum balance outstanding during the year Rs.545 Crore), which have been repaid prior to creation of any security in favour of debenture holders.
19. The Company has not raised any money by way of public issue during the year.
20. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instances of material fraud on or by the Company noticed or reported during the year, nor have we have been informed of such a case by the management.
21. The other clauses, (iii)(b), (iii)(c), (iii)(d), (iii)(f), (iii)(g) and (xiii) of paragraph 4 of the Order are not applicable in the case of the Company for the year, since, in our opinion, there is no matter which arises to be reported under the aforesaid clauses.

For **DALAL & SHAH**
Firm Registration Number: 102021 W
Chartered Accountants

S. Venkatesh
Partner

Membership No.: F-037942

Mumbai: 2nd May, 2011

BALANCE SHEET AS AT 31st MARCH, 2011

	Schedule	31.3.2011 (Rs. in Crore)	31.3.2010 (Rs. in Crore)
I. SOURCES OF FUNDS :			
Shareholders' Funds :			
a) Share Capital	1	93.04	93.04
b) Reserves and Surplus	2	<u>1860.06</u>	<u>1682.16</u>
		1953.10	<u>1775.20</u>
Loan Funds :			
a) Secured Loans	3	2098.04	1761.12
b) Unsecured Loans	4	<u>910.49</u>	<u>605.67</u>
		3008.53	<u>2366.79</u>
Deferred Tax Liability (Net) [See Note 18]			
		263.94	<u>251.34</u>
Total :		<u>5225.57</u>	<u>4393.33</u>
II. APPLICATION OF FUNDS :			
Fixed Assets :			
a) Gross Block	5	4810.79	4674.80
b) Less: Depreciation and Amortisation		<u>2412.06</u>	<u>2190.43</u>
c) Net Block		2398.73	2484.37
d) Capital work in progress		<u>1998.35</u>	<u>1287.38</u>
		4397.08	<u>3771.75</u>
Investments			
	6		68.36
Current Assets, Loans and Advances :			
a) Inventories	7	1070.67	868.42
b) Sundry Debtors		308.10	225.11
c) Cash and Bank Balances		41.47	57.41
d) Other Current Assets		32.68	32.11
e) Loans and Advances		<u>1029.64</u>	<u>744.68</u>
		<u>2482.56</u>	<u>1927.73</u>
Less:			
Current Liabilities and Provisions :			
a) Current Liabilities	8	1072.13	812.05
b) Provisions		<u>650.30</u>	<u>552.53</u>
		<u>1722.43</u>	<u>1364.58</u>
Net Current Assets			760.13
Miscellaneous Expenditure	9		
(to the extent not written off or adjusted)			-
Total :		<u>5225.57</u>	<u>4393.33</u>
Notes forming part of the Accounts	17		

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

B. K. BIRLA, Chairman

S. VENKATESH

Partner

Membership No: F-037942

Mumbai : 2nd May, 2011

D. K. AGRAWAL

Secretary

Mumbai : 2nd May, 2011

B. L. JAIN

Whole-time Director

Directors

PRADIP KUMAR DAGA

ARVIND C. DALAL

AMAL GANGULI

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH, 2011

	Schedule	2010-2011 (Rs. in Crore)	2009-2010 (Rs. in Crore)
INCOME :			
Sales	10	5132.92	4833.22
Less : Excise Duty		<u>456.24</u>	<u>380.32</u>
Net Sales		4676.68	4452.90
Other Income	11	<u>125.41</u>	<u>94.67</u>
		4802.09	4547.57
EXPENDITURE :			
Cost of Materials consumed, Purchases and Manufacturing Expenses	12	2941.16	2600.48
(Increase)/Decrease in Inventories	13	<u>(33.61)</u>	<u>(107.48)</u>
Payments to and Provisions for Employees	14	365.27	333.23
Selling and Other Expenses	15	<u>835.04</u>	<u>780.43</u>
		4107.86	3606.66
Less: Expenditure transferred to capital account		<u>11.27</u>	<u>5.78</u>
		4096.59	3600.88
Interest and Finance Charges	16	<u>118.21</u>	<u>100.53</u>
		4214.80	3701.41
PROFIT BEFORE DEPRECIATION AND EXCEPTIONAL ITEMS			
Depreciation and Amortisation		239.77	846.16
Less : Amount withdrawn from Revaluation Reserve		<u>0.11</u>	<u>234.58</u>
		239.66	234.47
PROFIT BEFORE EXCEPTIONAL ITEMS			
Exceptional Items [See Note 23]		<u>347.63</u>	<u>611.69</u>
		(3.78)	(88.16)
PROFIT FOR THE YEAR BEFORE TAXATION			
Add / (Less) : Provision for Taxation :		343.85	523.53
Current Tax		(91.00)	(205.50)
Deferred Tax (See Note 18)		(12.60)	38.74
Wealth Tax		<u>(0.65)</u>	<u>(0.61)</u>
PROFIT FOR THE YEAR			
Add / (Less) :		239.60	356.16
Short Provision for tax adjustments in respect of earlier years (Net)		(2.11)	(16.50)
Prior Period Adjustments (Net) (See Note 22)		-	<u>(0.19)</u>
		237.49	339.47
Add : Balance as per last account		<u>307.89</u>	<u>178.10</u>
Balance Available for Appropriation		545.38	517.57
APPROPRIATIONS :			
Proposed Equity Dividend		51.18	51.18
Tax on Proposed Equity Dividend		8.30	8.50
Transferred to General Reserve		150.00	150.00
Balance Carried to Balance Sheet		<u>335.90</u>	<u>307.89</u>
		545.38	517.57
Weighted average number of Equity Shares outstanding during the year		93045680	93045680
Basic and diluted earnings per share of Rs. 10 each (in Rupees)			
- Including Exceptional Items		25.52	36.48
- Excluding Exceptional Items (Net of Tax)		25.80	42.83
Notes forming part of the Accounts			
	17		

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

B. K. BIRLA , Chairman

S. VENKATESH

Partner

Membership No: F-037942

Mumbai : 2nd May, 2011

D. K. AGRAWAL

Secretary

Mumbai : 2nd May, 2011

B. L. JAIN

Whole-time Director

Directors

PRADIP KUMAR DAGA

ARVIND C. DALAL

AMAL GANGULI

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2011

	2010-2011 (Rs. in Crore)	2009-2010 (Rs. in Crore)
A. CASH FLOW FROM OPERATING ACTIVITIES :		
PROFIT FOR THE YEAR BEFORE TAXATION	343.85	523.53
Add / (Less) :		
Depreciation and Amortisation	241.26	235.81
(Surplus) on sale / discardment of Fixed Assets (Net)	(20.12)	(2.64)
Loss on sale of Investment	0.22	0.06
Interest and Finance Charges (Net)	115.56	96.14
Dividend on Investments	(5.56)	(3.71)
Provision for impairment in value of assets	1.83	-
Proportionate amounts written off against Miscellaneous Expenditure	-	115.83
Prior Period Adjustments (Net)	-	(0.27)
	333.19	441.22
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	677.04	964.75
Adjustments for :		
Trade and other receivables	(136.27)	(73.52)
Inventories	(202.25)	(197.94)
Trade Payables	263.57	128.16
	(74.95)	(143.30)
CASH GENERATED FROM OPERATIONS	602.09	821.45
Add / (Less) :		
Voluntary Retirement Compensation	-	(15.22)
Direct Taxes Paid	(115.97)	(193.69)
	(115.97)	(208.91)
NET CASH GENERATED FROM OPERATING ACTIVITIES	486.12	612.54
B. CASH FLOW FROM INVESTING ACTIVITIES :		
Purchase of Fixed Assets (Includes Borrowing Costs Capitalised)	(987.46)	(1101.28)
Sale of Fixed Assets	25.96	9.09
Interest Received	2.60	4.34
Dividend on Investments	5.56	3.71
Long Term Investments Acquired	(11.81)	(12.20)
Long Term Investments Redeemed	1.66	0.25
Current Investments Acquired	(2002.92)	(1280.74)
Current Investments Sold	2002.92	1280.74
NET CASH USED IN INVESTING ACTIVITIES	(963.49)	(1096.09)

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2011 (contd.)

	2010-2011 (Rs. in Crore)	2009-2010 (Rs. in Crore)
C. CASH FLOW FROM FINANCING ACTIVITIES :		
Working Capital and Short Term Borrowings	248.98	274.26
Repayment of Other Borrowings	(322.82)	(497.20)
Other Loans Taken	715.58	831.44
Interest and Finance Charges paid	(115.69)	(90.18)
Dividend Paid	(51.02)	(41.80)
Tax on Dividend	(8.50)	(7.12)
NET CASH GENERATED FROM FINANCING ACTIVITIES	466.53	469.40
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	(10.84)	(14.15)
CASH AND CASH EQUIVALENTS - Opening Balance	51.54	65.69
CASH AND CASH EQUIVALENTS - Closing Balance	40.70	51.54
Reconciliation to Cash and Bank Balances given in Schedule 7, is as follows :		
Cash and Bank Balances	41.47	57.41
Less: Lien marked deposits and interest accrued thereon	0.77	5.87
Cash and Cash Equivalents - Closing Balance	40.70	51.54

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

B. K. BIRLA , Chairman

S. VENKATESH
Partner
Membership No: F-037942
Mumbai : 2nd May, 2011

D. K. AGRAWAL
Secretary

B. L. JAIN
Whole-time Director

Mumbai : 2nd May, 2011

Directors
PRADIP KUMAR DAGA
ARVIND C. DALAL
AMAL GANGULI

SCHEDULES "1" TO "17" ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT AND THE PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2011

SCHEDULE "1"	31.3.2011 (Rs. in Crore)	31.3.2010 (Rs. in Crore)
SHARE CAPITAL :		
Authorised :		
14,80,00,000 Equity Shares of Rs. 10 each.	148.00	148.00
1,00,00,000 Redeemable Cumulative Non-Convertible Preference Shares of Rs. 100 each.	100.00	100.00
	248.00	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 87890120 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 Redemption Reserve Account	100.00	100.00
Revaluation Reserve :		
As per last Balance Sheet	16.94	17.05
Less : Transferred to Profit and Loss Account	<u>0.11</u>	<u>0.11</u>
	16.83	16.94
General Reserve :		
As per last Balance Sheet	1257.33	1107.33
Add : Transferred from Profit and Loss Account	<u>150.00</u>	<u>150.00</u>
	1407.33	1257.33
Less : Payment against Fractional Bonus Coupons (Rs. Nil) [Previous year Rs. 11923]	<u>-</u>	<u>-</u>
	1407.33	1257.33
Balance as per annexed Profit and Loss Account	335.90	307.89
Total :	1860.06	1682.16

SCHEDULE "3"	31.3.2011 (Rs. in Crore)	31.3.2010 (Rs. in Crore)
SECURED LOANS :		
Sales Tax Loan from Madhya Pradesh Audyogik Vikas Nigam (Interest free)	-	0.01
Rupee Term Loans from Banks [See Note 1(a)] :	1625.21	1330.93
Short Term Rupee Loan from a Bank	-	250.00
Working Capital Loans from Banks [See Note 1(b)]	472.83	180.18
Total :	<u>2098.04</u>	<u>1761.12</u>

SCHEDULE "4"

UNSECURED LOANS :		
Fixed Deposits [See Note 4(a)]	53.47	42.14
Short Term Borrowings from Banks :		
Under Buyer's Credit Arrangement	512.02	413.53
Rupee Loans	<u>195.00</u>	<u>100.00</u>
	707.02	513.53
Commercial Paper (Maximum balance outstanding during the year Rs. 875.00 Crore; Previous year Rs. 95.00 Crore)	150.00	50.00
Total :	<u>910.49</u>	<u>605.67</u>

**SCHEDULE "5"
FIXED ASSETS :**

(Rs. in Crore)

DESCRIPTION OF ASSETS	GROSS BLOCK AT COST OR BOOK VALUE			DEPRECIATION/AMORTISATION			NET BLOCK			
	As at 31.3.2010	Additions/ Adjustments	Deductions/ Adjustments	As at 31.3.2011	Upto 31.3.2010	For the year	Deductions/ Adjustments	Upto 31.3.2011	As at 31.3.2011	As at 31.3.2010
A. ASSETS										
Land at worli :	9.99	-	-	9.99	-	-	-	-	9.99	9.99
Freehold and Leasehold (See Note 11)										
Land Others:-	17.60	13.76	(Rs. 208)	31.36	-	-	-	-	31.36	17.60
Freehold (a)	41.73	-	0.03	41.70	4.78	0.48	0.03	5.23	36.47	36.95
Leasehold	444.16	11.58	4.14	451.60	103.03	12.30	1.36	113.97	337.63	341.13
Buildings (b) and (c)	7.66	0.24	2.77	5.13	6.76	0.59	2.77	4.58	0.55	0.90
Improvement to Leased Premises	45.14	-	-	45.14	10.70	2.05	-	12.75	32.39	34.44
Water Pipe Lines and Tanks	3790.06	126.73	16.49	3900.30	1886.34	211.24	13.95	2083.63	1816.67	1903.72
Plant and Machinery	2.03	-	-	2.03	0.94	1.09	-	2.03	-	1.09
Floral Plantation	29.54	-	-	29.54	17.12	1.05	-	18.17	11.37	12.42
Railway Siding and Locomotives	4.06	-	-	4.06	3.85	-	-	3.85	0.21	0.21
Ropeway	0.27	-	-	0.27	-	-	-	0.27	-	-
Reservoir and Pans	141.79	0.61	0.24	142.16	64.41	6.31	0.24	70.48	71.68	77.38
Electric Installation (c)	1.12	-	-	1.12	1.09	-	-	1.09	0.03	0.03
Air-conditioning Plant	55.78	6.45	0.78	61.45	26.04	4.18	0.64	29.58	31.87	29.74
Furniture, Fixtures, Equipments, etc.	4.40	0.02	-	4.42	0.89	0.88	-	1.77	2.65	3.51
Software Development	10.41	2.18	1.13	11.46	5.05	0.87	0.75	5.17	6.29	5.36
Vehicles	4605.74	161.57	25.58	4741.73	2131.27	241.04	19.74	2352.57	2389.16	2474.47
Sub Total :										
Assets Given on Lease:										
Plant and Machinery	7.01	-	-	7.01	0.23	0.33	-	0.56	6.45	6.78
Railway Wagons (d)	62.05	-	-	62.05	58.93	-	-	58.93	3.12	3.12
Total :	4674.80	161.57	25.58	4810.79	2190.43	241.37	19.74	2412.06	2398.73	2484.37
Previous Year's Total :	4549.78	146.91	21.89	4674.80	1970.03	235.92	15.52	2190.43	2484.37	
B. CAPITAL WORK IN PROGRESS (a)										
Less : Impairment in book value										
									2072.77	1359.97
									74.42	72.59
									1998.35	1287.38

FIXED ASSETS NOTES :

- (a) Includes Rs.5.44 Crore (Previous year Rs. 0.09 Crore) for which sale and conveyance deeds and other transfer formalities are yet to be executed. Stamp duty and other incidental expenses will be capitalised on execution of the same.
- (b) Includes premises on ownership basis Rs.2.67 Crore (Previous year Rs. 2.67 Crore), leasehold premises Rs.0.01Crore (Previous year Rs. 0.01 Crore) and cost of shares in co-operative societies (Rs.750 /-) (Previous year (Rs.750/-)).
- (c) Includes the cost of an electric sub -station and other related assets taken by the Company from Madhya Pradesh Electricity Board aggregating Rs. 0.95 Crore (Previous year Rs. 0.95 Crore) for which conveyance deed is yet to be executed [(Electrical installation Rs. 0.63 Crore (Previous year Rs. 0.63 Crore); Building Rs.0.32 Crore (Previous year Rs. 0.32 Crore)].
- (d) Wagons acquired under "Own Your Wagon" scheme have been given on lease to railways.
- (e) Rs.Nil excess depreciation written back (Previous year Net of Rs.0.08 Crore).
- (f) Break-up of depreciation for the year:-

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

	2010-11	2009-10
	(Rs. in Crore)	(Rs. in Crore)
	<u>239.77</u>	<u>234.58</u>
	<u>1.60</u>	<u>1.34</u>
	<u>241.37</u>	<u>235.92</u>

SCHEDULE "6"	31.3.2011 (Rs. in Crore)	31.3.2010 (Rs. in Crore)
INVESTMENTS :		
LONG TERM INVESTMENTS (AT COST) :		
TRADE :		
Unquoted :		
Fully Paid :		
2	Equity Shares of Rs. 5000 each, of Maharashtra Co-operative Floriculture Development Society Ltd. (Rs.10000); [31.3.2010 (Rs. 10000)].	
OTHER THAN TRADE :		
Government and Trust Securities :		
Quoted :		
(1,66,200)	- 12.32 % Government of India Bonds	1.88
50,000	11.83 % (2014) Government of India Bonds	0.56
50,000	10.70 % (2020) Government of India Bonds	0.53
1,00,000	7.95 % (2032) Government of India Bonds	1.21
2,00,000	6.95 % (2013) Tamil Nadu State Development Loan	2.07
90,000	8.20% Government of India Bonds (Oil Special Bond 2024)	0.89
3,80,000	8.26% (2027) Government of India Bonds	-
(-)	8.98	7.14
Unquoted :		
6 Years National Savings Certificates of the aggregate face value of (Rs.52500); [31.3.2010 (Rs. 36000)] [Matured but not encashed (Rs. Nil); 31.3.2010 (Rs.8500)][@] [@] Deposited with Government Departments [31.03.2011 (Rs. 52500); 31.03.2010 (Rs. 36000)]		
	8.98	7.14
Shares and Other Investments :		
Quoted :		
Fully paid :		
4,538	Equity Shares of Rs. 10 each, of the Tata Motors Ltd.	0.01
3,00,000	Equity Shares of Rs. 5 each, of Jayshree Tea and Industries Ltd. (Sub-Division of Equity Shares from Rs.10 each to Rs. 5 each on 17.8.2010)	0.19
19,42,500	Equity Shares of Rs. 10 each, of Mangalam Cement Ltd.	4.22
(18,75,000)	Equity Shares of Rs. 10 each, of Mangalam Timber Products Ltd.	0.76
7,60,000	Equity Shares of Rs. 10 each, of Century Enka Ltd.	21.52
12,66,887	Equity Shares of Rs. 10 each, of Century Enka Ltd.	12.06
(7,66,887)		
21,32,000	Equity Shares of Rs. 10 each, of Kesoram Industries Ltd.	31.60
	58.30	47.85
	67.28	54.99
Carried Over		

SCHEDULE "6"

		31.3.2011 (Rs. in Crore)	31.3.2010 (Rs. in Crore)
Brought Over		67.28	54.99
Unquoted :			
Fully paid :			
85	Equity Shares of Rs.100 each, of Maharashtra State Financial Corporation (Rs.8500); [31.3.2010(Rs.8500)]		
2	Shares of Rs. 50 each, of The Maharashtra State Co-operative Bank Ltd. (Rs. 114); [31.3.2010(Rs.114)]		
5,625	Equity Shares of Rs. 100 each, of Industry House Ltd.	0.04	0.04
12,000	Equity Shares of Rs. 10 each, of Birla Consultants Ltd.	0.01	0.01
4,22,496	Shares of Pesos 10 each, of Indo Phil Textile Mills Inc., Republic of Philippines.	0.04	0.04
2,500	Ordinary Shares of Swiss Francs 100 each, of Birla International Ltd.	0.52	0.52
3,75,000	Equity Shares of Rs. 10 each, of Bander Coal Company Pvt.Ltd.	0.38	0.38
2,25,000	Equity Shares of Rs. 10 each, of Kesoram Insurance Broking Services 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 125000 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
		<u>1.08</u>	<u>1.08</u>
-	Preferential Warrants of Century Enka Ltd. (25% partly paid) (5,00,000)	-	2.36
		<u>1.08</u>	<u>3.44</u>
Total : Long Term Investments		68.36	58.43

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

Book value / Market value of Investments :

	Book-Value		Market-Value	
	31.3.2011 (Rs. in Crore)	31.3.2010 (Rs. in Crore)	31.3.2011 (Rs. in Crore)	31.3.2010 (Rs. in Crore)
Quoted	67.28	54.99	103.80	147.65
Unquoted	1.08	3.44		
Total :	<u>68.36</u>	<u>58.43</u>		

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

	Acquisition cost	
	Nos.	(Rs. in Crore)
Dividend Option		
(i) SBI Mutual Fund (Units of Rs. 10 and Rs. 15 each)	1107376813	1740.67
(ii) ICICI Prudential Mutual Fund (Units of Rs. 100 each)	13821930	142.09
(iii) Reliance Mutual Fund (Units of Rs. 10 and Rs. 15 each)	43437604	80.09
(iv) Birla Sunlife Mutual Fund (Units of Rs. 10 each)	40023329	40.07
		<u>2002.92</u>

SCHEDULE "7"

	31.3.2011	31.3.2010
	(Rs. in Crore)	(Rs. in Crore)
CURRENT ASSETS, LOANS AND ADVANCES :		
a) Inventories :		
(At cost or net realisable value, whichever is lower) :		
Stores, Spares, etc.	212.17	210.57
Stock in trade :		
Raw Materials	408.81	269.30
Materials in process	183.32	144.87
Finished Goods	223.99	226.61
Goods for Trade	<u>12.80</u>	<u>10.57</u>
	828.92	651.35
Goods in transit, at cost to date	<u>29.58</u>	<u>6.50</u>
	1070.67	868.42
b) Sundry Debtors, Unsecured :		
(i) Outstanding for a period exceeding six months :		
Good	2.62	3.22
Doubtful	3.37	3.97
Less : Provision	<u>3.37</u>	<u>3.97</u>
	-	-
	2.62	3.22
(ii) Other, Good	<u>305.48</u>	<u>221.89</u>
	308.10	225.11
c) Cash and Bank Balances :		
Cash on hand [including cheques on hand Rs. 0.70 Crore (31.3.2010 Rs. 2.85 Crore)]	1.18	3.41
Remittances in Transit	2.44	3.60
Bank Balances with Scheduled Banks :		
In Current Accounts	37.01	44.44
In Margin Money Accounts	0.07	0.09
In Deposit Accounts	0.64	5.77
Add : Interest accrued thereon	<u>0.13</u>	<u>0.10</u>
	0.77	5.87
	<u>37.85</u>	<u>50.40</u>
	41.47	57.41
d) Other Current Assets :		
Interest accrued on Investments	0.13	0.11
Interest and subsidy receivable	23.48	25.44
Other Receivables	<u>9.07</u>	<u>6.56</u>
	32.68	32.11
e) Loans and Advances, Unsecured, Good, unless otherwise specified :		
Advances recoverable in cash or in kind or for value to be received :		
Good	418.21	260.59
Doubtful	3.50	2.92
Less : Provision	<u>3.50</u>	<u>2.92</u>
	-	-
	418.21	260.59
Balances with Custom, Port Trust, Central Excise, State Governments, etc.	42.51	31.14
Tax paid in Advance	<u>568.92</u>	<u>452.95</u>
	1029.64	744.68
Total :	2482.56	1927.73

SCHEDULE "8"

	31.3.2011	31.3.2010
	(Rs. in Crore)	(Rs. in Crore)
CURRENT LIABILITIES AND PROVISIONS :		
a) Current Liabilities :		
Acceptances	187.62	-
* Sundry Creditors (See Notes 3 and 4)	867.35	794.88
Overdrawn Bank Balance as per books	1.05	1.62
Interest accrued but not due on loans	<u>16.11</u>	<u>15.55</u>
	1072.13	812.05
b) Provisions :		
Taxation	555.31	461.55
Employee Benefits	35.51	31.30
Proposed Equity Dividend	51.18	51.18
Tax on Proposed Equity Dividend	<u>8.30</u>	<u>8.50</u>
	650.30	552.53
Total :	<u>1722.43</u>	<u>1364.58</u>

* Includes Rs. 0.90 Crore being commission payable to the Non-Whole time Directors (31.3.2010 Rs. 0.90 Crore).

Note :

There is no amount due and outstanding to be credited to Investors Education and Protection Fund as at Balance Sheet date other than cases under litigation among claimants regarding beneficial ownership. (Refer Note 4).

SCHEDULE "9"**MISCELLANEOUS EXPENDITURE****(to the extent not written off or adjusted) :**

Compensation under Voluntary Retirement Scheme and Exit payments :		
As per last Balance Sheet	-	98.05
Incurred during the year	<u>-</u>	<u>15.22</u>
	-	113.27
Less : Written off [Includes Rs. Nil (Previous year Rs. 87.77 Crore) written off as an exceptional item]	<u>-</u>	<u>113.27</u>
Total	<u>-</u>	<u>-</u>

SCHEDULE "10"	2010-2011 (Rs. in Crore)	2009-2010 (Rs. in Crore)
SALES :		
Sales (See Note 8)	5158.80	4865.43
Less: Rebates	25.28	30.45
Returns	<u>0.60</u>	<u>1.76</u>
	25.88	32.21
Total :	<u>5132.92</u>	<u>4833.22</u>

SCHEDULE "11"

OTHER INCOME :

Dividend (On Investments Other than Trade) :		
From Mutual Funds	1.90	0.73
From Domestic Companies	3.60	2.92
From a Foreign Company	<u>0.06</u>	<u>0.06</u>
	5.56	3.71
Interest Received (Gross, Tax Deducted at Source Rs. 0.26 Crore; Previous year Rs. 0.69 Crore) :		
On Government Securities	0.64	0.56
On Income Tax Refund	-	0.73
Others	<u>2.01</u>	<u>3.10</u>
	2.65	4.39
Rent from Properties (Gross, Tax Deducted at Source Rs. 0.83 Crore; Previous year Rs. 1.46 Crore)	9.74	10.14
Lease Rent received under 'Own Your Wagon' scheme	0.55	0.48
Surplus on sale of Fixed Assets	20.68	3.85
Bad debts previously written off, now recovered	(Rs. 13090)	0.16
Gain on Foreign Currency Fluctuation (Net)	-	4.70
Export Benefits	13.54	10.42
Sale of Scrap	17.49	15.74
Insurance and Other Claims	1.57	1.06
Miscellaneous Income [Gross, Tax Deducted at Source (Rs. 12589) Previous year (Rs. 10769)]	21.62	25.11
Provisions no longer required	32.01	14.91
Total :	<u>125.41</u>	<u>94.67</u>

SCHEDULE "12"	2010-2011 (Rs. in Crore)	2009-2010 (Rs. in Crore)
COST OF MATERIALS CONSUMED, PURCHASES AND MANUFACTURING EXPENSES :		
a) Raw Materials Consumed :		
Opening Stock	269.30	155.66
Add : Purchases (Net of Sales) (including cost of raising and transporting Limestone, Shale and Laterite Rs. 117.14 Crore; Previous year Rs 106.08 Crore) [See Note 10 (a)]	<u>1407.57</u>	<u>1183.59</u>
	1676.87	1339.25
Less : Closing Stock	<u>408.81</u>	<u>269.30</u>
	1268.06	1069.95
b) Purchase of Finished Goods for Trade [See Note 9(B)]	18.43	14.73
c) Manufacturing Expenses :		
Stores and Spare Parts consumed	559.68	506.61
Job Work Charges	9.25	5.42
Power, Fuel and Water	959.79	903.76
Building Repairs	18.39	15.77
Machinery Repairs	65.24	59.16
Floriculture Cultivation Expenses [Refer Note 10 (b)]	1.14	1.36
Other Expenses	<u>41.18</u>	<u>23.72</u>
	1654.67	1515.80
Total :	2941.16	<u>2600.48</u>

SCHEDULE "13"

(INCREASE)/DECREASE IN INVENTORIES

Opening Stocks :		
Finished Goods	226.61	139.44
Materials in process	144.87	112.89
Goods for Trade	<u>10.57</u>	<u>17.52</u>
	382.05	269.85
Closing Stocks :		
Finished goods	223.99	226.61
Materials in process	183.32	144.87
Goods for Trade	<u>12.80</u>	<u>10.57</u>
	420.11	382.05
	(38.06)	(112.20)
Add / (Less): Variation in Excise Duty on Closing and Opening Stock of Finished Goods	4.45	4.72
Total :	(33.61)	<u>(107.48)</u>

SCHEDULE "14"	2010-2011 (Rs. in Crore)	2009-2010 (Rs. in Crore)
PAYMENTS TO AND PROVISIONS FOR EMPLOYEES :		
Salaries, Wages, Bonus, etc.	309.12	277.76
Contribution to Provident and Other Funds	33.38	34.57
Welfare Expenses	21.79	19.72
Provident and Other Fund Expenses	0.98	1.18
Total :	365.27	333.23

SCHEDULE "15"

SELLING AND OTHER EXPENSES :

Rent	15.27	13.51
Rates and Taxes	4.19	7.57
Insurance	7.51	7.39
Freight, Forwarding, Octroi, etc.	626.73	572.56
Advertisement and Publicity	9.94	7.56
Miscellaneous Expenses	102.01	101.05
Loss on Foreign Currency Fluctuation (Net)	11.20	-
Advances, Loans and other debit balances, written off	1.73	0.61
Donations	-	0.21
Commission	36.23	29.75
Brokerage, Discount, Incentives, etc.	10.72	8.78
Director's Commission, Fees and Travelling Expenses	1.13	1.16
Bad Debts	2.73	0.01
Loss on sale / discardment of Fixed Assets	0.56	2.72
Loss on sale of Investment	0.22	0.06
Provision for impairment in value of assets	1.83	-
Provision for Doubtful Debts and Advances	3.04	1.99
Proportionate amounts written off against "Miscellaneous Expenditure"	-	25.50
Total :	835.04	780.43

SCHEDULE "16"

INTEREST AND FINANCE CHARGES :

Interest :		
Debentures	4.67	7.72
Fixed Loans *	127.04	113.23
Others	29.74	16.79
	161.45	137.74
Other Finance Charges	39.60	2.42
	201.05	140.16
Less :		
Borrowing Costs Capitalised	82.84	39.63
Total :	118.21	100.53

* Net of subsidy Rs. 29.88 Crore (Previous year Rs.35.18 Crore) under the Technology Upgradation Fund Scheme of the Government of India.

SCHEDULE "17"

NOTES FORMING PART OF THE ACCOUNTS :

1. Secured Loans :

- (a) Rupee term loans from banks are secured by first pari passu mortgage / hypothecation of all the immovable / movable fixed assets, present and future of the Company's Birla Century, Cement, Pulp & Paper and Rayon Divisions (excluding Leasehold Land at Birla Century, Pulp & Paper and Sonar Bangla Cement Division) and also a portion of land at Worli, Mumbai and second charge created in favour of certain term lenders on the current assets of the Company. Loans for the Company's Century Denim Division are also secured by mortgage / hypothecation of all the immovable / movable fixed assets of the Denim Division (Due within one year Rs. 385.17 Crore).
- (b) 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, Material in process, Stores and Spares, present and future Book Debts, Receivables, etc. and second charge created over movable and immovable fixed assets Company's divisions viz. Birla Century, Cement, Pulp & Paper and Rayon Divisions (excluding Leasehold Land at Birla Century, Pulp & Paper and Sonar Bangla Cement division) and also a portions of the land at Worli, Mumbai.
- (c) The charge created as per para (b) also extends to the guarantees given by the banks on behalf of the Company, aggregating Rs. 175.78 Crore (31.3.2010 Rs. 149.68 Crore).
2. (a) 44 hectares of land were acquired at Manikgarh Cement Division and were subsequently surrendered to the Forest Department, Government of India, pursuant to the provisions of the Forest Conservation Act, 1980. The amount of compensation payable will be accounted for when determined by the Collector.
- (b) In respect of Manikgarh Cement Division, Land measuring 41.20 hectares occupied by the Forest Department and disputed by the Company was adjudicated by the Collector and the Divisional Commissioner (Appeals) in favour of the Company. The Government of Maharashtra on a reference made by the Forest Department directed the Collector for a fresh demarcation of the site boundaries and has also directed the Forest Department to refund the compensation paid by the Company along with interest for the land falling within their boundary. The Revisional Authority has since observed that approx. 17 hectares of land falls within the boundaries of the reserved forest. The Company has filed a writ petition before the Bombay High Court, Nagpur bench against the said order. Adjustments, if any will be made, in the year in which the matter is finally settled.
3. (a) 'Sundry Creditors' in Schedule '8' to the Accounts include (i) Rs. 0.95 Crore (31.03.2010 - Rs. 0.20 Crore) due to micro and small enterprises registered under the Micro, Small and Medium Enterprises Development Act, 2006 (MSME); and (ii) Rs. 866.40 Crore (31.03.2010 - Rs. 794.68 Crore) due to other creditors.
- (b) No interest is paid / payable during the year to any enterprise registered under the MSME.
- (c) The above information has been determined to the extent such parties could be identified on the basis of the information available with the Company regarding the status of suppliers under the MSME.
4. (a) Unclaimed Fixed deposits amounting to (Rs. 22500) [31.3.2010 (Rs. 22500)] and (Rs. 3150) [31.3.2010 (Rs.3150)] being interest accrued and due thereon remain unpaid in view of the internal disputes between the claimants which has been referred to the Court whose decision is awaited.
- (b) Unclaimed Dividends amounting to Rs. 0.03 Crore (31.3.2010 Rs. 0.02 Crore) is pending on account of litigation among claimants / Notices from Tax Recovery Officer.

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

	31.3.2011 (Rs. in Crore)	31.3.2010 (Rs. In Crore)
5. Contingent Liabilities not provided for :		
(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)	4.49	1.89
(b) (i) Claims against the Company not acknowledged as debts in respect of :		
- Custom Duty and Excise Duty	41.13	37.89
- Sales Tax and Entry Tax	40.49	35.96
- Power Charges	12.48	23.72
- Royalty	202.93	168.80
- Others	33.10	18.60
(ii) Claims not acknowledged as debts jointly with other members of "Business Consortium of Companies" in which the Company had an interest (proportionate)	18.59	17.48
(c) Registration and Road Tax on Dumper of Cement Division	Amount not determinable	
(d) Disputed income tax matters under appeal	11.71	2.81
(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	
Note : Item No.5(b) to 5(e)		
(The Company has taken legal and other steps necessary to protect its position in respect of these claims which based on legal advice are not sustainable. It is not possible to make any further determination of the liabilities which may arise or the amounts which may be refundable in these respects).		
6. (a) Estimated amount of contracts remaining to be executed on Capital account and not provided for (net of advances)	1010.51	755.83
(b) Unpaid liability in respect of 5,00,000 preferential warrants of Century Enka Ltd.	-	7.09
(c) Lease rental obligation :		
- not later than one year	9.12	7.31
- later than one year but not later than five years	12.30	6.62
- later than five years	3.30	1.91
(d) Lease rental income :		
- not later than one year	3.97	3.73
- later than one year but not later than five years	7.44	11.43
- later than five years	5.09	1.38

SCHEDULE "17" (Contd.)

NOTES FORMING PART OF THE ACCOUNTS : (Contd.)

7. Capacity, Production, Turnover and Stocks :

(A) Licensed and Installed Capacity and Production :

Class of Goods	Licensed/Registered Capacity		Installed Capacity (a) *		Production (b)	
	31.03.2011	31.03.2010	31.03.2011	31.03.2010	2010-2011	2009-2010
Cloth)	31608000	31608000	25000000	25000000	22903698	16131539
)	Mtrs.	Mtrs.	Mtrs.	Mtrs.	Mtrs.	Mtrs.
Made Ups)					412886	370420
)					Mtrs.	Mtrs.
Cotton Yarn)					1034908	1224441
)					Kgs.	Kgs.
Cotton Yarn/Blended Yarn	25200	25200	24960	24960	4244202	3992257
	Spindles	Spindles	Spindles	Spindles	Kgs.	Kgs.
Denim Cloth	21000000	21000000	21000000	21000000	15137834	14322319
	Mtrs.	Mtrs.	Mtrs.	Mtrs.	Mtrs.	Mtrs.
	M.T.	M.T.	M.T.	M.T.	M.T.	M.T.
Viscose Filament Yarn and Viscose Tyre Yarn/Industrial Yarn (c)	30000	30000	25000	25000		
Rayon Yarn					18027	18130
Tyre Yarn and Fabric)					3034	2200
High Performance) (c)						
Viscose Staple Fibre)					-	-
Sulphuric Acid @	71000	71000	71000	71000	68695	67504
Carbon di-sulphide @	20000	20000	18000	18000	14899	16440
Caustic Soda @	28426	28426	20500	20500	20304	19302
Liquid Chlorine @	25000	25000	17500	17500	17255	15998
Hydrochloric Acid	47241	47241	19241	19241	3297	4237
Refined Salt (d)	144000	144000	100000	100000	63258	73643
Salt					57440	91666
Cement	7800000	7800000	7800000	7800000	7701762	7583216
Paper including Paper Board/Straw Board	29800	29800	37250	37250	38388	39229
Rayon and/or Paper Grade Pulp	20000	20000	31320	31320	36858	37320
Bagasse based Paper @	84600	84600	84600	84600	84522	85386
Newsprint	20000	20000	-	-	-	-
Recycle Based Paper	75960	75960	75960	75960	84783	88605
Prime Grade Tissue Paper	36000	36000	36000	36000	12689	13546
Compressed Hydrogen M ³ @	8000000	8000000	6200000	6200000	5034197	5513648
					Nos.	Nos.
Flowers (Cut Rose, Gerbera, etc.)	Not applicable	Not applicable	-	-	6881173	6675092
					Flowers	Flowers

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

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

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

(d) Capacity as per registration given by Dy.Salt Commissioner vide its office letter No.18(9) salt/91/1143 dated 19th January, 1999. Revised Capacity vide Dy. Salt Commissioner office letter No. 18(9)Salt/91/Pt.I/150 dated 05.01.2010.

@ Company has filed memorandum with the Department of Industrial Development, Ministry of Industry.

* Installed against Industrial Entrepreneur Memorandum. Company has filed memorandum of information with Secretariat for Industrial approval, Government of India.

SCHEDULE "17" (Contd.)

NOTES FORMING PART OF THE ACCOUNTS : (Contd.)

7. Licensed and Installed Capacity, Production, Turnover and Stocks:- Contd.

B) Stocks and Turnover :

Class of Goods	Unit	Opening stock		Closing stock		Turnover (c)		Sundries (a)	
		1.04.2010 Quantity (Rs. in Crore)	1.04.2009 Quantity (Rs. in Crore)	31.03.2011 Quantity (Rs. in Crore)	31.03.2010 Quantity (Rs. in Crore)	2010-2011 Quantity (Rs. in Crore)	2009-2010 Quantity (Rs. in Crore)	2010-2011 Quantity	2009-2010 Quantity
Goods Manufactured :									
a) Cloth, Cotton / Blended Yarn	Mtrs.	143232	113824	216784	143232	244193	111982	(317745)	(141390)
Cotton Cloth (@)	Mtrs.	3074968	15397	2051850	3074968	23368806	12761816	558010	310152
Cotton Cloth - Birla Century	Mtrs.	282538	-	143614	282538	424056	85593	127754	2289
Cotton Made Up - Birla Century	Kgs.	-	-	-	-	1027768	810263	7140	414178
Cotton Yarn - Birla Century	Kgs.	158079	380031	382145	158079	3310931	3128121	709205	-
Cotton Yarn/Blended Yarn	Mtrs.	552892	763287	300443	552892	15378486	14532714	11797	-
Denim Cloth	M.T.	787	689	669	787	18143	18028	2	4
Rayon Yarn and Tyre Yarn	M.T.	1941	2860	484	1941	4490	3107	1	12
Rayon Yarn	M.T.	249539	105364	291886	249539	7601660	7389994	57755	49047
Tyre Yarn and Fabric	M.T.	-	-	-	-	49.61	-	-	-
Cement	M.T.	-	-	-	-	-	-	-	-
Cement	M.T.	-	-	-	-	-	-	-	-
Clinker	M.T.	-	-	-	-	-	-	-	-
Paper	M.T.	2901	1101	392	2901	40889	37422	8	7
Paper (Including Paper Board/Straw Board)	M.T.	6168	2047	7348	6168	22343	11363	13335	21836
Rayon and/or Paper	M.T.	2013	4989	2108	2013	84400	88358	27	4
Grade Pulp	M.T.	1015	3879	3704	1015	82092	91466	2	3
Bagasse Based Paper	M.T.	3779	1407	1498	3779	14970	11174	-	-
Recycle Based Paper	M.T.	-	-	-	-	-	-	-	-
Prime Grade Tissue Paper	M.T.	-	-	-	-	-	-	-	-
Others	M.T.	(b) 4.10	(b) 3.58	(b) 4.39	(b) 4.10	131.43	113.41	-	-
Goods traded in :									
Garments	Pcs.	345122	538936	375070	345122	470827	605489	373	(6056)
Fabrics	Mtrs.	7299	50761	6958	7299	45306	48046	-	(670)
Cut Rose Flowers	Nos.	-	-	-	-	66030	110822	-	-
Rose Plants	Nos.	-	-	-	-	15200	-	-	-
Refined Salt	M.T.	-	-	-	-	3968	13038	-	-
Towels	Pcs.	43139	-	60379	43139	16914	5635	10585	-
Made Up	Sets	-	-	1014	-	5497	-	3133	-
Others	Sets	-	0.14	-	-	-	-	-	-
Total :		237.41	157.36	237.13	237.41	5158.80	4865.43		

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

(b) Includes Rs.0.34 Crore (31.03.2010 Rs.0.23 Crores ; 01.04.2009 Rs.0.40 Crore) under Material in process.

(c) See Note 8

(@) Including Conversions

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

8. Sales are net of cash discounts Rs. 45.29 Crore (2009-2010 Rs. 45.11 Crore).

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

(A) Raw Materials Consumed :

	Unit	2010-2011		2009-2010	
		Quantity	(Rs. in Crore)	Quantity	(Rs. in Crore)
a) Cloth, Cotton / Blended Yarn					
Cotton	Kgs.	21064399	210.12	18449981	140.92
Cotton Yarn	Kgs.	3823020	48.81	2153607	30.18
b) Rayon Yarn, Tyre Yarn					
Wood Pulp	M.T.	8763	60.18	6782	51.05
Sulphur	M.T.	35997	28.88	37137	18.46
c) Cement					
Limestone	M.T.	7913000	139.64	8011133	129.23
Gypsum	M.T.	283486	51.54	298142	56.76
Pozzolana	M.T.	1854031	108.36	1890108	99.49
Slag	M.T.	146057	13.21	176379	9.95
Laterite	M.T.	163800	11.11	237413	8.81
Shale	M.T.	2962	0.02	-	-
Iron Ore	M.T.	74943	8.42	14609	1.37
Clinker	M.T.	11830	2.48	-	-
d) Paper					
Eucalyptus Wood	M.T.	231322	148.02	223485	116.97
Pulp for Paper	M.T.	24434	95.32	39025	106.32
Bagasse	M.T.	433129	120.69	358808	117.52
Waste Paper	M.T.	107398	191.96	107723	162.28
Bamboo	M.T.	10013	6.89	8346	4.65
e) Others			22.41		15.99
Total :			1268.06		1069.95

(B) Purchase of Finished Goods for Trade:

	Unit	2010-2011		2009-2010	
		Quantity	(Rs. in Crore)	Quantity	(Rs. in Crore)
Garments	Pcs.	501148	16.43	405619	11.17
Fabrics	Mtrs.	44965	0.39	3914	0.17
Cut Rose Flowers	Nos.	66030	0.02	98910	0.03
Rose Plants	Nos.	15200	0.01	-	-
Refined Salt	M.T.	3968	0.68	13038	2.60
Towels	Pcs.	44739	0.17	51194	0.16
Made Ups	Sets	9644	0.35	-	-
Others			0.38		0.60
Total :			18.43		14.73

SCHEDULE "17" (Contd.)

NOTES FORMING PART OF THE ACCOUNTS : (Contd.)

9. (C) Imported and Indigenous Consumption:

	2010-2011		2009-2010	
	(Rs. in Crore)	Percentage	(Rs. in Crore)	Percentage
(a) Raw Materials :				
Imported	251.57	19.84	242.38	22.65
Indigenous	1016.49	80.16	827.57	77.35
	1268.06	100.00	1069.95	100.00
(b) Spare Parts				
Imported	40.98	17.30	34.35	24.12
Indigenous	195.87	82.70	108.04	75.88
	236.85	100.00	142.39	100.00

	2010-2011	2009-2010
	(Rs. in Crore)	(Rs. in Crore)
10. (a) Cost of raising and transporting Limestone, Shale and Laterite :		
Stores and Spare Parts consumed	17.22	10.80
Power and Fuel	11.03	11.82
Building Repairs	0.83	0.86
Machinery Repairs	1.43	1.12
Royalty and Cess	49.23	44.04
Payments to and Provisions for employees	10.12	9.37
Insurance	0.11	0.08
Hire Charges of Mining Equipments	21.34	23.85
Other Expenses	4.23	2.80
	115.54	104.74
Depreciation and Amortisation	1.60	1.34
Total :	117.14	106.08
(b) Floriculture Cultivation Expenses :		
* Stores, Spares and Packing Material Consumed	0.69	0.77
Cultivation Expenses and Propagation	0.02	0.14
Polyhouse Repairs and Maintenance	0.07	0.02
Salaries, Wages, etc.	0.32	0.39
Contribution to Provident and Other Funds	0.01	0.01
Provident and Other Fund Expenses	(Rs.9117)	(Rs.12512)
Welfare Expenses	0.03	0.03
Floral Maintenance	-	(Rs.14400)
Total :	1.14	1.36
* Includes Pesticides, Chemicals, Manures and Fertilizers.		

SCHEDULE "17" (Contd.)**NOTES FORMING PART OF THE ACCOUNTS : (Contd.)****11. LAND DEVELOPMENT AT WORLI, MUMBAI:**

Construction of two commercial buildings with car parking spaces etc. has commenced on the Company's freehold land at Worli, Mumbai as permitted by the relevant regulations. The buildings will cover a constructed area of about 13 lac square feet and are expected to be completed by late 2011-12.

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

Pursuant to the above, the effect of exchange differences on long term foreign currency monetary items, so far as they relate to acquisition of depreciable capital assets, have been adjusted to the cost of such assets and depreciated over their remaining useful lives. Accordingly net exchange gain relating to the financial year 2010-2011 amounting to Rs. Nil (Previous year Rs. 0.73 Crore), has been adjusted to the cost of fixed assets.

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

13. Revenue expenditure on Research and Development activities relating to Government recognised in-house Research and Development laboratories incurred and charged out during the year through the natural heads of account, aggregate Rs. 0.57 Crore (2009-2010 Rs. 0.48 Crore). No Capital expenditure on Research and Development has been incurred during the year.

	2010-2011 (Rs. in Crore)	2009-2010 (Rs. in Crore)
14. (a) Managerial Remuneration under Section 198 of the Companies Act, 1956 to the Whole-time Director :		
Salary	1.66	1.51
Contribution to:		
Provident Fund	0.04	0.04
Superannuation Fund	0.06	0.05
Perquisites	0.06	0.01
Total :	1.82 *	1.61 *
* As the employee-wise break-up of liability on account of Employee Benefits based on actuarial valuation is not available, the amounts relatable to the Whole-time Director are not considered.		
(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	343.85	523.53
Add / (Less) :		
Managerial Remuneration	2.82	2.61
Directors Sitting Fees	0.08	0.10
Surplus on Sale of Fixed Assets as per Section 349	(18.44)	(2.14)
Loss on Sale of Investment	0.22	0.06
Prior Period Adjustments	-	(0.19)
	328.53	523.97
Commission Payable to Non - whole time Directors @ 1%	3.29	5.24
Restricted to :	1.00	1.00

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

	2010-2011 (Rs. in Crore)	2009-2010 (Rs. in Crore)
15. Auditors' Remuneration :		
(a) Statutory Auditors :		
As Auditors	1.08	0.98
In Other Capacity :		
Tax Audit Fees	0.17	0.17
Certificates and other jobs	<u>0.35</u>	<u>0.39</u>
	0.52	0.56
For Expenses	0.11	0.07
Total :	<u>1.71</u>	<u>1.61</u>
(b) Cost Auditor		
As Auditor	0.04	0.04
For Expenses	(Rs.21332)	(Rs.13292)
Total :	<u>0.04</u>	<u>0.04</u>
16. C.I.F. value of Imports and Expenditure in Foreign Currency :		
(a) C.I.F. Value of Imports (Including in Transit) :		
Raw Materials	198.40	238.99
Spare Parts, etc.	44.17	29.45
Capital Goods	101.62	601.29
(b) Expenditure in Foreign Currency : (including expenses capitalised)		
Interest and Finance charges	9.12	3.87
Technical Supervision charges	15.38	4.53
Other Matters	3.28	5.04
17. (a) Earnings in Foreign Currency :		
F.O.B. value of exports	288.22	237.40
Dividend	0.06	0.06
Sale proceeds of assets	-	3.74
Others	0.17	-
(b) Total exports during the year :		
Exports in Foreign Currency	298.13	247.12
Exports in Indian Currency	<u>30.24</u>	<u>70.72</u>
	328.37	317.84
Sales to Merchants - For exports	26.13	18.19
Deemed exports	11.01	35.60
	<u>365.51</u>	<u>371.63</u>

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

(Rs.in Crore)

	As at 31.3.2010	Charge/Credit during the year	As at 31.3.2011
18. Deferred Taxation :			
Deferred Tax Liability on account of :			
(i) Depreciation	357.55	0.14	357.69
	<u>357.55</u>	<u>0.14</u>	<u>357.69</u>
Deferred Tax Asset on account of :			
(i) Payments under Voluntary Retirement Scheme	26.35	(19.50)	6.85
(ii) Expenses allowable for tax purpose when paid	65.97	5.51	71.48
(iii) Earned Leave	10.39	1.40	11.79
(iv) Provision for Doubtful Debts and Advances	3.50	0.13	3.63
	<u>106.21</u>	<u>(12.46)</u>	<u>93.75</u>
Net Deferred Tax Liability / (Asset) :	<u>251.34</u>	<u>12.60</u>	<u>263.94</u>

19. Related Party Information**1. Relationships :**

- (a) Where significant influence exists :
- (i) Pilani Investment and Industries Corporation Limited
 - (ii) Kesoram Insurance Broking Services Limited.
 - (iii) Vasavadatta Services Limited.
 - (iv) Industry House Limited
 - (v) Bander Coal Company Private Limited
- (b) Key Management Personnel :
- Shri B.L. Jain (Whole-time Director)
- (c) Other Related Parties :
- (1) Shri B.K. Birla
 - (2) Kesoram Industries Ltd
 - (3) Century Enka Ltd
 - (4) 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 "17" (Contd.)**NOTES FORMING PART OF THE ACCOUNTS : (Contd.)****19. Related Party Information (Contd.)****2. Transactions with related parties :**

(Rs. in Crore)

Particulars	Related Parties		
	Referred in	Referred in	Referred in
	1(a) above	1(b) above	1(c) above
Purchases :			
Goods and Material	- (-)	- (-)	1.22 (1.28)
Sales :			
Goods and Material	- (-)	- (-)	51.97 (39.53)
Sale of Assets	- (-)	- (-)	0.08 (-)
Additional Subscription paid on Exercise of option to convert 500000 Preferential Warrants to Equity Shares	- (-)	- (-)	7.09 (-)
Subscription of Preferential Warrants	- (-)	- (-)	- (9.93)
Subscription of Equity Share Capital	- (0.38)	- (-)	- (-)
Expenses :			
Rent and Other Services	0.27 (0.41)	- (-)	0.42 (0.39)
Directors Fees and Expenses	- (-)	- (-)	0.01 (0.01)
Commission to Director	- (-)	- (-)	0.17 (0.17)
Remuneration	- (-)	1.82 (1.61)	- (-)
Income :			
Rent and Other Services	- (-)	- (-)	0.22 (4.20)
Outstandings :			
Payable	- (0.10)	- (-)	0.25 (0.05)
Commission to Director	- (-)	- (-)	0.16 (0.15)
Receivable	- (-)	- (-)	6.06 (3.79)
Deposit Received	- (-)	- (-)	0.04 (0.04)

Note:- Previous year Figures are given in brackets

SCHEDULE "17" (Contd.)

NOTES FORMING PART OF THE ACCOUNTS : (Contd.)

20. SEGMENT INFORMATION

A. Information about Business Segment - Primary

(Rs. in Crore)

S.No. Particulars	Textile		Cement		Pulp and Paper		Others		Total	
	2010-2011	2009-2010	2010-2011	2009-2010	2010-2011	2009-2010	2010-2011	2009-2010	2010-2011	2009-2010
1. Segment Revenue										
Sales	1160.21	839.20	2478.78	2694.33	1092.14	947.10	95.48	84.44	4826.61	4565.07
Less: Inter Segment Revenue	56.22	37.91	12.56	7.77	81.15	66.49	-	-	149.93	112.17
Net Revenue from Operations	1103.99	801.29	2466.22	2686.56	1010.99	880.61	95.48	84.44	4676.68	4452.90
2. Result										
Segment Result	8.59	(63.61)	434.31	830.81	19.07	(40.27)	10.78	14.95	472.75	741.88
Add / (Less) :										
Inter Segment (Profit) / Loss									(2.08)	0.27
Net Segment Result									470.67	742.15
Unallocated Corporate Expense (Net of Income)									7.48	34.51
Operating Profit									463.19	707.64
Less: Interest (Net)									115.56	96.14
Total Profit before exceptional Item and Tax									347.63	611.50
Add / (Less) :										
Exceptional Items relating to discontinued operations									(3.78)	(88.16)
Total Profit / (Loss) before Tax									343.85	523.34
Add / (Less) :										
Short Provision for Income Tax									(2.11)	(16.50)
Provision for Current Tax									(91.00)	(205.50)
Deferred Tax (Charge) / Credit									(12.60)	38.74
Provision For Wealth Tax									(0.65)	(0.61)
Net Profit after tax									237.49	339.47
3. Other Information										
Segment Assets @	1630.80	1500.60	1244.84	1001.23	2988.03	2469.77	312.16	148.69	6175.83	5120.29
Add: Unallocated common Assets									772.17	637.62
Total Assets									6948.00	5757.91
Segment Liabilities @	191.35	181.45	405.48	351.14	169.63	169.62	38.96	22.88	805.42	725.09
Add: Unallocated Common Liabilities									4189.48	3257.62
Total Liabilities									4994.90	3982.71
4. Capital Expenditure during the year (excluding advances)	36.18	28.41	144.44	72.32	544.83	1047.15	148.92	58.10	874.37	1205.98
Add: Unallocated Capital Expenditure									-	0.02
									874.37	1206.00
5. Depreciation and amortisation *	95.32	95.08	68.12	68.34	72.28	67.06	5.36	5.20	241.08	235.68
Add: Unallocated Depreciation									0.29	0.24
									241.37	235.92
6. Non Cash Expenditure	1.83	-	-	-	-	-	-	-	1.83	-
Add: Unallocated Non Cash Expenditure									-	113.27
									1.83	113.27

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

@ Including projects under implementation.

SCHEDULE "17" (Contd.)**NOTES FORMING PART OF THE ACCOUNTS : (Contd.)****20. SEGMENT INFORMATION****B. Secondary Segment - Geographical by Customers**

(Rs. in Crore)

Sr. No.	Particulars	Total 2010-2011	Total 2009-2010
1.	Segment Revenue		
	In India	4348.31	4135.06
	Outside India	328.37	317.84
	Total	4676.68	4452.90
2.	Carrying Cost of Assets by location of Assets		
	In India	6141.66	5095.31
	Outside India	34.17	24.98
	Total	6175.83	5120.29
	Unallocated	772.17	637.62
	Total	6948.00	5757.91
3.	Addition to Assets and Intangible Assets		
	In India	874.37	1206.00
	Outside India	-	-
	Total	874.37	1206.00
	Unallocated	-	-
	Total	874.37	1206.00

C. Other Disclosures

1. 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.
2. Company has disclosed Business Segment as the primary segment.
3. 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, Writing & Printing paper, Tissue paper, Multilayer packaging Board and Fibre line. |
| c. Cement | Cement and Clinker. |
| d. Others | Salt Works, Chemicals, Floriculture and Real Estate. |

4. Inter segment revenues are recognised at works / factory costs of the transferor unit / division or at Sales Price.
5. The Segment Revenue, Results, Assets and Liabilities include the respective amounts identifiable to each segment and amounts allocated on a reasonable basis.

SCHEDULE "17" (Contd.)

NOTES FORMING PART OF THE ACCOUNTS : (Contd.)

21. Disclosures of Derivatives

(a) Hedging commitments outstanding :

	(In Million)		
	31.03.2011	31.03.2011	31.03.2011
	Forward	Forward	Forward
Foreign Currency	USD	Euro	CAD
1) Debtors	0.91	3.77	-
	(-)	(1.72)	(-)
2) Creditors	1.47	-	-
	(0.66)	(-)	(-)
3) Loan taken	2.17	68.98	2.35
	(2.70)	(59.16)	(2.35)
4) Other payables	0.92	4.27	0.02
	(0.75)	(0.62)	(0.03)
5) Other receivables	4.82	0.32	-
	(-)	(-)	(-)

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

(c) Uncovered risks :

	(In Million)				
	31.03.2011	31.03.2011	31.03.2011	31.03.2011	31.03.2011
Foreign Currency	USD	GBP	EURO	JPY	CHF
1) Debtors	1.56	0.04	0.05	-	-
	(1.97)	(0.05)	(0.74)	(0.79)	(-)
2) Creditors	1.09	-	0.04	-	-
	(1.30)	(-)	(0.28)	(-)	(0.01)
3) Loan taken	-	-	-	-	-
	(6.46)	(-)	(0.06)	(-)	(-)
4) Bank balance					
In EEFC account	* USD 2312	-		-	-
	(* USD 2312)	(* GBP 1293)	(* EURO 1292)	(-)	(-)
5) Other receivables	0.67	* GBP 3399	1.67	-	1.00
	(2.21)	(0.01)	(4.33)	(0.11)	* CHF 3780
6) Other payables	0.55	-	0.21	-	-
	(7.17)	(-)	(0.32)	(-)	(-)

* At Actuals

Note- Previous year figures are given in brackets.

SCHEDULE "17" (Contd.)**NOTES FORMING PART OF THE ACCOUNTS : (Contd.)****22. Prior period adjustments represent :**

	2010-2011 (Rs. in Crore)	2009-2010 (Rs. in Crore)
(a) Depreciation adjustments	-	0.08
(b) Debit relating to earlier years	-	(0.27)
	<u>-</u>	<u>(0.19)</u>
23. Exceptional Items :		
(i) Voluntary Retirement Scheme	-	(87.77)
(ii) Gratuity, exit payments, etc.	(3.78)	(1.90)
(iii) Surplus on Sale of Assets of erstwhile Textile Mill at Worli, Mumbai	-	1.51
	<u>(3.78)</u>	<u>(88.16)</u>

24. Sundry Creditors include amounts provided in respect of known contractual risks, litigation cases and pending assessments in respect of taxes, duties and other levies / claims, the actual outflow on which will depend on the outcome of the respective proceedings.

The movements in the above account are summarized below:-

					(Rs. in Crore)
Sr.No.	Nature of liability	As at 31.03.2010	Amounts provided for during the year	Amounts paid / written back during the year	As at 31.03.2011
1	Water Charges	52.43	5.72	0.22	57.93
2	Octroi Duty	29.46	3.42	0.11	32.77
3	Mandi Samiti Shulk and Interest thereon	22.84	8.49	-	31.33
4	Entry Tax / Sales Tax	46.62	11.01	1.00	56.63
5	Excise Duty	7.30	-	-	7.30
6	Lease Tax and Interest thereon	7.90	0.24	4.61	3.53
7	Cess	9.23	2.40	-	11.63
8	Reimbursement of Taxes to suppliers, etc.	6.34	-	0.01	6.33
9	Claims against Lease Rentals	5.26	-	-	5.26
10	Others	7.44	-	1.12	6.32
	Total :	<u>194.82</u>	<u>31.28</u>	<u>7.07</u>	<u>219.03</u>

SCHEDULE "17" (Contd.)

NOTES FORMING PART OF THE ACCOUNTS : (Contd.)

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

- (a) An amount of Rs. 9.62 Crore (2009-2010 Rs. 9.62 Crore) as contribution towards defined contribution plans is recognised as expense in the Profit and Loss Account.
- (b) The disclosures in respect of the Defined Benefit Gratuity Plan are given below :

	31.03.2011 (Rs. in Crore)	31.03.2010 (Rs. in Crore)			
(i) Changes in present value of obligations					
Present value of Obligations as at the beginning of the year	119.22	114.41			
Interest Cost	8.52	7.93			
Current Service Cost	14.41	45.75			
Benefits Paid	(11.20)	(17.38)			
Actuarial (gain) / loss on obligation	(4.78)	(31.49)			
Present value of Obligations as at the end of the year	126.17	119.22			
(ii) Changes in Fair Value of plan assets					
Fair value of plan assets as at the beginning of the year	119.42	108.16			
Expected return on Plan Assets	9.57	8.71			
Contributions	11.50	18.75			
Benefits Paid	(11.20)	(17.38)			
Actuarial gain / (loss) on Plan Assets	1.06	1.18			
Fair value of plan assets as at the end of the year	130.35	119.42			
(iii) Amounts to be recognised in the Balance Sheet and Profit and Loss Account					
Present value of Obligations as at the end of the year	126.17	119.22			
Fair Value of Plan Assets as at the end of the year	130.35	119.42			
Funded Status	4.18	0.20			
Net Asset / (Liability) recognised in the Balance Sheet	4.18	0.20			
(iv) Expense recognised in the Profit and Loss Account					
Current Service Cost	14.41	45.75			
Interest Cost	8.52	7.93			
Expected return on Plan Assets	(9.57)	(8.71)			
Net Actuarial (gain)/loss on Plan Assets for the period	(5.84)	(32.67)			
Expense recognised in the statement of Profit and Loss Account	7.52	12.30			
(v) Percentage of major category of plan assets to total plan assets as at the end of the year					
Bank Deposit, etc.	19%	20%			
Debt Instruments	81%	80%			
(Rs. in Crore)					
(vi) Assumptions :	<u>31-03-2011</u>	<u>31-03-2010</u>	<u>31-03-2009</u>	<u>31-03-2008</u>	<u>31-03-2007</u>
Mortality	LIC(1994-96) Ult	LIC(1994-96) Ult	LIC(1994-96) Ult	LIC(1994-96) Ult	LIC(1994-96) Ult
Discount Rate	8.50%	7.50%	7.50%	7.50%	7.50%
Rate of Increase in compensation	3 to 6 %	3 to 6 %	3 to 6 %	5% to 8%	4.50%
Rate of return (expected) on plan assets	8.00%	8.00%	8.00%	8.00%	8.00%
Withdrawal Plan	1% to 11%	1% to 10%	0.80% to 6%	0.80%	0.80%
Present value of Obligations	126.17	119.22	114.41	107.67	104.50
Fair Value of plan assets	130.35	119.42	108.16	107.67	104.50
Surplus or (Deficit) in the plan	4.18	0.20	(6.25)	-	-
Experience Adjustment - (Gain) / Loss	(12.30)	(31.24)	8.20	2.33	50.65
The estimate of future salary increases considered in actuarial valuation takes into account inflation, seniority, promotion and other relevant factors.					

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

	2010-2011 (Rs. in Crore)	2009-2010 (Rs. in Crore)
26. Computation of Profit for Earnings per Share:		
Profit for the year after tax	239.60	356.16
Add/(Less) : Tax adjustments in respect of Earlier years (net)	(2.11)	(16.50)
Prior period adjustments (Net)	-	(0.19)
Profit including Exceptional Items	237.49	339.47
Add : Exceptional Items (net of taxes)	2.52	59.06
Profit excluding Exceptional Items	240.01	398.53

27. Figures less than Rs.50000 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 **DALAL AND SHAH**
Firm Registration Number 102021 W
Chartered Accountants

B. K. BIRLA, Chairman

S. VENKATESH
Partner
Membership No: F-037942
Mumbai : 2nd May, 2011

D. K. AGRAWAL
Secretary

B. L. JAIN
Whole-time Director

Mumbai : 2nd May, 2011

Directors
PRADIP KUMAR DAGA
ARVIND C. DALAL
AMAL GANGULI

Statement referred to in Note 29 in Schedule – 17 to the Accounts for the year ended 31st March, 2011.

STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

I. BASIS OF ACCOUNTING:

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

II. USE OF ESTIMATES:

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

III. REVENUE RECOGNITION:

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

IV. FIXED ASSETS AND DEPRECIATION / AMORTISATION:

A) FIXED ASSETS:

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

B) DEPRECIATION / AMORTISATION:

a) LEASEHOLD LAND:

Cost of Leasehold land is amortised over the lease period.

b) OTHER FIXED ASSETS:

- i) Depreciation on all assets is provided on the 'Straight Line Method' in accordance with the provisions of Section 205 (2) (b) of the Companies Act, 1956.
- ii) Depreciation on Revalued Assets is calculated on their respective book values, at the rates considered applicable by the valuers. The additional charge of depreciation on account of revaluation is withdrawn from the Revaluation Reserve and credited to the Profit and Loss Account.
- iii) Improvements to leased premises are amortised over the period of the lease / charged off on premature termination of lease.
- iv) Depreciation on other assets, except to the extent stated in (a) and [(b) (ii) and (iii)] above, has been provided on the Straight Line Method at the rates and in the manner prescribed in Schedule XIV to the Companies Act, 1956.
- v) Depreciation on additions to assets or on sale/disposal of assets is calculated pro-rata from the month of such addition, or upto the month of such sale/disposal, as the case may be.

V. INVESTMENTS:

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

VI. FOREIGN CURRENCY TRANSLATIONS:

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

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

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

VII. INVENTORY VALUATION:

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

VIII. EMPLOYEE BENEFITS:

- a) **Short term employee benefits** are recognised as an expense at the undiscounted amount in the Profit and Loss Account of the year in which the related service is rendered.
- b) **Post employment benefits**
 - i. Defined contribution plans:
Company's contribution to the superannuation scheme, state governed provident fund scheme, etc. are recognised during the year in which the related service is rendered
 - ii. Defined benefit plans:
 - *Gratuity*
The present value of the obligation is determined based on an actuarial valuation, using the Projected Unit Credit Method. Actuarial gains and losses arising on such valuation are recognised immediately in the Profit and Loss Account. The fair value of the plan assets of the Trust administered by the Company, is reduced from the gross obligation under the defined benefit plan, to recognise the obligation on a net basis;
 - *Provident Fund*
For certain employees, monthly contributions are made to a Trust administered by the Company. The interest rate payable by the Trust to the beneficiaries is notified by the Government. The Company has an obligation to make good the shortfall, if any, between the return on investments of the Trust and the notified interest rate.

c) Long term compensated absences are provided on the basis of an actuarial valuation

d) **Termination Benefits**

Termination benefits are recognised as and when incurred.

IX. GOVERNMENT GRANTS:

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

X. RESEARCH AND DEVELOPMENT :

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

XI. EXPENDITURE DURING CONSTRUCTION AND EXPENDITURE ON NEW PROJECTS:

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

XII. BORROWING COSTS:

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

XIII. PREMISES TAKEN ON LEASE:

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

XIV. TAXATION:

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

XV. IMPAIRMENT OF ASSETS :

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

XVI. PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS :

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

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

I. Registration Details:

Registration No. State Code Balance Sheet Date
Date Month Year

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

Public Issue Right Issue Bonus Issue Private Placement

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

Total Liabilities Total Assets

Sources of Funds:

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

Application of Funds:

Net Fixed Assets: Investments Net Current Assets Misc. Expenditure

Accumulated Losses

IV. Performance of Company (Rs. in Crores)

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

Earning Per Share in Rs. Dividend rate %

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

Item Code No. (ITC Code)	Product Description
<input type="text" value="252329"/>	<input type="text" value="OTHER GREY PORTLAND CEMENT"/>
Item Code No. (ITC Code)	Product Description
<input type="text" value="480200"/>	<input type="text" value="PAPER"/>
Item Code No. (ITC Code)	Product Description
<input type="text" value="540332"/>	<input type="text" value="VISCOSE FILAMENT YARN"/>

FINANCIAL INFORMATION FOR FIVE YEARS

OPERATING RESULTS

(Rs. in crore)

FINANCIAL YEAR	2010-11	2009-10	2008-09	2007-08	2006-07
INCOME					
Sales (Net of rebates and returns)	5132.92	4833.22	4215.91	3850.64	3506.31
Less: Excise Duty	456.24	380.32	400.22	408.03	366.15
	4676.68	4452.90	3815.69	3442.61	3140.16
Other Income (Including Operating Income)	125.41	94.67	74.97	70.13	74.64
	4802.09	4547.57	3890.66	3512.74	3214.80
EXPENDITURE					
Materials & Overheads (+/- Stock Adj.)	4096.59	3601.07	3199.70	2764.11	2516.19
PROFIT BEFORE EXCEPTIONAL ITEMS, INTEREST, DEPRECIATION AND TAX					
	705.50	946.50	690.96	748.63	698.61
Less : Exceptional Items (Net)	3.78	88.16	36.43	93.93	142.37
PROFIT BEFORE INTEREST, DEPRECIATION AND TAX					
	701.72	858.34	654.53	654.70	556.24
Less : Interest and Finance Charges	118.21	100.53	103.01	89.18	59.52
PROFIT BEFORE DEPRECIATION AND TAX					
	583.51	757.81	551.52	565.52	496.72
Less : Depreciation (including arrears of depreciation)	239.66	234.47	231.59	195.45	144.18
Less : Tax (Net) - Including Deferred Tax	106.36	183.87	83.39	90.64	79.73
NET PROFIT					
	237.49	339.47	236.54	279.43	272.81
DIVIDEND (%)					
	55.00%	55.00%	45.00%	45.00%	37.50%
Earnings per Share (Rs.) (Including Exceptional Items)					
	25.52	36.48	25.42	30.03	29.32
BOOK VALUE PER SHARE (Rs.)					
	236.58	216.09	178.98	145.81	117.74

SOURCE AND APPLICATION OF FUNDS

(Rs. in crore)

	As on 31.03.2011	As on 31.03.2010	As on 31.03.2009	As on 31.03.2008	As on 31.03.2007
A. SOURCE OF FUNDS					
Shareholders' Funds :					
Share Capital	93.04	93.04	93.04	93.04	93.04
Reserves & Surplus (including Revaluation Reserve)	1860.06	1682.16	1402.48	1210.86	980.56
	1953.10	1775.20	1495.52	1303.90	1073.60
Loan Funds	3008.53	2366.79	1758.29	1416.78	1300.38
Deferred Tax Liability (Net)	263.94	251.34	290.08	250.83	258.43
	5225.57	4393.33	3543.89	2971.51	2632.41
B. APPLICATION OF FUNDS					
Fixed Assets (Gross)	6809.14	5962.18	4778.07	4325.69	3646.84
Depreciation	2412.06	2190.43	1970.03	1984.27	1797.06
Fixed Assets (Net)	4397.08	3771.75	2808.04	2341.42	1849.78
Investments	68.36	58.43	46.54	27.70	15.94
Current Assets (Net)	760.13	563.15	585.26	420.88	546.93
Miscellaneous Expenditure (to the extent not written off)	-	-	104.05	181.51	219.76
	5225.57	4393.33	3543.89	2971.51	2632.41

Century Textiles and Industries Limited

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

PLEASE FILL THIS ATTENDANCE SLIP AND HAND IT OVER AT ENTRANCE OF THE MEETING HALL

DP. Id*	
Client Id*	

Folio No.	
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NAME AND ADDRESS OF THE SHAREHOLDER _____

No. of shares held _____

I/We certify that I am/We are the registered shareholder(s) / Proxy for the registered shareholder(s) of the Company.

I/We hereby record my/our presence at the 114th ANNUAL GENERAL MEETING at Nehru Centre Auditorium, Discovery of India Building, Dr. Annie Besant Road, Worli, Mumbai-400 018 on Saturday, the 13th August, 2011 at 3.30 P.M.

Signature of the Shareholder(s) 1. _____ 2. _____
3. _____ 4. _____

Signature of the Proxyholder 1. _____

* Applicable for investors holding shares in electronic form.

.....✂.....✂.....

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Folio No.	
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I/We _____

being a Member/Members of CENTURY TEXTILES AND INDUSTRIES LTD. hereby appoint

_____ of _____

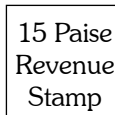
(or failing him) _____ of _____

(or failing him) _____ of _____

as my/our Proxy to attend and vote for me/us and on my/our behalf at the 114th Annual General Meeting of the Company to be held on Saturday, the 13th August, 2011 at 3.30 p.m. and at any adjournment thereof.

AS WITNESS my hand/our hands this _____ day of _____ 2011

Signature _____



* Applicable for investors holding shares in electronic form.

Note : The Proxy must be deposited at the Registered Office of the Company at Century Bhavan, Dr. Annie Besant Road, Worli, Mumbai-400 030 not less than 48 hours before the time for holding the Meeting. The proxy need not be a member of the Company.



B K BIRLA GROUP OF COMPANIES

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

Atlas, the Titan - Collective Strength

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

The Sun - Enlightenment and Growth

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

The Earth Segments - Diversified Activities

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

The Globe - Global Vision

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

The Base - Solid Foundations

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

The Symmetry - The Resilience, Versatility, and Stability

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

STRONG FOUNDATION • SUSTAINED GROWTH • PROVEN LEADERSHIP

CENTURY TEXTILES AND INDUSTRIES LIMITED

Regd. Office: Century Bhavan, Dr. Annie Besant Road, Worli, Mumbai 400 030
Company's Website: www.centurytextind.com

BIRLA CENTURY

बिरला सेंच्युरी

Fabrics
Bed Linen
Apparels

A Division of Century Textiles & Industries Ltd.



*New Retail Store for Fabrics, Madeups & Ready to Wear Garments
at
Century Bhavan, Worli, Mumbai - 400 030*