

# DIRECTORS' REPORT

Dear Shareholders,

We are pleased to present the 127<sup>th</sup> Annual Report of the Company, accompanied by the audited statement of accounts for the year ended March 31, 2024. As we step into a new world emerging from the Covid pandemic, our Company is navigating through uncertainties stemming from inflationary pressures post-pandemic recovery and the challenges posed by the Ukraine-Russia conflict and the Israel-Hamas war. Despite these challenges, our Company has maintained growth momentum, with improved profitability in the continuing operations for the financial year 2023-24 after accounting for all expenses and interest costs. We remain vigilant, regularly monitoring our business operations, and exerting every effort to ensure the well-being of our staff and workers across all our offices and manufacturing plants.

The summarized financial results are given below.

## 1. SUMMARISED FINANCIAL RESULTS:

PARTICULARS	(₹ in Crores)			
	Standalone		Consolidated	
	2023-24	2022-23	2023-24	2022-23
<b>Continuing Operations</b>				
Earnings before Exceptional items, Finance Cost, Tax, Depreciation and Amortisation and Share of Profit/ (Loss) of Joint-Venture (EBITDA)	882.71	745.29	717.67	593.30
Less: Finance Cost	96.42	69.52	35.51	34.22
<b>Profit before Exceptional items, Tax Depreciation and Amortisation and Share of Profit / (Loss) of Joint-Venture</b>	<b>786.29</b>	<b>675.77</b>	<b>682.16</b>	<b>559.08</b>
Less: Depreciation and Amortisation expenses	201.34	191.65	209.87	195.93
<b>Profit before Exceptional items, Tax and Share of Profit / (Loss) of Joint Venture</b>	<b>584.95</b>	<b>484.12</b>	<b>472.29</b>	<b>363.15</b>
Add: Exceptional item	-	134.21	-	134.21
<b>Profit before Tax and Share of Profit/ (Loss) of Joint Venture</b>	<b>584.95</b>	<b>618.33</b>	<b>472.29</b>	<b>497.36</b>
Less: Share of Profit/(Loss) of Joint Venture	-	-	(22.40)	(1.84)
<b>Profit before tax</b>	<b>584.95</b>	<b>618.33</b>	<b>449.89</b>	<b>495.52</b>
Less/(Add):				
Current Tax	72.29	92.84	117.45	92.84
Deferred Tax	115.11	98.99	27.39	79.54
Deferred tax relating to earlier period	0.19	0.55	0.19	0.55
<b>Profit after tax from continuing operations</b>	<b>397.36</b>	<b>425.95</b>	<b>304.86</b>	<b>322.59</b>
<b>Discontinued Operations</b>				
Add / (Less):				
Loss before tax from discontinued operations	(164.71)	(88.67)	(162.07)	(89.27)
Loss on remeasurement to Net Realisable Value	(214.00)	-	(214.00)	-
Tax (Expense)/ Income of discontinued operations	132.51	31.03	131.59	31.23
<b>Loss from discontinued operations</b>	<b>(246.20)</b>	<b>(57.64)</b>	<b>(244.48)</b>	<b>(58.04)</b>
<b>Net Profit for the year</b>	<b>151.16</b>	<b>368.31</b>	<b>60.38</b>	<b>264.55</b>
Other Comprehensive Income	(1.00)	1.19	(1.40)	0.18
<b>Total Comprehensive Income</b>	<b>150.16</b>	<b>369.50</b>	<b>58.98</b>	<b>264.73</b>
(Gain)/Loss Attributable to Non-Controlling Interest	-	-	(9.85)	7.33
<b>Total Comprehensive Income of the Company</b>	<b>150.16</b>	<b>369.50</b>	<b>49.13</b>	<b>272.06</b>
<b>Retained Earnings</b>				
Balance brought forward	1958.65	1633.83	1660.95	1433.57
Total comprehensive Income for the year	150.16	369.50	49.13	272.06
Equity Dividend	(55.23)	(44.68)	(55.23)	(44.68)
Balance carried forward	2053.58	1958.65	1654.85	1660.95



## DIRECTORS' REPORT (Contd.)

The performance of each business segment of the Company has been comprehensively discussed in the Management Discussion and Analysis Report (forming part of the Annual Report).

### 2. DIVIDEND:

The Board of Directors has recommended a dividend of 50% i.e., ₹ 5/- (Rupees Five only) per share, of the face value of ₹ 10/- each, for your approval which will be subject to applicable tax in the hands of shareholders. This dividend will be paid when declared by the shareholders, in accordance with law. The aggregate amount of dividend will absorb ₹ 55.85 Crores. Last year the dividend was paid @ 50% subject to applicable tax in the hands of shareholders.

### 3. TRANSFER TO RESERVES:

The Board of Directors of your Company has decided not to transfer any amount to the General Reserves out of retained earnings, for the year ended 31<sup>st</sup> March, 2024.

### 4. SHARE CAPITAL:

The Company's paid-up equity Share Capital remains at ₹ 111.69 Crores as on 31<sup>st</sup> March, 2024. During the year, the Company has not issued any Shares or Convertible Securities.

### 5. EXPORTS:

The total exports of the Company amounted to ₹ 268.94 Crores (Previous year ₹ 306.62 Crores) representing about 6.71% of its turnover from continuing operations.

### 6. CREDIT RATING:

Your Company has adequate liquidity and a strong balance sheet. CRISIL reaffirmed their credit rating as 'CRISIL AA' / 'CRISIL A1+' respectively for Long-Term and Short-Term financial instruments of the Company. This stands as a testament to your Company's sound financial management and its capacity to fulfill financial obligations promptly.

## 7. DISCONTINUED OPERATIONS:

### a. Birla Century Textile division:

Considering the operational challenges faced by our Company's Textile plant, Birla Century, located in Jhagadia, Bharuch, Gujarat, the Board took decisive action in the early second quarter of 2023-24. It approved the initiation of a restructuring process for our Textile Business Operations at the aforementioned plant. This involved discontinuing the in-house spinning and weaving departments, with subsequent approval for the disposal of plant and machinery, relevant spares, tools, and equipment associated with these departments.

Additionally, a Voluntary Retirement Scheme (VRS) was rolled out at the plant, resulting in a majority of workers from the spinning and weaving departments opting for voluntary retirement. To optimize the utilization of the process house, the Board sanctioned the operation of the plant solely as a process house. Under this arrangement, the plant procures 1,05,000 meters of specialized greige fabrics per day through outsourcing for processing purposes.

These strategic measures have led to a substantial reduction in operating expenses.

Despite vigorous efforts throughout the year to improve the financial performance of the aforementioned plant by adopting an outsourcing model and operating solely as a process house, the Unit continued to grapple with operational losses. This was primarily due to adverse market conditions, characterized by the absence of viable orders that could cover even the operational costs.

In light of these challenges, the Board of Directors convened a meeting on March 22, 2024, to review the operations of the said plant. After careful deliberation, the Board approved the discontinuation of most operations at the

## DIRECTORS' REPORT (Contd.)

plant, with only minor manufacturing activities and other related tasks, such as supplying Yarn to Birla Advanced Knits Private Limited (a Joint Venture of the Company and Grasim Industries Limited), to be retained.

**b. Sale of Century Yarn and Century Denim:**

As previously disclosed, the Company had sold and finalized the sale transactions concerning its Century Yarn and Century Denim Units within the Textile Segment, adhering to applicable laws. Despite the Labour Commissioner rejecting an application from a group of workers to raise an Industrial Dispute regarding the sale, the matter took a different turn following the direction of the High Court. Subsequently, the Labour Commissioner initiated a Dispute before the Industrial Tribunal, Madhya Pradesh.

The Company is currently assessing all available legal avenues to contest the aforementioned reference.

**8. EXPANSION & MODERNISATION:**

**a. Pulp and Paper:**

As part of technical upgradation and production enhancement, following initiatives have been taken-

• **Paper Plant:**

Paper Machine-1 (PM1):

A new head box has been installed, and the cooling dryer cylinder replaced with steam dryer cylinder at PM1 for capacity enhancement from 70 tpd to 100 tpd in Cupstock and quality improvement such as Formation and GSM variation.

Paper Machine-3 (PM3):

New LineOmatic A4 Copier Sheeter installed and commissioned on 20<sup>th</sup> September, 2023 to increase Copier sheeting capacity by 50,000 MT/annum. Apart from copier sheeting capacity increase, not only

copier packing quality will be improved but additionally there will be packing cost saving.

• **Pulp Mill:**

Bagasse:

New Meloni filter installed and commissioned in bagasse mill to filter black liquor going to recovery plant.

WPP :

One additional digester is made operational in WPP plant and with this, unbleached pulp production is expected to increase from 90 tpd to 108 tpd.

PGP :

PGP pulp plant was stopped to improve structural safety and for other installations like higher capacity pumps etc. and the same has resumed production in April, 24 as scheduled.

• **Recovery Plant:**

New Evaporator was commissioned in October, 2023 and has started giving results. Firing solids increased from 62% to 70% due to which steam generation increased from 3.1 to 3.28 t/t of black liquor solids.

- b. To sustain competitiveness and enhance quality, the Company continues to implement modernization and technological upgrade programs across all its units. Stringent cost-control measures are rigorously enforced across various areas and are subject to regular review. Special attention is dedicated to energy and water conservation efforts.

**9. DIRECTORS:**

**a. Appointment / Reappointment of Directors:**

- i. Ms. Preeti Vyas (DIN: 02352395) completed her first term of five years as an Independent

**DIRECTORS' REPORT (Contd.)**

Director of the Company on 31<sup>st</sup> March, 2024. On recommendation of the Nomination & Remuneration Committee ('NRC') and the Board of Directors, the Shareholders of the Company approved the reappointment of Ms. Vyas on 20<sup>th</sup> March, 2024 as an Independent Director of the Company for second term of five years commencing from 01<sup>st</sup> April, 2024 up to 31<sup>st</sup> March, 2029 (both days inclusive), by way of a special resolution passed through Postal ballot by remote e-voting.

- ii. Pursuant to the provisions of Section 152 of the Companies Act, 2013, ('the Act') and Articles of Association of the Company Mr. Kumar Mangalam Birla (DIN: 00012813) retires by rotation, as Director, at the ensuing Annual General Meeting of the Company and being eligible, offers himself for reappointment. A brief profile of Mr. Kumar Mangalam Birla is provided in the Notice of AGM.

The Board recommends his reappointment.

- iii. Pursuant to the provisions of Articles of Association of the Company and the Companies Act, 2013, Mr. Sunirmal Talukdar (DIN: 00920608), a Chartered Accountant having specialization and comprehensive experience in various areas such as Strategic and Tactical Planning, Mergers and Acquisitions, Corporate Governance, Project Evaluation & Financing, Equity and Debt Syndication, Internal Control / Audit Compliance, Direct / Indirect and International Taxation, Organizational Restructuring, has been appointed as an Independent Director on the Board of the Company for a period from 24<sup>th</sup> July, 2024 to 5<sup>th</sup> December, 2026 and Mr. Pramod Kabra (DIN: 02252403), a Chartered Accountant having wide ranging global experience in Strategy, Finance, Merger & Acquisition, Supply Chain and Innovations, has been appointed as an Independent Director on the Board of the Company w.e.f.

24<sup>th</sup> July, 2024 for a period of five years. The advantage of their vast experience will be available for the benefit of the Company. The requisite resolutions for approving the appointment of Mr. Sunirmal Talukdar and Mr. Pramod Kabra as Independent Directors of the Company are being placed before the members at the ensuing 127<sup>th</sup> Annual General Meeting of the Company.

The Board recommends their appointment.

**b. Familiarization Program for the Independent Directors:**

Throughout the years, the Company has established a robust familiarization process for newly appointed Directors, ensuring they understand their roles and responsibilities in alignment with the requirements of the Companies Act, 2013. This comprehensive process encompasses an overview of the Company's Textiles, Pulp & Paper, and Real Estate businesses, including associated risks and opportunities.

Additionally, Directors receive regular updates on best business practices and industry developments pertaining to the Company's Textiles, Pulp and Paper, and Real Estate segments, ensuring they remain informed and equipped to make informed decisions.

**c. Board Evaluation:**

Pursuant to the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI LODR Regulations), the Board has carried out an annual performance evaluation of its own performance; that of the Directors individually; as well as the evaluation of the working of its Audit, Nomination & Remuneration, CSR, and other Committees of the Board.

At the Board meeting, a thorough discussion was held on all pertinent factors essential for evaluating the performance of individual Directors, the Board, and its various Committees. A structured questionnaire, in line with SEBI's

## DIRECTORS' REPORT (Contd.)

circular, was meticulously prepared by the Nomination & Remuneration Committee and recommended to the Board. This questionnaire facilitated the evaluation of the Board, its committees, and individual Directors. Inputs from Directors were considered, covering various aspects of the Board's functioning, including the adequacy of its composition, execution of specific duties, obligations, and governance.

Whilst evaluating the performance of individual Directors, including the Chairman of the Board, parameters such as engagement level, contribution, independence of judgment, knowledge, and perspective for discussion were considered, along with the safeguarding of the Company's interests and those of its minority shareholders.

The evaluation of Independent Directors was carried out by the entire Board, excluding the Director under evaluation, ensuring their independence from management. The performance evaluation of the Chairman and non-independent Directors was conducted by the Independent Directors in a separate meeting. Overall, the Directors expressed satisfaction with the evaluation process.

**d. Meetings:**

During the year, 8 (eight) Board meetings were convened and held. The details thereof are given in the Corporate Governance Report. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013.

**10. AWARDS, CERTIFICATES, PRIZES:**

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

**Birla Estates Private Limited (100% subsidiary):**

- Birla Tisya, a project in Bengaluru was awarded the "Safety Shield Award" and "Five Golden Stars Award" by National Safety Council, India recognizing exceptional excellence and performance in Occupational Safety and Health

(OSH) Management System.

- Birla Niyaara, a project in Mumbai was awarded the winner of prestigious "15<sup>th</sup> CIDC Vishwakarma Safety Award 2024" for the best HSE practices.
- Birla Navya, a project in Gurugram was Awarded the "Platinum Award" for the Quality Excellence at "Apex India Quality Excellence Award 2023" and the "National EHS Award" in the GSS (Global Safety Summit) powered by World Safety Forum, London.

**Birla Century (Textiles Division):**

- SEEM National Energy Management Gold Award was successively received 3<sup>rd</sup> time in a row from Society of Energy Engineers & Managers. This is about improving energy efficiency by any manufacturing facility.
- Greentech Safety Gold Award 2023 by Green Tech Foundation, New Delhi for Safety Excellence.

**Century Pulp & Paper Division:**

- The Division has received first prize in 114<sup>th</sup> and 115<sup>th</sup> "All India Farmers' Fair and Agro-Industrial Exhibition" 2023 and 2024 respectively, organized by and held at G B Pant University of Agriculture & Technology, Pantnagar, Uttarakhand.
- Award for Creativity for plantation activities in 36<sup>th</sup> Quality Circle Competition conducted by Confederation of Indian Industry (CII) at Rudrapur on 22<sup>nd</sup> September, 2023.

**11. STATUTORY AUDITORS:**

S R B C & Co. LLP, Chartered Accountants (ICAI Firm Registration No.324982E/ E300003), who are the Statutory Auditors of the Company were initially appointed for a term of five years at the Annual General Meeting of the Company held on 28<sup>th</sup> July, 2016. S R B C & Co. LLP completed their said term of five years as Statutory Auditors of the Company at the conclusion of the 124<sup>th</sup> Annual General Meeting held on 16<sup>th</sup> July, 2021 and being eligible under section 141 of the Companies Act, 2013 were reappointed for a second term of 5 (five) consecutive years w.e.f. 16<sup>th</sup> July, 2021 by the shareholders at the said AGM.



## DIRECTORS' REPORT (Contd.)

### 12. AUDITORS' REPORT:

The Auditors' Report to the Shareholders does not contain any reservation, qualification, adverse remark, or disclaimer. During the year under review, neither the Statutory Auditors nor the Cost Accountant & Secretarial Auditors have under Section 143(12) of the Companies Act, 2013 reported to the Audit Committee of the Board, any instances of fraud committed against the Company by its officers and employees, the details of which would otherwise be required to be mentioned in this report.

### 13. COST AUDITORS AND COST AUDIT REPORT:

Pursuant to Section 148 of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Rules, 2014, the cost accounts and cost records are required to be maintained by the Company, in respect of various manufacturing activities and are required to be audited. Accordingly, such accounts and cost records are maintained in respect of various manufacturing activities. The cost audit report for the financial year 2022-23 was filed with the Ministry of Corporate Affairs on 8<sup>th</sup> August, 2023. M/s. R. Nanabhoy & Co., Cost Accountants, were appointed as the Company's Cost Auditor.

Your directors have on the recommendation of the Audit Committee, appointed M/s. R. Nanabhoy & Co., Cost Accountants, to audit the cost accounts of the Textiles and Pulp & Paper products of the Company for the financial year 2024-25 at a remuneration of ₹ 0.90 lac.

As required under the Companies Act, 2013, the remuneration payable to the cost auditor is required to be placed before the members in a general meeting for their ratification. Accordingly, a proposed resolution seeking the members' ratification for the remuneration payable to M/s. R. Nanabhoy & Co., Cost Auditors, is included in the Notice convening the Annual General Meeting of the Company.

### 14. SECRETARIAL AUDIT:

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules,

2014, the Company has appointed M/s. Gagrani & Gagan, Company Secretaries in practice (CP No.1388), to undertake the Secretarial Audit of the Company for the year ending 31<sup>st</sup> March, 2025. The Secretarial Audit Report for the year ended 31<sup>st</sup> March, 2024 is annexed herewith as '**Annexure I**' to this Report. The Company has complied with all applicable Secretarial Standards (SS) issued by the Institute of Company Secretaries of India (SS1 and SS2), relating to the meetings of the Board including its Committees and General Meetings which have mandatory application during the year under review. The Secretarial Audit Report does not contain any adverse qualification, reservation, remark, or disclaimer.

### 15. FIXED DEPOSITS:

During the year, the Company has not invited or accepted any deposits from the public and there are no outstanding deposits in terms of the Companies (Acceptance of Deposits) Rules, 2014.

### 16. LOANS, GUARANTEES AND INVESTMENTS:

The details of loans and guarantees given and securities provided, and the investments made by the Company as covered under the provisions of Section 186 of the Companies Act, 2013 are given in the Consolidated and Standalone Financial Statements of the Company.

### 17. TRANSFER OF UNCLAIMED DIVIDEND AND UNCLAIMED SHARES TO INVESTOR EDUCATION AND PROTECTION FUND (IEPF):

The details pertaining to the transfer of unclaimed dividend and unclaimed shares to IEPF are given in the Corporate Governance Report which forms part of this Annual Report.

### 18. DIRECTORS' RESPONSIBILITY STATEMENT:

The Board of Directors acknowledge the responsibility for ensuring compliance with the provisions of Section 134(3)(c) read with Section 134(5) of the Companies Act, 2013 in the preparation of the annual accounts for the year ended on 31<sup>st</sup> March, 2024 and state that:

- a. in the preparation of the annual accounts, the applicable accounting standards have been



## DIRECTORS' REPORT (Contd.)

followed along with proper explanation relating to material departures;

- b. the directors have selected such accounting policies and applied them consistently and made judgments 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 and loss of the Company for that period;
- c. the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d. the directors have prepared the annual accounts on a going concern basis;
- e. the directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- f. the directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

**19. CTIL EMPLOYEE STOCK OPTION SCHEME 2023:**

At a meeting held on 16<sup>th</sup> January, 2023, the Board of Directors approved the formulation of an Employee Stock Option Scheme viz. CTIL Employee Stock Option Scheme 2023 ("ESOS 2023" or "Scheme") in terms of the Securities and Exchange Board of India (Share Based Employee Benefits & Sweat Equity) Regulations, 2021 (SEBI SBEB and SE Regulations). The Board mandated the Nomination and Remuneration Committee to implement and administer ESOS 2023. The Shareholders of the Company have approved ESOS 2023 on 09<sup>th</sup> March, 2023 by way of postal ballot under which the Company may create, offer, and grant from time to time, in one or more tranches, not exceeding 17,25,000 employee stock options to its employees as defined in the aforesaid scheme working exclusively with the Company and its group company(ies) (as defined under SEBI SBEB and SE Regulations)

including subsidiary company(ies) and associate company(ies) of the Company. For implementation of the Scheme, a trust viz. 'CTIL Employee Welfare Trust' was formed which acquired 12,52,480 equity shares of the Company through secondary acquisition on the platform of a recognized Stock Exchange for cash consideration during the year. As per Ind AS, purchase of own equity shares is treated as treasury shares and is disclosed under 'Other Equity' in the Financial Statements. As on 31<sup>st</sup> March, 2024, the trust holds 12,52,480 equity shares of your Company for transfer to the eligible employees under the Scheme upon exercise of options. Each option when exercised would be converted into one fully paid-up equity share of ₹ 10/- each of the Company. Further, the Company has granted 12,27,535 options to the employees of its wholly owned subsidiary viz. Birla Estates Private Limited as per the Scheme.

The Scheme is in compliance with the SEBI SBEB and SE Regulations and the approval of the shareholders and a certificate to that effect from the secretarial auditors of the Company will be available on our website [www.centurytextind.com](http://www.centurytextind.com) for inspection by the shareholders. The web-link for the details on the aforesaid Scheme as required to be disclosed in terms of SEBI SBEB and SE Regulations are placed on the Company's website which is <https://www.centurytextind.com/assets/pdf/others/esop-disclosure.pdf>

**20. KEY MANAGERIAL PERSONNEL:**

Mr. R. K. Dalmia is the Managing Director of the Company. Mr. Snehal Shah and Mr. Atul K. Kedia are the Chief Financial Officer and Company Secretary respectively of the Company.

**21. 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 the Corporate Governance norms stipulated is annexed to this Annual Report on Corporate Governance.

**22. AUDIT COMMITTEE AND VIGIL MECHANISM:**

The Audit Committee is comprised of four members and all of them are Independent Directors. The Company



## DIRECTORS' REPORT (Contd.)

Secretary is the Secretary of the Committee. All transactions with related parties are on an arm's length basis. During the year, there are no instances where the Board has not accepted the recommendations of the Audit Committee. The Company has in place a vigil mechanism for Directors and Employees, to report genuine concerns about any wrongful and/or unethical conduct with respect to the Company or its business or affairs. This policy provides for formal reporting by whistle blowers of malpractices, misuse or abuse of authority, fraud, and violation of the Company's policies or rules, negligence, manipulations, causing danger to public health and safety, misappropriation of monies, unethical behavior and other matters or activity on account of which the interest of the Company is affected or is likely to be affected. The Policy requires that all protected disclosures can be addressed to the Vigilance and Ethics Officer of the Company or to the Chairman of the Audit Committee / Managing Director in exceptional cases. All protected disclosures under this policy are to be recorded and thoroughly investigated. If an investigation leads the Vigilance and Ethics Officer / Chairman of the Audit Committee to conclude that an improper or unethical act has been committed, the Vigilance and Ethics Officer / Chairman of the Audit Committee shall recommend to the management of the Company to take such disciplinary or corrective action as he may deem fit. The details of the vigil mechanism are also available on the Company's website [www.centurytextind.com](http://www.centurytextind.com).

### 23. RISK MANAGEMENT:

The Company has constituted a Risk Management Committee, mandated to review the risk management plan/process of the Company. The Risk Management Committee identifies potential risks and assesses their potential impact with the objective of taking timely action to mitigate the risks, as provided under the Enterprise Risk Management (ERM) Framework of the Company.

The Audit Committee has also been delegated with the responsibility of monitoring and reviewing risk management, assessment, and minimization procedures, developing, implementing and monitoring the risk management plan and identifying, reviewing

and mitigating all elements of risks which the Company may be exposed to.

The key risks identified by the Company include financial & economic risk, operational risk, competition risk, cyber security and data protection risk and compliance of all applicable statutes and regulations. The Company has a well-defined ERM policy & mechanism to mitigate these risks.

During the year the Board approved Business Continuity Management System (BCMS) policy document consisting of Business Continuity plan including policy / procedures / manual of the Company. The Company reviews the risk register periodically, to align with the changes in the economic environment, market practices and regulations. The top risks of the company and its businesses are reviewed at least twice in a year by the Risk Management Committee. The last such review was done on 28<sup>th</sup> February, 2024.

### 24. CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE:

In terms of the provisions of section 135 of the Companies Act, 2013, read with Companies (Corporate Social Responsibility Policy) Rules, 2014, the Board of Directors of the Company has constituted a Corporate Social Responsibility ("CSR") Committee. The Committee recommends to the Board activities as specified in Schedule VII of the Companies Act, 2013 to be undertaken during the year. The composition and terms of reference of the CSR Committee are provided in the Corporate Governance report, which forms part of this Annual Report.

The Company has also in place a CSR Policy and the same is available on the Company's website: [www.centurytextind.com](http://www.centurytextind.com). As per the CSR Policy, the Company actively contributes to the social and economic development of the local communities and builds a better sustainable way of life for the weaker sections of society, through engagement in the areas of Education, Promotion of Sports activities, Sustainable Livelihood & Women Empowerment, Infrastructure Development, Health Care and Sanitation etc. The projects are primarily undertaken in neighboring villages around the Company's plant locations. During the year under review, your Company spent



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₹ 4.88 Crores, against ₹ 4.87 Crores being its statutory obligation for the financial year 2023-24, towards identified and approved CSR initiatives covered under Schedule VII of the Companies Act 2013, directly/ through the implementing agencies.

During the year, the Company undertook several projects covering promotion of education (inclusive of providing scholarship for needy and meritorious students through A World of Opportunity Foundation - AWOOF), preventive healthcare, promotion of sports activities, rural infrastructure development etc. Through Mpower the Company also provided awareness of mental health which has become increasingly prominent in recent times. The Company reached out to around 144 locations across 19 States.

As a socially responsible and caring Company, we are committed to play a larger role in building a better, sustainable way of life for the weaker and marginalized sections of society and raising the country's human development index.

The particulars required to be disclosed pursuant to the Companies (Corporate Social Responsibility Policy) Rules, 2014 are given in 'Annexure II' forming part of this Annual Report.

**25. NOMINATION AND REMUNERATION COMMITTEE:**

The Nomination and Remuneration Committee comprises of four members, of which three, including the Chairman of the Committee, are Independent Directors.

The salient feature of the Company's Remuneration Policy is attached as 'Annexure III' and forms a part of this Report. The Remuneration Policy is available on the website of the Company viz. [www.centurytextind.com](http://www.centurytextind.com).

**26. RELATED PARTY TRANSACTIONS:**

All transactions entered with related parties as defined under the Companies Act, 2013 during the financial year, were in the ordinary course of business and on an arm's length pricing basis and do not attract the provisions of Section 188 of the Companies Act, 2013. There were no materially significant transactions with the related parties during the financial year, which conflicted with the interest of the Company and

hence, enclosing Form AOC-2 is not required. Suitable disclosure as required by the Accounting Standard (Ind-AS 24) has been made in the notes to the Financial Statements.

Prior approval of the Audit Committee is obtained for all the related party transactions. Further, prior omnibus approval of the Audit Committee is obtained on a yearly basis for the transactions which are of a foreseen and repetitive nature. The transactions entered pursuant to the omnibus approval so granted are audited and a statement giving details of all related party transactions is placed before the Audit Committee for its approval, on a quarterly basis. The policy on Related Party Transactions as approved by the Board has been uploaded on the Company's website.

None of the Directors has any pecuniary relationships or transactions vis-à-vis the Company.

The Solicitors for the Company, M/s. Mulla & Mulla & Craigie Blunt & Caroe, provide the legal services required by the Company from time to time. The transactions with the said firm are on an arm's length basis and in the ordinary course of business. Mr. Yazdi P. Dandiwalla, one of the Directors of the Company, is a Senior Partner in the said firm of Solicitors.

**27. DECLARATION BY INDEPENDENT DIRECTORS:**

Necessary declarations have been obtained from all the Independent Directors that they meet the criteria of independence under sub-section (6) of Section 149 of the Companies Act, 2013 and as per Regulation 25 read with Regulation 16 of SEBI LODR Regulations. In the opinion of the Board there has been no change in the circumstances which may affect the status of independent directors of the Company and the Board is satisfied of the integrity, expertise, and experience (including proficiency in terms of Section 150(1) of the Companies Act, 2013 and applicable rules thereunder) of all Independent Directors on the Board. In terms of Section 150 read with Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014 Independent Directors of the Company have already undertaken requisite steps towards the inclusion of their names in the databank of Independent Directors maintained with the Indian Institute of Corporate Affairs.

**DIRECTORS' REPORT (Contd.)****28. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS:**

During the year 2023-24, no significant and material order has been passed by any regulator or by any Court or Tribunal which has a material impact on the financial position of the Company.

**29. INTERNAL FINANCIAL CONTROL:**

The Company maintains robust internal financial control systems tailored to the size, scale, and complexity of its operations. Throughout the year, these controls underwent testing, revealing no reportable material weaknesses. Adequate policies and procedures are in place to ensure the orderly and efficient conduct of business operations, encompassing adherence to Company policies, asset safeguarding, fraud and error prevention and detection, accuracy and completeness of accounting records, and timely generation of reliable financial information.

Throughout the review period, the Company did not encounter any instances of fraud. The internal auditor diligently monitors and assesses the effectiveness and sufficiency of internal control systems. Based on the internal auditor's report, corrective actions are initiated by respective departments to reinforce controls in their respective domains. Significant audit findings and subsequent corrective measures are presented to the Audit Committee of the Board for review.

**30. SUBSIDIARIES, ASSOCIATE AND JOINT VENTURE COMPANIES:**

Birla Estates Private Ltd., a Wholly Owned Subsidiary of the Company has various on-going projects viz. Phase II of 'Birla Vanya' at Kalyan near Mumbai, 'Birla Navya' (under Avarna Projects, LLP between Birla Estates and Anantraj) at Gurugram and 'Birla Niyaara' at Worli, Mumbai, 'Birla Tisya' at Rajajinagar, Bengaluru. During the year it launched a project viz. 'Birla Trimaya' at Devanahalli, Bengaluru and new Phase Silas of Birla Niyaara at Worli, Mumbai.

During the year, Birla Estates Pvt. Ltd. registered a profit after tax of ₹ 12.77 Crores (previous year loss after tax of ₹ 47.90 Crores) and Birla Century Exports Pvt. Ltd.,

another Wholly Owned Subsidiary of the Company registered a profit of ₹ 1.67 Crores (previous year loss of ₹ 0.62 Crores). Further, "CTIL Community Welfare Foundation" a not-for-profit Company incorporated under Section 8 of the Companies Act, 2013 (wholly owned subsidiary) during the year for undertaking Charitable and Corporate Social Responsibility (CSR) activities of the Company registered a surplus of ₹ 0.16 lac.

None of the Subsidiaries mentioned above is a material subsidiary for the FY2023-24 as per the threshold limit laid down under the SEBI LODR Regulations. However, in terms of the said Regulations, Birla Estates Private Limited is a material subsidiary of the Company for the FY2024-25.

Industry House Ltd., in which the Company holds about 35% of equity share capital, is an Associate Company. Despite this fact, the accounts of Industry House Ltd. have not been consolidated with those of the Company as there is no requirement for the same as per the IND-AS 28.

As reported in earlier years your Company has formed a 50:50 Joint Venture in collaboration with Grasim Industries Limited namely 'Birla Advanced Knits Private Limited' (JV Company) to manufacture Circular Knit Fabrics. The project is located at the existing Birla Century Campus in Bharuch District. It is having knitting and processing capacity of about 600 Ton of fabric per month. The salient feature of this project is blending of different fibres majorly Viscose, Modal and Excel (Lyocell) fibres.

During the year, the J V Company registered a loss of ₹ 22.40 crores (previous year's loss of ₹ 1.84 crores) (50% profit/loss).

**31. CONSOLIDATED FINANCIAL STATEMENT:**

The Directors also present the audited consolidated financial statements incorporating the duly audited financial statements of the subsidiaries, as prepared in compliance with the Companies Act, 2013, applicable Accounting Standards and other applicable laws, if any. A separate statement containing the salient features of its subsidiaries, associates and joint venture in the prescribed form AOC-1 is annexed separately.

## DIRECTORS' REPORT (Contd.)

**32. ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:**

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo stipulated under Section 134(3) (m) of the Companies Act, 2013 read with Rule 8(3) of The Companies (Accounts) Rules, 2014, is annexed herewith as 'Annexure IV'.

**33. PREVENTION OF SEXUAL HARASSMENT OF WOMEN AT WORKPLACE:**

The Company has zero tolerance for sexual harassment at workplace. During the year under review, the Company has not received any complaint under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. The Company has complied with the provisions relating to the constitution of an Internal Complaint Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. The Company is committed to providing a safe and conducive work environment to all its employees and associates.

**34. BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORTING:**

A separate section of Business Responsibility and Sustainability Report forms part of this Annual Report as required under Regulation 34(2) (f) of the SEBI LODR Regulations.

**35. PARTICULARS OF EMPLOYEES:**

The prescribed particulars of employees required under Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are attached as 'Annexure V' and form a part of this Report.

The information required under Section 197(12) of the Companies Act, 2013 read with Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and forming part of the Directors' Report for the year ended 31<sup>st</sup> March, 2024 is given in a separate Annexure to this Report.

The said Annexure is not being sent along with this Report to the Members of the Company in line with the provisions of Section 136 of the Companies Act, 2013. Members who are interested in obtaining this annexure may write to the Company Secretary at the Registered Office of the Company. The aforesaid Annexure is also available for inspection by the Members at the Registered Office of the Company, 21 days before the 127<sup>th</sup> Annual General Meeting and up to the date of the said Annual General Meeting during business hours on working days.

None of the employees listed in the said Annexure is a relative of any Director of the Company. None of the employees holds (by himself or along with his/her spouse and dependent children) more than two percent of the equity shares of the Company.

**36. ANNUAL RETURN:**

The web-link for the Annual Return placed on the Company's website is <https://www.centurytextind.com/assets/pdf/download-forms/annual-return-2024.pdf>

**37. NAME OF THE COMPANY:**

Since the Company's focus is now on real estate business, it is appropriate that the name of the Company should be suitably changed so as to give a better perspective of its activities. It is therefore, proposed that the name of the Company be changed to reflect the focus on the real estate business and as may be made available and approved by the Registrar of Companies, Ministry of Corporate Affairs which will be subject to your approval and other statutory authorities as may be required.

**38. GENERAL DISCLOSURES:**

- i. There were no material changes or commitments affecting the financial position of the Company between the end of the financial year and the date of report.
- ii. There was no revision in the financial statements.
- iii. The Company has not issued any sweat equity shares.



## DIRECTORS' REPORT (Contd.)

- iv. The Company has not issued any shares with differential voting rights.
- v. There has been no change in the nature of business except as mentioned in the item no. 7(a) of this Report.
- vi. The Company has not made any application during the year under the Insolvency and Bankruptcy Code, 2016 and there is no proceeding pending under the said Code as at the end of the financial year.
- vii. During the year, the Company has not undergone any one-time settlement and therefore the disclosure in this regard is not applicable.

### 39. ACKNOWLEDGEMENTS:

Your directors thank the various Central and State Government Departments, Organizations and

Agencies for the continued help and co-operation extended by them. The Directors also gratefully acknowledge all stakeholders of the Company viz. members, customers, dealers, vendors, banks, and other business partners for the excellent support received from them during the year. The Directors place on record their sincere appreciation to all employees of the Company for their unwavering commitment and continued contribution to the Company's well-being.

Registered Office:

On behalf of the Board

Century Bhavan

Dr Annie Besant Road

**R.K. Dalmia**

**Y.P. Dandiwala**

Worli, Mumbai-400 030

Managing Director

Director

Dated: 7<sup>th</sup> May, 2024

DIN: 00040951

DIN: 01055000

# MANAGEMENT DISCUSSION AND ANALYSIS REPORT

This report encapsulates the operational and financial performance of Century Textiles and Industries Limited for the fiscal year ended 31<sup>st</sup> March, 2024, and constitutes an integral part of the Annual Report.

## 1. OVERALL REVIEW :

In the year under review, the Company witnessed growth in earnings before interest, tax, and depreciation (EBITDA) compared to the previous year. This growth was primarily driven by the robust performance of the Real Estate Division, benefiting from increasing demand in the sector. However, the Pulp and Paper Division faced challenges due to cost pressures stemming from low-priced imports and surplus supply domestically. The performance of the Textile Division of the Company, despite taking a number of improvement steps continued to incur EBITDA losses due to poor market conditions. Accordingly, in view of the adverse conditions and non-availability of viable orders covering even the cost, there was no option but to discontinue operations at the Textile plant except for certain minor manufacturing activities and supply chain operations relating to supply of yarn to Birla Advanced Knits Pvt. Ltd., a joint venture of the Company and Grasim Industries Ltd. to continue at the said plant. Accordingly, the Board of Directors of the Company at its meeting held on 22<sup>nd</sup> March, 2024 has approved discontinuation of operations of Textile plant viz. Birla Century at Jhagadia, Bharuch. In view of this the textiles business is not included in the business segment reporting mentioned hereinafter.

India's real estate market exhibited resilience amidst global turbulence, buoyed by factors such as urbanization, rising middle-class incomes, foreign investments, and government support. This positive momentum spurred the Company's real estate development endeavors across key cities like Mumbai, Bengaluru, Gurugram, NCR, and Pune.

During FY24, the Company achieved substantial sales across various projects, marked by the successful launch of Silas at Birla Niyaara in Mumbai and Birla Trimaya in Bengaluru.

In FY24, the Company sold nearly 1.7 million sq.ft. of space, generating a total value of ₹ 3,985 Crores across

all launched projects. The flagship project, Birla Niyaara in Worli, Mumbai, saw a phenomenal success with the launch of its new phase, Silas. Within a month of its launch, Sales for Silas surpassed a staggering ₹ 2,391 Crores. Similarly, Birla Trimaya in Bengaluru achieved equally impressive results. The project completely sold out within 36 hours of its launch, achieving a Booking Value of ₹ 486 Crores.

During FY24, Birla Estates Private Limited (BEPL), a wholly-owned subsidiary of your Company, strategically expanded its portfolio. This was achieved through the successful acquisition and joint development rights of five projects across Mumbai, Thane, Delhi, Bengaluru and Pune. These projects have a combined Gross Development Value (GDV) exceeding ₹ 16,000 Crores.

Project handovers have been initiated for Birla Alokya, Bengaluru, Birla Vanya Phase I, Kalyan and Birla Navya Phase I, Gurugram. This marks a notable achievement and provides customers with an exceptional experience during the handover process in all three regions.

## 2. BUSINESS SEGMENT – PULP AND PAPER (PULP, WRITING & PRINTING PAPER, TISSUE PAPER, AND MULTILAYER PACKAGING BOARD)

### a. Industry Structure and Development:

Over the past few years, the world has steadily rebounded from the disruptions caused by COVID-19, yet geopolitical tensions have kept industries on edge.

According to the latest India Development Update from the World Bank, India continues to demonstrate resilience amidst a challenging global environment. It stands out as one of the fastest-growing major economies. Paper consumption is closely tied to a country's economic development. Although India currently has low per capita paper consumption, this trend is steadily improving alongside economic progress and various governmental initiatives.

The primary drivers of demand for the paper industry stem from a combination of factors. These include increasing income levels, expanding



## MANAGEMENT DISCUSSION AND ANALYSIS REPORT (Contd.)

per capita expenditure, rapid urbanization, rising demand for Personal Care & Sanitation products, government initiatives, phenomenal increase in online shopping, heightened hygiene awareness, and a larger proportion of the population earning income. These factors are anticipated to fuel consumption and indicate significant growth potential for the paper industry within the country.

### b. Opportunities and Threats:

The Indian paper industry has experienced substantial transformations over the past few decades, marked by the adoption of modern technology and heightened investments in the sector. Additionally, the industry has reaped the rewards of government policies aimed at fostering sustainable forest management practices and promoting the utilization of eco-friendly materials.

Following are the Opportunities & Threats for the Industry :

#### Opportunities:

- **Literacy:** Government policies on education (NEP), rising enrolment, and various schemes promoting education.
- **Growing Consumption:** Increased consumption of packaging paper/board in the food (Food & Beverages) and pharma/cosmetic sectors.
- **Hygiene Emphasis:** Government emphasis on hygiene and steady growth in healthcare and hospitality demand, boosting demand for the tissue segment.
- **E-commerce Growth:** Rapidly rising shipments in the e-retail industry and increased penetration levels in overall retail, driving growth in segment volumes.
- **Demand for Eco-friendly Products:** Increasing demand for high-quality and eco-friendly paper packaging products.
- **Market Expansion:** Opportunities to widen the market through bans on single-use

plastics, leading to innovative product creation.

- **E-commerce Demand:** With the exponential growth of the e-commerce sector, demand for packaging paper, Kraft & board expected to increase in parallel.
- **Plastic Substitution:** Multinational companies seeking to minimize plastic from their packaging, with paper being a strong contender due to its biodegradable properties.

#### Threats:

- **Rising Raw Material Costs:** Increasing costs of raw materials.
- **Wood Scarcity:** Challenges related to the scarcity of wood.
- **Increasing Input Costs:** Rising input costs including coal, chemicals, and other inputs.
- **Competition from Imports:** Growing competition from imports, especially from ASEAN countries.
- **BIS Certification Impact:** BIS certification leading to an increase in Copier Paper imports.
- **Digitalization Impact:** Digitalization affecting paper demand in certain areas.
- **Higher Energy Costs:** Higher energy costs affecting competitiveness.

### c. Segmental Review and Analysis:

The paper, paperboard, and packaging sector continue to grapple with competitive pricing from ASEAN and Chinese markets, subdued domestic demand, and a surge in wood costs.

Throughout the year, the demand for paper and tissue experienced fluctuating market conditions. However, the packaging board sector faced challenges, particularly due to lower demand from domestic pharma, FMCG, export food and beverage sectors, and the hosiery market in the middle of the year. Additionally, high-volume imports from ASEAN countries in the tissue,



## MANAGEMENT DISCUSSION AND ANALYSIS REPORT (Contd.)

writing, and printing segments, along with BIS certification requirements for other imported brands increasing copier imports, have impacted the domestic paper market.

The upcoming addition of approximately 24 lakh tons of virgin board capacity in China and Indonesia over the next few months is expected to create a temporary excess supply situation, which will likely impact the Indian industry as well.

**d. Risks and Concerns:**

Price fluctuations, interrupted raw material availability, and rising input costs remain major concerns for the paper industry. As businesses pass on the increased costs to consumers, consumer sentiments are affected, leading to further contraction in demand.

The Indian virgin board packaging market is expected to encounter tough price competition from international suppliers in FY 2024-25.

The risk of higher imports in the writing, printing, copier, and board segments by international manufacturers will result in volume and cost pressures.

**e. Outlook:**

India's projected GDP growth for the current fiscal year has been revised upward to 7% from the previous estimate of 6.7%. This robust growth will be driven by investments from both the public and private sectors, as well as an improvement in consumer demand.

Paper demand is anticipated to grow moderately in fiscal 2025. The paperboard segment is expected to be a key driver of demand in both the near and long term, fueled by healthy demand from various end-use industries. Demand for writing and printing (W&P) paper is forecasted to experience sharp growth in fiscal 2025, as schools, colleges, and office spaces reopen alongside the anticipated rollout of the National Education Policy (NEP).

The Government's increased spending on education for the next three years, estimated to be approximately 20% higher than the previous three years, will place greater emphasis on education and literacy. This, coupled with the demand for higher-quality paper and increasing advertising expenditure, will drive growth in the writing and printing paper segment. Similarly, the demand for higher-quality packaging for FMCG, pharmaceuticals, textile products, driven by organized retail, booming e-commerce, and rising healthcare needs, will catalyze the growth of the paperboard and packaging paper market.

Furthermore, the increasing awareness of hygiene and preference for quick-service restaurants will bolster demand for tissue products, both for At Home and Away from Home (AFH) consumption.

Looking ahead, the medium to long-term outlook for the Indian paper industry remains positive and is expected to further expand in tandem with the country's GDP and overall economy.

### 3. BUSINESS SEGMENT – REAL ESTATE

**a. Industry Structure and Development:**

India is likely to become the third-largest economy in 2027<sup>1</sup>, based on projections that account for the Country's sustained economic growth and expanding market size. Additionally, India has recorded the highest growth rates among major advanced and emerging economies<sup>1</sup>. Supported by a growing economy, the real estate sector in India has experienced significant transformation. It is poised for substantial growth, with a projected value of USD 1.5 trillion by 2034<sup>2</sup>. This estimate reflects a threefold increase from its current size and highlights its substantial contribution to the nation's economic output, accounting for 10.5%<sup>2</sup>.

<sup>1</sup> Source: Press Release by Press Information Bureau, Government of India, Ministry of Finance, dated 01st February, 2024. Link: <https://pib.gov.in/PressReleasePage.aspx?PRID=2001124> accessed on 15th April, 2024

<sup>2</sup> Source: Press Release by CII Link: <https://www.cii.in/PressreleasesDetail.aspx?enc=OfwnSJRDlux9mCml0eD2D09OzURPeEI7qsEBP071LA=#:~:text=We%20anticipate%20the%20Indian%20real,brighter%2C%20more%20prosperous%20tomorrow.%22>



## MANAGEMENT DISCUSSION AND ANALYSIS REPORT (Contd.)

The Indian residential real estate market shows a trend shift. New launches saw a modest rise, while total absorption surged by YoY. This robust demand exceeding new supply by 18% led to a significant decline in unsold inventory. This gap provides an opportunity to launch new projects to cater to the existing demand<sup>3</sup>.

The office space has seen significant growth, driven primarily by multinational corporations establishing Global Capability Centres (GCCs). India's favourable ecosystem and large untapped potential make it the preferred destination for GCCs. Economic resilience, evolving perceptions and rising demand from global corporations position India for sustainable growth. As companies leverage India's growth-oriented environment and expand, the office market is set for continued growth<sup>4</sup>.

The strategic integration of innovation and technology is propelling the real estate sector forward, fostering increased efficiency and facilitating the introduction of novel property formats, such as fractional ownership and data centres. This represents a significant evolution in the real estate landscape, expanding the spectrum of offerings to cater to a more diverse range of investor demands<sup>2</sup>. Exhibiting a robust and persistent upward trajectory, the Indian Data Centre market is experiencing significant growth. This momentum is fuelled by the nation's rapidly growing digital infrastructure, driven by the burgeoning use of digital services and the ever-increasing demand for data storage and processing capabilities<sup>5</sup>.

### b. Opportunities and Threats:

The Indian real estate market presents a unique opportunity for strategic development. Driven by rapid urbanization and rising income levels, metropolitan landscapes are undergoing significant transformations. This has led to a surge in demand for high quality housing and a

superior lifestyle. As more people move to cities and experience a higher standard of living, there is a growing preference for premium residential properties that offer prime locations, superior amenities, holistic living, community of like-minded people and modern comfort. These include well-designed living spaces, recreational facilities, green areas and advanced security measures. As a result, your Company is focusing on creating residential projects that cater to this evolving demand for luxury and convenience.

Customer centricity is a key pillar of your Company. Prioritizing a data-driven understanding of client's needs and aspirations, ensuring a seamless and positive experience throughout their journey with us. This commitment is reflected in every touchpoint, from the initial engagement to the ongoing support provided after purchase. Product innovation informed by thoughtful design principles, timely delivery and transparency in operations all contribute to achieving this goal.

### c. Segment Review Analysis:

Your Company has achieved significant milestones in FY24, demonstrating continued growth and strong customer trust.

In FY24, nearly 1.7 million sq. ft. were sold, amounting to ₹ 3,985 Crores across all launched projects. The new phase, Silas of our flagship project Birla Niyaara in Worli, Mumbai, has witnessed exceptional success. Within just a month of its launch, it recorded sales exceeding ₹ 2,391 Crores. Similarly, Birla Trimaya in Bengaluru was completely sold out within 36 hours of its launch, achieving a Booking Value of ₹ 486 Crores.

Further, solidifying our reach, we recently inaugurated our first international office in Dubai, a strategic expansion designed to cater to the prospective customer base in the Gulf region and around.

<sup>3</sup> Source: prop equity

<sup>4</sup> Source: Article published by JLL on "India's office market enters the next growth phase". Link: <https://research.jllapsites.com/indias-office-market-enters-the-next-growth-phase/>

<sup>5</sup> Source: Report published by CBRE "From Byte to Business: India Data Centre Market Powering in Progress in 2023". Link: <https://www.cbre.co.in/insights/reports/from-bytes-to-business-india-data-centre-market-powering-progress-in-2023>

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT (Contd.)

Furthermore, in FY24, Collection stood at ₹ 1,525 Crores with an efficiency rate of over 97%, underscoring the strong connection we have established with our customers and the trust they have placed in us.

During FY24, Birla Estates Pvt. Ltd. (BEPL), the 100% subsidiary of your Company, expanded its portfolio through the successful finalization of five projects with a combined Gross Development Value (GDV) surpassing ₹ 16,000 Crores. Notably, this includes an acquisition of a 5.8 acre land parcel in Sangamwadi, Pune, marking its entry into the Pune market with a gross potential of over ₹ 2,500 Crores. Other acquisitions comprised a marquee plot in Walkeshwar, Mumbai, a 28 acre land parcel in Sarjapur, Bengaluru, approximately 31 acre land parcel in Thane and a joint development agreement with India Hume Pipe for a 6.8 acre residential project situated in Mathura Road, Delhi.

Project handovers have been initiated for Birla Alokya, Bengaluru, Birla Vanya Phase I, Kalyan and Birla Navya Phase I, Gurugram. This marks a notable achievement and provides customers with an exceptional experience during the handover process in all three regions. At all other launched projects, execution is in full swing, with a complete focus on ensuring safety, maintaining high-quality and ensuring timely delivery. Approximately 13 million safe man-hours have been successfully completed across all our under-construction projects.

Our commercial assets, Birla Aurora and Birla Centurion, continue to generate steady rental income. Birla Aurora has successfully transitioned to green energy and Birla centurion has achieved 100% green energy utilization in its common areas, marking a significant milestone in our commitment to a greener future.

In Global Real Estate Sustainability Benchmark (GRESB) rating, BEPL scored 91 in Development Benchmark (Residential) and 80 in Standing Investments (Commercial). We remain committed to reducing carbon emissions across all our properties.

BEPL unwavering commitment to safety at its project site has been recognized at multiple forums. Birla Niyaara, Mumbai, recognized with the "Safety Trophy at 15<sup>th</sup> CIDC Vishwakarma Awards 2024" for its best HSE Practices. Birla Tisya, Bengaluru received "Safety Shield Award" from National Safety Council, India. Birla Navya, Gurugram received the "National EHS Award" from Global Safety Summit and "Merit Winner Award trophy" from the British Safety Council. Birla Tisya, Bengaluru was awarded "Five Golden Stars award" by the National Safety Council.

**d. Risk and Concerns:**

The declining inventory and stable absorption are positive signs but challenges remain. Streamlining approvals is essential to attract investment and expedite project completion. Effective cost management is crucial to combat price volatility caused by global economic uncertainty. Close monitoring is required to maintain the supply and demand of raw materials and other commodities.

**e. Outlook:**

Residential real estate is poised for a strong growth potential in the upcoming year, driven by surging demand and a strong consumption record. Urbanization trends, a thriving rental market and consistent property value appreciation are poised to fuel a transformative period in the coming quarters. The industry's growing demand for premium and luxury housing aligns perfectly with our expertise, positioning us for significant growth and expansion. Our unwavering commitment to customer centricity, operational excellence and sustainable practice will propel us forward in the coming years.

**4. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:**

The Company maintains robust internal control systems to align with growth objectives while ensuring compliance with regulations and safeguarding against fraud. An extensive internal audit framework, overseen by the Audit Committee, evaluates control effectiveness and recommends enhancements. The



## MANAGEMENT DISCUSSION AND ANALYSIS REPORT (Contd.)

Company's Internal Control system is underpinned by an extensive, year-round, independent internal audit. Annually, a comprehensive internal audit plan covering various functions across all divisions is formulated and ratified by the Audit Committee. Quarterly, the Audit Committee convenes with auditors and management personnel to conduct an audit review, reaching consensus on an action plan to address areas

identified for improvement or enhancement from these audits. Audit findings are categorized as High, Medium, or Low based on associated risks and impacts, with a scientifically derived Control Effectiveness Index (CEI©) score. A CEI score exceeding 90% is deemed satisfactory performance, while anything below 71% is considered inadequate. Presently, your Company's CEI score stands at 88 %.

## 5. HIGHLIGHTS OF THE COMPANY'S FINANCIAL PERFORMANCE:

(₹ in Crores)

PARTICULARS	Standalone		Consolidated	
	2023-24	2022-23	2023-24	2022-23
<b>Continuing Operations</b>				
Total income	4010.74	3890.51	4570.01	3856.40
Earnings before Exceptional items, Finance Cost, Tax, Depreciation and Amortisation and Share of Profit/ (Loss) of Joint Venture (EBITDA)	882.71	745.29	717.67	593.30
Less: Finance Cost	96.42	69.52	35.51	34.22
<b>Profit before Exceptional items, Tax, Depreciation and Amortisation and Share of Profit / (Loss) of Joint Venture</b>	<b>786.29</b>	<b>675.77</b>	<b>682.16</b>	<b>559.08</b>
Less: Depreciation and Amortisation expenses	201.34	191.65	209.87	195.93
<b>Profit before Exceptional items, Tax and Share of Profit / (Loss) of Joint Venture</b>	<b>584.95</b>	<b>484.12</b>	<b>472.29</b>	<b>363.15</b>
Add: Exceptional item	-	134.21	-	134.21
<b>Profit before Tax and Share of Profit/ (Loss) of Joint Venture</b>	<b>584.95</b>	<b>618.33</b>	<b>472.29</b>	<b>497.36</b>
Less: Share of Profit/(Loss) of Joint Venture	-	-	(22.40)	(1.84)
<b>Profit before tax</b>	<b>584.95</b>	<b>618.33</b>	<b>449.89</b>	<b>495.52</b>
Less/(Add):				
Current Tax	72.29	92.84	117.45	92.84
Deferred Tax	115.11	98.99	27.39	79.54
Deferred tax relating to earlier period	0.19	0.55	0.19	0.55
<b>Profit after tax from continuing operations</b>	<b>397.36</b>	<b>425.95</b>	<b>304.86</b>	<b>322.59</b>
<b>Discontinued Operations</b>				
Add / (Less):				
Loss before tax from discontinued operations	(164.71)	(88.67)	(162.07)	(89.27)
Loss on Remeasurement to Net Realisable Value	(214.00)	-	(214.00)	-
Tax (Expense)/ Income of discontinued operations	132.51	31.03	131.59	31.23
<b>Loss from discontinued operations</b>	<b>(246.20)</b>	<b>(57.64)</b>	<b>(244.48)</b>	<b>(58.04)</b>
<b>Net Profit for the year</b>	<b>151.16</b>	<b>368.31</b>	<b>60.38</b>	<b>264.55</b>

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT (Contd.)

The Consolidated EBITDA including exceptional item from continuing operations for the year 2023-24 is ₹ 695.27 Crores (including share of Joint Venture) as against ₹ 725.67 Crores.

The Standalone EBITDA including exceptional gain from continuing operations for the year 2023-24 is ₹ 882.71 Crores as against ₹ 879.50 Crores.

In Consolidated financial statement finance cost has gone up from ₹ 34.22 Crores to ₹ 35.51 Crores.

Key financial metrics for the fiscal year, including total income, EBITDA, and net profit, reflect the Company's performance. Noteworthy changes include increased interest costs and satisfactory technical performance across all plants.

#### 6. DETAILS OF SIGNIFICANT CHANGES (I.E. CHANGE AS COMPARED TO IMMEDIATE PREVIOUS FINANCIAL YEAR) IN KEY FINANCIAL RATIOS:

Ratios	2023-24	2022-23	Change (%)	Explanation for change
1. Debtors Turnover Ratio	31.36	25.29	24.00%	-
2. Inventory Turnover Ratio	6.41	3.99	60.65%	Due to decrease in closing inventory of textile division on account of discontinuation of textile division
3. Interest Coverage Ratio	6.07	6.08	-0.16%	-
4. Current Ratio	1.72	1.16	48.28%	Due to increase in Real Estates inventory on account of Real Estates projects developments and increase in liquid fund investments
5. Debt Equity Ratio	0.61	0.26	-134.62%	Due to increase in debt on account of issue of NCD, LRD and term loan for Real Estates projects
6. Operating Profit Margin (including discontinued operations) (%)	5.86	6.26	-6.39%	-
7. Net Profit Margin (including discontinued operations) (%)	1.13	5.51	-79.49%	Refer Note
8. Return on Net Worth (%)	1.47	6.55	-77.56%	Refer Note

The above key financial ratios are in accordance with Note 46A of Consolidated Financial Statements prepared in accordance with Ind AS requirements and Schedule III of the Companies Act, 2013 and exhibit changes compared to the previous fiscal year, attributed to various factors impacting operational and financial performance.

**Note:** Due to discontinuation of textile business during the year, the Group has assessed the recoverability of Property, plant and equipment and other assets of the said Division and recognized a provision aggregating to Rs. 214.00 Crores as Loss on measurement to net realizable value and in previous year, the Group had recorded exceptional gain on account of transfer of leasehold land of Rs.134.21 crores. Accordingly, all ratios related to cash flows, revenue and profitability of the Group have been impacted as compared to previous year.

#### 7. HUMAN RESOURCE DEVELOPMENT / INDUSTRIAL RELATIONS:

The Company emphasizes fostering a high-performance work culture, supported by robust HR systems and development initiatives. The employee count decreased due to operational changes in the Textile segment.

We are genuinely inspired by our organization's dedication to nurturing an agile, high-performance, and diverse work culture. With over 125 years of existence, our esteemed legacy stands as a beacon, highlighting robust values, innovation, customer-centricity, and sustainability. The combined skills, expertise, experience, passion, and steadfast commitment



## MANAGEMENT DISCUSSION AND ANALYSIS REPORT (Contd.)

of our workforce greatly enrich our understanding of customers and reinforce relationships, thereby elevating our brand as an employer of choice. The ongoing cultivation of harmonious industrial relations across all our plants and sites serves as a testament to the enduring success of our organization.

Our organization's thrilling and ambitious growth strategies undeniably create pathways to unmatched career advancements. The demand for excellence from our employees, coupled with differentiation based on performance, merits, and potential, alongside a robust emphasis on development, mentoring, and training, collectively fosters operational brilliance. We have adopted several best-in-class HR systems such as the Talent Management System, Employee Engagement Assessment through Employee Voice Systems, and benchmark policies to ensure the highest standards across our operations.

As of March 31, 2024, the total employee strength stands at 2,439 (4,080 as on 31<sup>st</sup> March, 2023), exemplifying our collective dedication and commitment to our strategic objectives. It's noteworthy that this year, the number of employees has decreased by 1,641 due to the discontinuation of operations at the Textile plant, namely Birla Century, located in Jhagadia, Bharuch, Gujarat.

### 8. HEALTH, SAFETY AND SECURITY MEASURES:

Stringent health, safety, and security measures are integral to the Company's operations, ensuring a "Zero Harm" environment and prioritizing employee well-being across all locations.

As a responsible corporate citizen, the Company's steadfast dedication to human health and safety is commendable. Our plants and sites strictly adhere to Occupational Health and Safety management standards, seamlessly integrating responsibilities for occupational health, hygiene, and safety into daily business operations. Our employees' well-being receives the utmost priority, with comprehensive safety inspections and audits regularly conducted at every plant and project site. Furthermore, health and safety awareness programs are organized across all

locations, cultivating a culture of well-being among our employees.

As a cherished organization, we are dedicated to fostering a "Zero Harm" environment, placing the utmost value on lives above all else. Our Occupational Health and Safety standards and procedures guarantee a uniform approach to managing significant hazards throughout our business operations, always in compliance with relevant laws and regulations. The availability of modern occupational health and medical services through well-equipped health centers at all manufacturing plants highlights our unwavering commitment to employee well-being.

The Company consistently places the safety and well-being of its employees as the highest priority. Through proactive implementation of precautionary and safety measures, we demonstrate our dedication to safeguarding employees against potential threats. By consistently enforcing preventive and protective safeguards at our plants and sites, the Company reinforces its commitment to creating a secure work environment for all.

### 9. 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 expectations 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 finished goods prices, raw materials costs and availability, global and domestic demand supply conditions, 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 based on subsequent developments, information, or events.



**SECRETARIAL AUDIT REPORT**  
**FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH, 2024**  
**[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies**  
**(Appointment and Remuneration of Managerial Personnel) Rules, 2014]**

To,  
The Members,  
**CENTURY TEXTILES AND INDUSTRIES LIMITED,**  
Century Bhavan,  
Dr. Annie Besant Road, Worli,  
Mumbai - 400030

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Century Textiles and Industries Limited CIN: L17120MH1897PLC000163** (hereinafter called the "Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, **we hereby report that** in our opinion, the Company has, during the audit period covering the financial year ended on 31<sup>st</sup> March, 2024 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31<sup>st</sup> March, 2024 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

- (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- (d) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;
- (e) The Securities and Exchange Board of India (Issue and Listing of Non- Convertible Securities) Regulations, 2021;
- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; and
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;
- (vi) The following laws applicable specifically to the Company:
  1. The Real Estates (Regulations and Development) Act, 2016.

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India;
- (ii) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and amendments made thereunder. ('Listing Regulations')

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards etc. mentioned above.

**WE FURTHER REPORT THAT**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive

**SECRETARIAL AUDIT REPORT (Contd.)**

Directors and Independent Directors. No change in the composition of the Board of Directors took place during the period under review,

Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance except in case of meetings called at a short notice for urgency of business and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions at Board Meetings and Committee Meetings have been carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

**We further report that** there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**We further report that** during the audit period –

- (i) The Company has issued and allotted 65000 Unsecured, Redeemable, Listed, Non-Convertible Debentures of ₹ 1,00,000 each amounting to ₹ 650 crores and Redeemed 2380 Secured, Non-convertible Debentures of ₹ 10, 00,000 each amounting to ₹ 238 crores.
- (ii) The Company has, during the year discontinued Business operations of textiles unit at Jhagadia, Bharuch (Gujarat).
- (iii) The Company has, during the year incorporated a section 8 company "CTIL Community Welfare Foundation" for Charitable and Corporate Social Responsibility (CSR) activities of the Company.

For Gagrani & Gagan  
Company Secretaries  
PR No.1199/2021

Gagan B. Gagrani  
M.No. : FCS 1772  
CP No. : 1388

Place : Mumbai

Date : May 07, 2024

UDIN : F001772F000311202

*Note: This report is to be read with our letter of even date which is annexed as **Annexure A** and forms an integral part of this report.*

**Annexure-A**

To,

The Members,

**CENTURY TEXTILES AND INDUSTRIES LIMITED,**

Century Bhavan,

Dr. Annie Besant Road, Worli,

Mumbai – 400030

Our Secretarial Audit Report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

For Gagrani & Gagan  
Company Secretaries  
PR No.1199/2021

Gagan B. Gagrani  
M.No. : FCS 1772

CP No. : 1388

Place : Mumbai

Date : May 07, 2024

UDIN : F001772F000311202

## ANNUAL REPORT ON CSR ACTIVITIES

## 1. Brief outline on CSR Policy of the Company:

To actively contribute to the social and economic development of the communities and build a better sustainable way of life for the weaker sections of society, through our meaningful engagement in the areas of Education, Promotion of Sports activities, Health Care, Sustainable Livelihood & Women Empowerment, Infrastructure Development and Sanitation. The projects undertaken are within the broad framework of Schedule VII of the Companies Act, 2013. The Company's CSR policy can be accessed on the Company's website: [www.centurytextind.com](http://www.centurytextind.com)

## 2. Composition of CSR Committee:

Sr. No.	Name of Director	Designation/Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Smt. Rajashree Birla	Chairperson, Non-Independent, Non-Executive Director	3	3
2	Mr. Yazdi P. Dandiwala	Member, Independent, Non-Executive Director	3	3
3	Mr. Rajan A. Dalal	Member, Independent, Non-Executive Director	3	3
4	Mr. R. K. Dalmia	Member, Non-Independent, Managing Director	3	3

Sr. No.	Particulars	Web-link
i.	Provide the web-link(s) where Composition of CSR Committee, CSR Policy and CSR Projects approved by the Board are disclosed on the website of the Company.	<p><b>CSR Committee</b>  <a href="https://www.centurytextind.com/assets/pdf/others/committees-of-the-board-and-name-of-its-members-08112019.pdf">https://www.centurytextind.com/assets/pdf/others/committees-of-the-board-and-name-of-its-members-08112019.pdf</a></p> <p><b>CSR Policy</b>  <a href="https://www.centurytextind.com/assets/pdf/others/csr-policy-2020.pdf">https://www.centurytextind.com/assets/pdf/others/csr-policy-2020.pdf</a></p> <p><b>CSR Projects</b>  <a href="https://www.centurytextind.com/assets/pdf/others/csr-projects-approved-by-the-board-for-the-fy-2023-24.pdf">https://www.centurytextind.com/assets/pdf/others/csr-projects-approved-by-the-board-for-the-fy-2023-24.pdf</a></p>

## 4. Provide the executive summary along with web-link(s) of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8, if applicable: N.A.

5. (a) Average net profit of the Company as per sub-section (5) of section 135: ₹ 243.43 Crores
- (b) Two percent of average net profit of the Company as per sub-section (5) of section 135: ₹ 4.87 Crores
- (c) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: NIL
- (d) Amount required to be set-off for the financial year, if any: NIL
- (e) Total CSR obligation for the financial year (b+c-d): ₹ 4.87 Crores
6. (a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project): ₹ 4.80 crores
- (b) Amount spent in Administrative Overheads: ₹ 0.08 crores
- (c) Amount spent on Impact Assessment, if applicable: N.A.
- (d) Total amount spent for the Financial Year [(a)+(b)+(c)]: ₹ 4.88 crores



## ANNUAL REPORT ON CSR ACTIVITIES (Contd.)

(e) CSR amount spent or unspent for the Financial Year 2023-24:

Total Amount Spent for the Financial Year (₹ in Crores)	Amount Unspent (₹ in Crores)				
	Total Amount transferred to Unspent CSR Account as per sub-section (6) of section 135.		Amount transferred to any fund specified under Schedule VII as per second proviso to sub-section (5) of section 135.		
	Amount	Date of Transfer	Name of the Fund	Amount	Date of Transfer
4.88	-	-	-	-	-

f) Excess amount for set-off, if any:

Sr. No.	Particulars	Amount (₹ in Crores)
(1)	(2)	(3)
i)	Two percent of average net profit of the company as per sub-section (5) of section 135	4.87
ii)	Total amount spent for the Financial Year	4.88
iii)	Excess amount spent for the Financial Year [(ii)-(i)]	0.01
iv)	Surplus arising out of the CSR projects or programmes or activities of the previous Financial Years, if any	NIL
v)	Amount available for set off in succeeding Financial Years [(iii)-(iv)]	0.01

(7) Details of Unspent Corporate Social Responsibility amount for the preceding three financial years:

1	2	3	4	5	6		7	8
Sr. No.	Preceding Financial Year (s)	Amount transferred to Unspent CSR Account under sub-section (6) of section 135 (₹ in lacs)	Balance Amount in Unspent CSR Account under sub-section (6) of section 135 (₹ in lacs)	Amount spent in the Financial Year (₹ in lacs)	Amount transferred to a Fund as specified under Schedule VII as per second proviso to sub-section (5) of section 135, if any		Amount remaining to be spent in succeeding financial years (₹ in lacs)	Deficiency, if any
					Amount (₹ in lacs)	Date of Transfer		
1	2022-23				NIL			
2	2021-22	73.07	NIL	NIL	NIL	-	NIL	NIL
3	2020-21	*509.27	NIL	NIL	NIL	-	NIL	NIL

\* The Company has spent in FY 2021-22 ₹ 1.18 lac in addition to ₹ 509.27 lacs transferred to unspent CSR Account..

(8) Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year:

(✓) Yes    (✗) No

If Yes, enter the number of Capital assets created/ acquired: 10

## ANNUAL REPORT ON CSR ACTIVITIES (Contd.)

Furnish the details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the Financial Year :

(1) Sr. No.	(2) Short particulars of the property or asset(s) [including complete address and location of the property]	(3) Pincode of the Property or asset(s)	(4) Date of creation	(5) Amount of CSR Amount spent (₹ In lacs)	(6) Details of entity/ Authority/beneficiary of the registered owner		
					CSR Registration Number, if applicable	Name	Registered address
1	Television for Smart Class (2 nos.) Diwan Dhanji High School, Post: Jhagadia, Tal: Jhagadia, Dist: Bharuch, Gujarat 393110	393110	22 <sup>nd</sup> December, 2023	4.12	N.A.	Diwan Dhanji High School	Diwan Dhanji High School, Post: Jhagadia, Tal: Jhagadia, Dist: Bharuch, Gujarat 393110
2	Construction of Mid-Day Meal Centre at Valia Primary School Post: Valia, Tal: Valia, Dist: Bharuch, Gujarat 393135	393135	15 <sup>th</sup> March, 2024	17.27	N.A.	Valia Primary School	Valia Primary School Post: Valia, Tal: Valia, Dist: Bharuch, Gujarat 393135
3	Construction of Library Building at Boridra Primary School Post: Boridra, Tal: Jhagadia, Dist: Bharuch, Gujarat - 393110	393110	15 <sup>th</sup> March, 2024	20.00	N.A.	Boridra Primary School	Boridra Primary School Post: Boridra, Tal: Jhagadia, Dist: Bharuch, Gujarat- 393110
4	Construction of compound wall around Community Hall at Nana Sanja Gram Panchayat, Post: Nana Sanja, Tal: Jhagadia, Dist: Bharuch, Gujarat - 393110	393110	1 <sup>st</sup> July, 2023	7.70	N.A.	Nana Sanja Gram Panchayat	Nana Sanja Gram Panchayat, Post: Nana Sanja, Tal: Jhagadia, Dist: Bharuch, Gujarat- 393110
5	Construction of Cowsheds (2 nos.) Village: Elar, Teh: Thakurdwara District: Moradabad, Uttar Pradesh- 244001	244001	25 <sup>th</sup> March, 2024	25.96	N.A.	Deputy District Officer, Thakurdwara	Village: Elar, Teh: Thakurdwara District: Moradabad, Uttar Pradesh- 244001
6	Handpumps (Safe Drinking water-Sanitation) (31 nos.) Village: Lalkua & Bindukhatta District: Nainital, Uttarakhand- 262402 Village: Shantipuri, District: Udham Singh Nagar, Uttarakhand- 263148	262402  263148	16 <sup>th</sup> March, 2024	15.55	N.A.	Community residing in villages viz: Lalkua, Bindukhatta & Shantipuri	Village: Lalkua & Bindukhatta Dist: Nainital, Uttarakhand- 262402 Village: Shantipuri, Dist: Udham Singh Nagar, Uttarakhand- 263148



## ANNUAL REPORT ON CSR ACTIVITIES (Contd.)

(1) Sr. No.	(2) Short particulars of the property or asset(s) [including complete address and location of the property]	(3) Pincode of the Property or asset(s)	(4) Date of creation	(5) Amount of CSR Amount spent (₹ In lacs)	(6) Details of entity/ Authority/beneficiary of the registered owner		
					CSR Registration Number, if applicable	Name	Registered address
7	Construction of Toilets (30 nos.) Village: Bindukhatta & Lalkua District: Nainital, Uttarakhand- 262402 Village: Shantipuri, District: Udham Singh Nagar, Uttarakhand- 263148	262402  263148	11 <sup>th</sup> March, 2024	8.74	N.A.	Construction of toilets for community residing in villages viz: Lalkua, Bindukhatta & Shantipuri	Village: Bindukhatta & Lalkua Dist: Nainital, Uttarakhand- 262402 Village: Shantipuri, Dist: Udham Singh Nagar, Uttarakhand- 263148
8	Construction of pillars, RCC road & brick work with plaster, fixing of steel door at Rajkiya Uchtar Madhymic Vidhyalaya Village: Ghoranala Dist: Nainital, Uttarakhand-262402	262402	03 <sup>rd</sup> November, 2023	1.59	N.A.	Rajkiya Uchtar Madhymic Vidhyalaya	Rajkiya Uchtar Madhymic Vidhyalaya Village: Ghoranala Dist: Nainital, Uttarakhand-262402
9	Construction of boundary wall and flooring work at Janta Inter College Village: Bindukhatta, Dist: Nainital, Uttarakhand- 262402	262402	21 <sup>st</sup> February, 2024	1.56	N.A.	Janta Inter College	Janta Inter College Village: Bindukhatta, Dist: Nainital, Uttarakhand- 262402
10	Installation of Sanitary Napkin Vending Machine at Lal Bahadur Shastri Govt PG College Village: Halduchaur Dist: Nainital, Uttarakhand-263139	263139	06 <sup>th</sup> November, 2023	0.24	N.A.	Lal Bahadur Shastri Govt PG College	Lal Bahadur Shastri Govt PG College Village: Halduchaur Dist: Nainital, Uttarakhand-263139

(9) Specify the reason(s), if the Company has failed to spend two percent of the average net profit as per sub-section (5) of section 135: Not Applicable

Place: Mumbai

Date: 07<sup>th</sup> May, 2024**R.K. Dalmia**Managing Director  
(DIN: 00040951)**Rajashree Birla**Chairperson – CSR Committee  
(DIN: 00022995)



## REMUNERATION POLICY

### Salient Features of Nomination and Remuneration Policy: POLICY RELATING TO THE REMUNERATION FOR THE MANAGING DIRECTOR, WHOLE TIME DIRECTOR, NON-EXECUTIVE/INDEPENDENT DIRECTOR, KMP AND SENIOR MANAGEMENT PERSONNEL

#### GENERAL:

- (a) The remuneration / compensation / commission etc. to the Managing Director, Whole-time Director, Non-Executive / Independent Director, KMP and Senior Management Personnel will be determined by the Committee and recommended to the Board for approval. The remuneration / compensation / commission etc. shall be subject to the prior/post approval of the shareholders of the Company and Central Government, wherever required.
- (b) The remuneration and commission to be paid to the Managing Director and Whole-time Director shall be in accordance with the percentage / slabs / conditions as per the provisions of the Companies Act, 2013 and the Rules made thereunder.
- (c) Increments to the existing remuneration / compensation structure linked to performance, should be clear and meet appropriate performance benchmarks and may be recommended by the Committee to the Board which should be within the slabs approved by the Shareholders in the case of Managing Director and Whole-time Director.
- (d) The Committee does not propose to fix the actual amounts of remuneration that may be payable to each individual key managerial personnel or senior management personnel. However, the management, whilst fixing the remuneration of any such key personnel must consider the following:
  1. The Industry practice for the same level of employment/office.
  2. Past performance/seniority of the concerned appointee.
  3. The nature of duties and responsibilities cast upon such person by reason of his holding that office.
  4. The remuneration should be such that it provides adequate incentive to the person to give his best to the Company and feel essence of high satisfaction with his employment.
  5. The perquisites to be given to Managing Director, Whole-time Director/s, KMP & Senior Management Personnel will be as per industry practice and as may be recommended by the Committee to the Board.

#### REMUNERATION TO MANAGING DIRECTOR, WHOLE-TIME DIRECTOR, KMP AND SENIOR MANAGEMENT PERSONNEL:

The Managing Director, Whole-time Director / KMP and Senior Management Personnel shall be eligible for a monthly remuneration as may be approved by the Board on the recommendation of the Committee. The break-up of the pay scale and quantum of perquisites including, employer's contribution to P.F, pension scheme, medical expenses, club fees etc. shall be decided and approved by the Board on the recommendation of the Committee and approved by the shareholders and Central Government, wherever required, reflecting the short and long term performance objectives appropriate to the working of the Company and its goals.

#### REMUNERATION TO NON- EXECUTIVE / INDEPENDENT DIRECTOR:

##### (a) Remuneration / Commission:

The Committee noted that in the past the Company has paid remuneration to Non-Executive Directors by way of commission and if the Company's net profits computed for the purpose under the applicable provisions of the Companies Act, 2013 so permits in future, that practice should be restored. Commission may be paid within the monetary limit fixed and approved by the Board subject to the overall limit not exceeding 1% of the net profits of the Company computed as per the applicable provisions of the Companies Act, 2013.

##### (b) Sitting Fees:

The Non- Executive / Independent Director may receive remuneration by way of fees for attending meetings of Board or Committees thereof as may be recommended by the Committee and approved by the Board provided that the amount of such fees shall not exceed amount prescribed in this behalf by the Central Government from time to time. So far as the Sitting Fees are concerned, presently, for meetings of the various Committees, the same are at par for all the Committees. It should be suitably modified in due course keeping in mind the time and work involved for each of the Committees and the industry practice.



## ANNEXURE IV

**DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO AS PRESCRIBED UNDER RULE 8(3) OF THE COMPANIES (ACCOUNTS) RULES, 2014****A. CONSERVATION OF ENERGY:****(i) the steps taken or impact on conservation of energy:**Textile Division:

- Revamping of existing Turbine to back pressure turbine.
- Replacement of HOT Insulation with Perlite Insulation.
- Reuse of media filter backwash water rejection by Small RO.
- Optimizing steam consumption in dearator.
- Replacement of VAM Chiller with Small capacity.

Pulp and Paper Division:

- Installation of New Evaporator 275 TPH.
- Boiler no. 8 MP heater taken in line to increase feed water temperature.
- Feed water power optimization.
- Cooling tower power optimization by cleaning condenser tubes.
- Installation of LED lights.
- Installation of VFD on cooling towers.
- Filtrate pump power optimization at Bagasse Pulp Mill (during off season).
- So2 circulation pump 110 KW motor replaced with 22 KW.

**(ii) The Steps taken by the unit for utilizing alternative sources of energy:**Textile Division:

- 3MW Renewable (Wind) power is purchased from Kutch Wind farm Pvt. Ltd. (KWDPL).

Pulp and Paper Division:

- Continued usage of Black Liquor & Pith (Biomass product) for steam generation.
- Continued usage of CMG at Tissue plant in place of LPG.
- Continued utilization of solar Energy.
- Continued utilization of Bark in Boiler 7&8 as a blending fuel for saving fossil fuels.

- During pine needle (perul) season continued burning pine needle (perul) as blending fuel for saving fossil fuels.
- Replacement of LSHS in place of FO.

**(iii) Capital investment on energy conservation equipment: ₹ 120.65 Crores**Textile Division:

- Revamping of existing Turbine to back pressure Turbine.
- Replacement of HOT Insulation with Perlite Insulation.
- Replacement of VAM Chiller with Small capacity.

Pulp and Paper Division:

- New Evaporator.

**B) TECHNOLOGY ABSORPTION:****(i) the efforts made towards technology absorption:**

- New head box at WPP Plant.
- New CHM cutter at Paper Machine (PM) 3.
- Installation of new evaporator by shutting down of old evaporator 1.
- Retrofitting of breakers at PM 1,2,3, Board plant, Bagasse Pulp mill, Recovery & Fiberline.
- Relay upgradation at Bagasse Pulp Mill.
- ESP controller upgradation at Powerhouse & Recovery.
- Upgradation of PM 1 refine motor from 750 rpm to 600 rpm.
- PM 1 fan pump motor upgrade from 1000 to 750 rpm.
- PM 1 & 2 Shower upgradation.
- Upgradation of Old ECH braking system with pneumatic braking system.
- BM 6 Miltex Sheeter unwind stand auto centering unit coupling upgradation.
- Board Machine drive section HMI upgradation.

## DISCLOSURE OF PARTICULARS WITH RESPECT... (Contd.)

- Desuperheating pressure control converted to Auto control by providing Pressure Transmitter & Control Valve.
- At 21 MW TG, for Main steam temperature relay logic modification provided for low alarm & tripping.
- At Powerhouse Schreader makes solenoid valves changed with SMC / Genetic make solenoid valves for easy override to manual operation.
- Boiler 5/6/7/8 DCS Panel rack power supply upgraded from 110VAC coming from single transformer to 220VAC output (from UPS).
- Enmass Boiler DCS controller upgraded from 451 to 457 due to this complex networking (multi networking & multi-media converters) eliminated. Now a single FO based network is there.
- Recovery in wash tank Butterfly type control valve changed with Ball valve type control valve to resolve the issue of frequent failure of internal gasket & metallic sheet.
- Bagasse Pulp Mill, in screen surge chest outlet Optical type consistency transmitter installed in place of rotary type.
- At Fiberline, Air Dryer is installed in instrument airline to overcome the problem of frequent failure of control valves positioners.

**(ii) the benefits derived as a result of above efforts:**

- Reduction in Power consumption.
- Quality Improvement.
- Reduction in Steam consumption.
- Increase in Renewable share.

**(iii) in case of imported technology (imported during the last three years reckoned from the beginning of the financial year):**

NIL

**(iv) The expenditure incurred on Research and Development**

(₹ in Crores)

(a)	Capital expenditure	0.48
(b)	Recurring expenditure	2.88
(c)	Total	3.36
(d)	Total R&D expenditure as a percentage of total turnover	0.06%

**C. FOREIGN EXCHANGE EARNINGS AND OUTGO:**

The Foreign Exchange earned in terms of actual inflows during the year and Foreign Exchange outgo during the year in terms of actual outflows.

(₹ in Crores)

Foreign Exchange earned (inflow)	276.68
Foreign Exchange used (outflow)	1039.83

On behalf of the Board,

R. K. DALMIA  
Managing Director  
DIN: 00040951

Y. P. DANDIWALA  
Director  
DIN: 01055000

Dated: 07<sup>th</sup> May, 2024



## Annexure-V

**DETAILS PERTAINING TO REMUNERATION AS REQUIRED UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014**

- (i) The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the financial year 2023-24, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2023-24:

Sr. No.	Name of Director / KMP	Designation	Remuneration of Director / KMP for financial year 2023-24 (₹ in lacs)	% increase in Remuneration in the financial year 2023-24	Ratio of remuneration of each Director / to median remuneration of employees
1.	Mr. Kumar Mangalam Birla	Chairman	33.83	0.33	8.17
2.	Smt. Rajashree Birla	Non-Executive Non-Independent Director	37.28	8.00	9.00
3.	Mr. Yazdi P. Dandiwala	Non-Executive Independent Director	40.73	7.13	9.84
4.	Mr. Rajan A. Dalal	Non-Executive Independent Director	39.98	6.27	9.66
5.	Mr. Sohanlal K. Jain	Non-Executive Independent Director	37.98	3.29	9.17
6.	Ms. Preeti Vyas	Non-Executive Independent Director	37.88	7.10	9.15
7.	Mr. R. K. Dalmia	Managing Director	572.56	7.71	138.30
8.	Mr. Snehal Shah	Chief Financial Officer	203.61	17.93	NA
9.	Mr. Atul K. Kedia	Company Secretary	94.27	4.63	NA

- (ii) The median remuneration of employees of the Company during the financial year 2023-24 was ₹ 4.14 lacs.
- (iii) In the financial year, there was an increase of 3.24% in the median remuneration of employees.
- (iv) There were 2,439 permanent employees on the roll of the Company as on 31<sup>st</sup> March, 2024.
- (v) Average percentage increase made in the salaries of employees other than Managerial Personnel in the last financial year i.e. 2023-24 was 10.66%. Whereas the average increase in the Managerial remuneration for the financial year 2023-24 was not comparable with 2022-23 as during the financial year 2022-23, Mr. J. C. Laddha ceased as Managing Director of the Company w.e.f. 12<sup>th</sup> August, 2022 and Mr. R. K. Dalmia ceased as Whole-time Director of the Company and became Managing Director of the Company w.e.f. the said date.
- (vi) It is hereby affirmed that the remuneration paid is as per the Remuneration Policy for Directors, Key Managerial Personnel and other Employees.

# “FORM AOC-1”

## Statement containing salient features of the financial statement of subsidiaries or associate companies or joint ventures

(Pursuant to first proviso to sub-section (3) of section 129 of the Companies Act, 2013  
read with rule 5 of Companies (Accounts) Rules, 2014)

### Part A: Subsidiaries

(₹ in Crores)

Sr. No.	Name of the subsidiary	Birla Estates Private Limited	Birla Century Exports Private Limited	Birla Century International LLC (Subsidiary of Birla Century Exports Private limited)	Avarna Projects LLP (Subsidiary of Birla Estates Private Limited)	Birla Tisya LLP (Subsidiary of Birla Estates Private Limited)	Birla Arnaa LLP (Subsidiary of Birla Estates Private Limited)	CTIL Community Welfare Foundation
1	The date since when subsidiary was acquired/ incorporated	26 <sup>th</sup> December 2017	13 <sup>th</sup> November 2018	19 <sup>th</sup> August 2019	19 <sup>th</sup> June 2019	21 <sup>st</sup> November 2019	24 <sup>th</sup> February 2022	02 <sup>nd</sup> November 2023
2	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Same as reporting period of Century Textiles and Industries Limited						
3	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	Indian Rupees	Indian Rupees	USD Exchange Rate as at 31 <sup>st</sup> March 2024: ₹ 83.37	Indian Rupees	Indian Rupees	Indian Rupees	Indian Rupees
4	Share capital	200.00	0.50	0.10	0.05	0.05	0.25	0.01
5	Reserves and surplus	(139.61)	(0.40)	(0.11)	(2.52)	(7.18)	(8.92)	-
6	Total assets	2431.74	0.11	-	960.28	339.07	160.51	0.01
7	Total Liabilities	2371.35	0.02	-	962.70	346.15	168.94	-
8	Investments	0.35	-	-	-	-	-	-
9	Turnover	605.54	-	0.20	222.02	-	-	0.01
10	Profit / (Loss) before taxation	(6.06)	(0.19)	1.86	24.03	(2.64)	(8.75)	-
11	Provision for taxation	(1.03)	-	-	2.75	4.47	-	-
12	Profit / (Loss) after taxation	(7.09)	(0.19)	1.86	26.78	1.83	(8.75)	-
13	Proposed Dividend	-	-	-	-	-	-	-
14	Extent of shareholding (in percentage)	100%	100%	100%	50%	40%	47%	100%

#### Notes:

- Names of subsidiaries which are yet to commence operations: NIL
- Names of subsidiaries which have been liquidated or sold during the year: NIL
- Avarna Projects LLP, Birla Tisya LLP and Birla Arnaa LLP have been considered as the subsidiaries of Birla Estates Private Limited as per Ind AS.

**Part B: Associates and Joint Ventures**

(₹ in Crores. except share)

Sr. No.	Name of Associates or Joint Ventures	Industry House Limited	Birla Advanced Knits Private Limited
1	Latest audited Balance Sheet Date	31 <sup>st</sup> March 2023	31 <sup>st</sup> March 2024
2	Date on which the Associate or Joint Venture was associated or acquired	27 <sup>th</sup> November 1952	14 <sup>th</sup> July, 2021
3	Shares of Associate or Joint Ventures held by the company on the year end		
	a. Number of shares	5,625 Equity Shares	2,50,00,000 Equity Shares
	b. Amount of Investment in Associates or Joint Venture	0.04	25.00
	c. Extent of Holding (in percentage)	35.28%	50.00%
4	Description of how there is significant influence	No significant influence as per Ind AS 28	Joint Venture
5	Reason why the associate/joint venture is not consolidated	As the Company (Century Textiles and Industries Limited) does not have significant influence over Industry House Limited, the Company has not considered it as an associate as per Ind AS 28 "Investment in Associates and Joint Ventures" and hence not consolidated	Consolidated
6	Net worth attributable to shareholding as per latest audited Balance Sheet	4.31	0.76
7	Profit or Loss for the year attributable to shareholding as per latest audited Balance Sheet	(0.01)	(22.40)
	i. Considered in Consolidation	No	Yes
	ii. Not Considered in Consolidation	(0.01)	-

**Notes:**

- Names of Associates and Joint Ventures which are yet to commence operations: NIL
- Names of Associates and Joint Ventures which have been liquidated or sold during the year: NIL

**For and on behalf of Board of Directors of  
Century Textiles and Industries Limited**

*Directors*

**Kumar Mangalam Birla**-DIN No: 00012813

**Rajashree Birla**-DIN No: 00022995

**Yazdi P. Dandiwalla**-DIN No: 01055000

**Rajan A. Dalal**-DIN No: 00546264

**Sohanlal K. Jain**-DIN No: 02843676

**Preeti Vyas**-DIN No: 02352395

**Atul K. Kedia**  
Sr. Vice President (Legal) &  
Company Secretary

**Snehal Shah**  
Chief Financial Officer  
  
Mumbai : 07 May 2024

**R.K.Dalmia**  
Managing Director  
DIN No: 00040951



# CORPORATE GOVERNANCE REPORT

A report on Corporate Governance is set out in compliance with the Corporate Governance requirements as stipulated in Regulation 34(3) read with Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations').

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

Corporate Governance refers to a set of laws, regulations and good practices that enables an organisation to perform its business efficiently and ethically to generate long-term wealth and create value for all its stakeholders. Good Corporate Governance emerges from the application of the best and sound management practices and compliance with the laws coupled with adherence to the highest standards of transparency and business ethics.

Aditya Birla Group ("Group") is committed towards the adoption of the best Corporate Governance practices and its adherence in true spirit, at all times. As a part of the Group, we feel proud to belong to a Group whose visionary founders laid the foundation stone for good governance and sustainable businesses long back and made it an integral principle of the business. Your Company continuously endeavours for excellence and at the same time focuses on enhancement of long-term stakeholder value through adoption of best governance and disclosure practices.

## II. BOARD OF DIRECTORS:

### (a) Composition of the Board:

As on 31<sup>st</sup> March, 2024, the Board of Directors comprises seven members consisting of six Non-Executive Directors who account for eighty five percent of the Board's strength as against the minimum requirement of fifty percent as per the Listing Regulations. The Non-Executive Directors are eminent professionals, having considerable professional experience in their respective fields. The composition is as under:-

Name of the Director	Category of Director	Directorships in other Indian Public Limited Companies <sup>\$</sup>	No. of other Board Committee(s) of which he/she is a Chairman/Member <sup>@</sup>		No. of Shares held in the Company as on 31 <sup>st</sup> March, 2024	List of Directorship held in other Listed Companies and its Category of Directorship N-(Non-Executive, Non-Independent Director) I-(Non-Executive, Independent Director) E-(Executive Director)
			Member	Chairman		
Mr. Kumar Mangalam Birla - Chairman [DIN: 00012813]	Promoter - Non-Executive	07	-	-	-	1. Grasim Industries Limited(N) 2. Hindalco Industries Limited(N) 3. UltraTech Cement Limited(N) 4. Aditya Birla Fashion and Retail Limited (N) 5. Aditya Birla Capital Limited (N) 6. Vodafone Idea Limited (N)
Smt. Rajashree Birla [DIN: 00022995]	Promoter- Non-Executive	05	-	-	-	1. Grasim Industries Limited(N) 2. Hindalco Industries Limited(N) 3. UltraTech Cement Limited(N) 4. Pilani Investment and Industries Corporation Limited (N) 5. Century Enka Limited (N)



## CORPORATE GOVERNANCE REPORT (Contd.)

Name of the Director	Category of Director	Directorships in other Indian Public Limited Companies <sup>§</sup>	No. of other Board Committee(s) of which he/she is a Chairman/Member <sup>@</sup>		No. of Shares held in the Company as on 31 <sup>st</sup> March, 2024	List of Directorship held in other Listed Companies and its Category of Directorship N-(Non-Executive, Non-Independent Director) I-(Non-Executive, Independent Director) E-(Executive Director)
			Member	Chairman		
Mr. Yazdi P. Dandiwala [DIN: 01055000]	Independent-Non-Executive	05	05	-	-	1. Hindalco Industries Limited(I) 2. Pilani Investment and Industries Corporation Limited(I) 3. Grasim Industries Limited(I) 4. Rashi Peripherals Limited(I)
Mr. Rajan A. Dalal [DIN: 00546264]	Independent-Non-Executive	02	01	01	-	1. Sutlej Textiles and Industries Limited (I) 2. Hindustan Composites Limited (I)
Mr. Sohanlal K. Jain [DIN: 02843676]	Independent-Non-Executive	01	02	02	-	1. Century Enka Limited (I)
Ms. Preeti Vyas <sup>§</sup> [DIN: 02352395]	Independent-Non-Executive	03	-	-	-	1. Aditya Birla Fashion and Retail Limited (I) 2. TCNS Clothing Company Limited (I)
Mr. R. K. Dalmia [DIN: 00040951]	Executive-Managing Director	04	-	-	7,150	-

<sup>@</sup> Committee positions only of the Audit Committee and Stakeholders' Relationship Committee in Public Limited Companies have been considered.

<sup>§</sup> Directorship is excluding Private Limited Companies, Foreign Companies and Companies under Section 8 of the Companies Act, 2013.

**Notes:**

- In terms of provisions of the Companies Act, 2013, Smt. Rajashree Birla is related to Mr. Kumar Mangalam Birla being her son, except this, no director is related to any other director on the Board.
- Memberships of the Directors in various Committees are within the permissible limits of the Listing Regulations.
- Ms. Preeti Vyas (DIN: 02352395) completed her first term of five years as Independent Director on 31<sup>st</sup> March, 2024. On recommendation of the Nomination and Remuneration Committee and Board of Directors, Shareholders of the Company approved the reappointment of Ms. Vyas as an Independent Director for a second term of five years commencing from 1<sup>st</sup> April, 2024 up to 31<sup>st</sup> March, 2029 (both days inclusive). The said approval was received on 20<sup>th</sup> March, 2024, by way of a special resolution passed through Postal ballot.
- The Board of Directors at its meeting held on 7<sup>th</sup> May, 2024, has appointed Mr. Sunirmal Talukdar (DIN: 00920608) & Mr. Pramod Kabra (DIN: 02252403) as Independent Directors of the Company w.e.f. 24<sup>th</sup> July, 2024, subject to the approval of the shareholders at the ensuing Annual General Meeting of the Company.

**(b) Board Meetings and attendance of Directors:**

- The members of the Board have been provided with the requisite information mentioned in the Listing Regulations well before the Board Meetings.

## CORPORATE GOVERNANCE REPORT (Contd.)

- (ii) During the year, the Board of Directors met 8 (eight) times on 24<sup>th</sup> April, 2023, 23<sup>rd</sup> May, 2023, 11<sup>th</sup> July, 2023, 19<sup>th</sup> July, 2023, 18<sup>th</sup> August, 2023, 20<sup>th</sup> October, 2023, 2<sup>nd</sup> February, 2024 and 22<sup>nd</sup> March, 2024. The maximum interval between any two meetings held during the year did not exceed 120 days.
- (iii) The attendance recorded for each of the Directors at the Board Meetings during the year ended as on 31<sup>st</sup> March, 2024 and of the last Annual General Meeting (AGM) is as under:-

Name of Board of Directors	Number of meetings		AGM i.e. 27 <sup>th</sup> July, 2023
	Held during the tenure	Attended during the tenure	
Mr. Kumar Mangalam Birla	08	01	Yes
Smt. Rajashree Birla	08	07	Yes
Mr. Yazdi P. Dandiwala	08	08	Yes
Mr. Rajan A. Dalal	08	08	No
Mr. Sohanlal K. Jain	08	06	Yes
Ms. Preeti Vyas	08	07	Yes
Mr. R. K. Dalmia	08	07	Yes

**(c) Code of Conduct:**

The Company has framed a Code of Conduct for the members of the Board of Directors and Senior Management Personnel of the Company. The said Code of Conduct is available on the website of the Company i.e. [www.centurytextind.com](http://www.centurytextind.com). The declaration by Mr. R. K. Dalmia, Managing Director of the Company regarding compliance by the Board members and Senior Management Personnel, with the said Code of Conduct is given as Annexure A 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.

**(d) Chart or a Matrix setting out the Skills/Expertise/Competencies of the Board of Directors:**

The Board of Directors of the Company possess the requisite skills/expertise/competencies in the context of its businesses to function effectively. The core skills/expertise/competencies that are available with the Directors are as under:

Name of Directors	(Skills/Expertise/Competencies)
Mr. Kumar Mangalam Birla	Business Strategy, Planning and Corporate Management
Smt. Rajashree Birla	Corporate Management and Discharge of Corporate Social Responsibility
Mr. Yazdi P. Dandiwala	Legal Compliance and Risk Management
Mr. Rajan A. Dalal	Accounting and Financial Skills
Mr. Sohanlal K. Jain	Legal Compliance and Risk Management
Ms. Preeti Vyas	Designing and Communication, Advertising and Media
Mr. R. K. Dalmia	Production, Marketing, Accounting and Financial Skills

All directors of the Company have expertise in the field of Corporate Governance.

**e) Confirmation from the Board of Directors in context to Independent Directors:**

The Board of Directors has confirmed that in the opinion of the board, the Independent Directors fulfill the conditions specified in Listing regulations and are independent of the management.



## CORPORATE GOVERNANCE REPORT (Contd.)

**f) Detailed reasons for the resignation of an Independent Director who resigns before the expiry of his/her tenure along with a confirmation by such director that there are no other material reasons other than those provided:**

No Independent Director has resigned before the expiry of his/her tenure.

**III. COMMITTEES OF THE BOARD OF DIRECTORS:**

The Board has constituted various Committees of Directors with respective terms of reference as per the provisions of the Listing Regulations and the Companies Act, 2013 (the Act) to deal with matters and plays a vital role in improving the Board effectiveness in the areas where more focus and extensive discussions are required. The composition of the committees of the Board as on 31<sup>st</sup> March, 2024 are as follows:

<b>Audit Committee</b>	<b>Nomination and Remuneration Committee</b>	<b>Stakeholders' Relationship Committee</b>	<b>Corporate Social Responsibility Committee</b>	<b>Risk Management Committee</b>	<b>Committee of Independent Directors</b>	<b>Finance Committee</b>	<b>Prevention of Insider Trading Regulations Committee</b>
Mr. Yazdi P. Dandiwalla (Chairman)	Mr. Rajan A. Dalal (Chairman)	Mr. Rajan A. Dalal (Chairman)	Smt. Rajashree Birla (Chairperson)	Mr. Yazdi P. Dandiwalla	Mr. Yazdi P. Dandiwalla	Mr. Yazdi P. Dandiwalla	Mr. Yazdi P. Dandiwalla (Chairman)
Mr. Rajan A. Dalal	Mr. Kumar Mangalam Birla	Mr. Yazdi P. Dandiwalla	Mr. Yazdi P. Dandiwalla	Mr. Rajan A. Dalal	Mr. Rajan A. Dalal	Mr. Rajan A. Dalal	Mr. Rajan A. Dalal
Mr. Sohanlal K. Jain	Mr. Yazdi P. Dandiwalla	Ms. Preeti Vyas	Mr. Rajan A. Dalal	Mr. Sohanlal K. Jain	Mr. Sohanlal K. Jain	Mr. R. K. Dalmia	Mr. R. K. Dalmia
Ms. Preeti Vyas	Mr. Sohanlal K. Jain	Mr. R. K. Dalmia	Mr. R. K. Dalmia	Mr. R. K. Dalmia	Ms. Preeti Vyas		

**a. Audit Committee:**

The Audit Committee was constituted by the Board at its meeting held on 27<sup>th</sup> May, 2000 and was reconstituted on 05<sup>th</sup> May, 2014. All the members of the Audit Committee are Non-Executive Independent Directors and are financially literate and one member has accounting and related financial management expertise.

During the year four meetings of the Audit Committee were held i.e. on 24<sup>th</sup> April, 2023, 19<sup>th</sup> July, 2023, 20<sup>th</sup> October, 2023 and 2<sup>nd</sup> February, 2024.

The details of composition as on 31<sup>st</sup> March, 2024 and attendance of the members at the Audit Committee meeting held during FY2023-24 are as given below:

<b>Name of the members of the Audit Committee</b>	<b>Number of meetings</b>	
	<b>Held during the tenure</b>	<b>Attended during the tenure</b>
Mr. Yazdi P. Dandiwalla (Chairman)	04	04
Mr. Rajan A. Dalal	04	04
Mr. Sohanlal K. Jain	04	03
Ms. Preeti Vyas	04	03

At the invitation of the Company, representatives from various divisions of the Company, Internal Auditors, Cost Auditors, Statutory Auditors, Chief Financial Officer and Company Secretary, who acted as Secretary to the Audit Committee, also attended the Audit Committee meetings to respond to queries raised at the Committee meetings.

The role and Terms of Reference of the Audit Committee cover the matters specified for Audit Committee under Listing Regulations as well as in Section 177 of the Act.

## CORPORATE GOVERNANCE REPORT (Contd.)

**b. Nomination and Remuneration Committee:**

The brief description of the terms of reference of Nomination and Remuneration Committee (NRC) is to guide the Board in relation to the appointment and removal, identifying persons and to recommend / review remuneration of the directors including Executive Director, Key Managerial Personnel (KMP) and Senior Management Personnel.

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

Nomination and Remuneration Committee has presently four Non-Executive Directors as its members comprising of three Independent Directors and one Promoter Director (i.e. Chairperson of the Company).

During the year, four meetings of the NRC were held i.e. on 24<sup>th</sup> April, 2023, 22<sup>nd</sup> June, 2023, 18<sup>th</sup> August, 2023 and 2<sup>nd</sup> February, 2024. The recommendations of the NRC have been accepted by the Board.

The details of composition as on 31<sup>st</sup> March, 2024 and attendance of the members at the NRC meetings held during FY2023-24 are as given below:

Name of the members of Nomination and Remuneration Committee	Number of meetings	
	Held during the tenure	Attended during the tenure
Mr. Rajan A. Dalal (Chairman)	04	03
Mr. Kumar Mangalam Birla	04	-
Mr. Yazdi P. Dandiwala	04	04
Mr. Sohanlal K. Jain	04	04

**Performance evaluation criteria for Independent Directors:**

The framework used to evaluate the performance of the Independent Directors is based on the expectation that they are performing their duties in a manner which should create and continue to build sustainable value for the shareholders, and in accordance with the duties and obligations imposed upon them. The performance of the Independent Directors is evaluated, with emphasis on:

- Time invested in understanding the Company and its unique requirements;
- External knowledge and perspective;
- Views expressed on the issues discussed at the Board; and
- Keeping updated on areas and issues that are likely to be discussed at the Board.

**c. Stakeholders' Relationship Committee:**

Stakeholders' Relationship Committee (SRC) of the Board comprises of three Non-Executive Independent Directors and one Executive Director. The composition of the Committee complies with the requirements of the Listing Regulations and the Act.

During the year, one meeting of the SRC was held i.e. on 29<sup>th</sup> January, 2024.

The details of composition as on 31<sup>st</sup> March, 2024 and attendance of the members at the SRC meeting held during FY2023-24 are as given below:



## CORPORATE GOVERNANCE REPORT (Contd.)

Name of the members of Stakeholders' Relationship Committee	Number of meetings	
	Held during the tenure	Attended during the tenure
Mr. Rajan A. Dalal (Chairman)	01	01
Mr. Yazdi P. Dandiwala	01	01
Ms. Preeti Vyas	01	01
Mr. R. K. Dalmia	01	01

The Company Secretary viz. Mr. Atul K. Kedia has been designated as the Compliance Officer.

**Details of Shareholders' complaints as on 31<sup>st</sup> March, 2024:**

Number of complaints received during the financial year	32
Number of complaints resolved during the financial year	32
Number of pending complaints as on 31 <sup>st</sup> March, 2024	0

**d. Risk Management Committee:**

The Board of Directors of the Company has constituted the Risk Management Committee of the Board, and the composition is in line with the provisions of the Listing Regulations. Presently it comprises of three Non-Executive Independent Directors and one Executive Director. There is no regular Chairman appointed for the Committee, the members themselves elect a Chairman for each meeting of the Committee.

During the year, two meetings of the Risk Management Committee were held i.e. on 6<sup>th</sup> September, 2023 and 28<sup>th</sup> February, 2024.

The details of composition as on 31<sup>st</sup> March, 2024 and attendance of the members at the Risk Management Committee meetings held during FY2023-24 are as given below:

Name of the members of Risk Management Committee	Number of meetings	
	Held during the tenure	Attended during the tenure
Mr. Yazdi P. Dandiwala	02	02
Mr. Rajan A. Dalal	02	-
Mr. Sohanlal K. Jain	02	01
Mr. R. K. Dalmia	02	02

The terms of reference of the Risk Management Committee cover the matters as specified under Part D of Schedule II of Listing Regulations for Risk Management Committee.

**e. Corporate Social Responsibility (CSR) Committee:**

The Board of Directors of the Company has constituted a Corporate Social Responsibility (CSR) Committee of the Board presently comprising of one Non-Executive Promoter Director and two Non-Executive Independent Directors and one Executive Director.

The CSR committee recommends to the Board, the CSR activities to be undertaken during the year and the amount to be spent on the activities. The CSR Committee monitors the progress of the activities and amount spent.

During the year three meetings of the committee were held i.e. on 20<sup>th</sup> April, 2023, 17<sup>th</sup> October, 2023 and 29<sup>th</sup> January, 2024.

The details of composition as on 31<sup>st</sup> March, 2024 and attendance of the members at the CSR Committee meetings held during FY2023-24 are as given below:



## CORPORATE GOVERNANCE REPORT (Contd.)

Name of the members of Corporate Social Responsibility Committee	Number of meetings	
	Held during the tenure	Attended during the tenure
Smt. Rajashree Birla (Chairperson)	03	03
Mr. Yazdi P. Dandiwala	03	03
Mr. Rajan A. Dalal	03	03
Mr. R. K. Dalmia	03	03

**f. Committee of Independent Directors:**

The Board of Directors of the Company has constituted a Committee of Independent Directors of the Board presently comprising of four Non-Executive Independent Directors viz. Mr. Yazdi P. Dandiwala, Mr. Rajan A. Dalal, Mr. Sohanlal K. Jain and Ms. Preeti Vyas.

During the year, one meeting of the Committee of Independent Director was held i.e. on 27<sup>th</sup> March, 2024, which was attended by all the members as aforesaid.

**g. Finance Committee:**

The Board of Directors of the Company has constituted a Finance Committee of the Board presently comprising of two Non-Executive Independent Directors and one Executive Director. There is no regular Chairman appointed for the Committee, the members themselves elect a Chairman for each meeting of the Committee.

During the year, four meetings of the Finance Committee were held i.e. on 30<sup>th</sup> May, 2023, 31<sup>st</sup> May, 2023, 29<sup>th</sup> February, 2024 and 1<sup>st</sup> March, 2024.

The details of composition as on 31<sup>st</sup> March, 2024 and attendance of the members at the Finance Committee meetings held during the FY2023-24 are as given below:

Name of the members of Finance Committee	Number of meetings	
	Held during the tenure	Attended during the tenure
Mr. Yazdi P. Dandiwala	04	04
Mr. Rajan A. Dalal	04	02
Mr. R. K. Dalmia	04	03

**h. Prevention of Insider Trading Regulations Committee:**

The Board of Directors of the Company had constituted a Prevention of Insider Trading Regulations (PITR) Committee presently comprising of two Non-Executive Independent Directors and one Executive Director.

During the year, one meeting of the Prevention of Insider Trading Regulations Committee was held i.e. on 28<sup>th</sup> November, 2023.

The details of composition as on 31<sup>st</sup> March, 2024 and attendance of the members at the PITR Committee meeting held during FY2023-24 are as given below:

Name of the members of Prevention of Insider Trading Regulations Committee	Number of meetings	
	Held during the tenure	Attended during the tenure
Mr. Yazdi P. Dandiwala (Chairman)	01	01
Mr. Rajan A. Dalal	01	01
Mr. R. K. Dalmia	01	-



## CORPORATE GOVERNANCE REPORT (Contd.)

## IV. REMUNERATION OF DIRECTORS:

Remuneration to Non-Executive Directors is decided by the Board of Directors as authorized by the Articles of Association of the Company and within the limits set out in Section 197 of the Act. The members of the Company have in their meeting held on 18<sup>th</sup> July, 2022, authorised the Board of Directors of the Company to pay commission to Non-Executive Directors within the limits as set out in Section 197(1) of the Act, for a period of 5 years w.e.f. 01<sup>st</sup> April, 2022. The Board of Directors of the Company each year determines the quantum of commission payable to Non-Executive Directors considering the performance of the Company for the said year. The rates of sitting fees paid to the Non-Executive Directors for attending each meeting are mentioned hereunder:

Particulars	Sitting fees per meeting (In ₹)
Board	50,000
Audit committee	25,000
All other Committees	15,000

## Details of sitting fees and remuneration paid/payable to Directors:

Sr. No.	Name of the Directors	Remuneration paid / payable (All figures in Rupees)		
		Sitting fees paid <sup>a</sup>	Commission payable	Total
I	Mr. Kumar Mangalam Birla	50,000	33,33,333	33,83,333
	Smt. Rajashree Birla	3,95,000	33,33,333	37,28,333
	Mr. Yazdi P. Dandiwalla	7,40,000	33,33,333	40,73,333
	Mr. Rajan A. Dalal	6,65,000	33,33,333	39,98,333
	Mr. Sohanlal K. Jain	4,65,000	33,33,334	37,98,334
	Ms. Preeti Vyas	4,55,000	33,33,334	37,88,334
II	<b>Executive Director</b>			<b>Remuneration<sup>b</sup></b>
	<b>Mr. R. K. Dalmia – Managing Director</b>			
	Salary and allowances			5,42,51,572
	Contribution to Provident Fund			11,70,999
	Superannuation Fund			14,63,751
	Perquisites			3,69,600
	<b>Total</b>			<b>5,72,55,922</b>

- 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 amount relatable to the Managing Director is not considered.

## Notes:

- None of the Non-Executive Directors have 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 is a partner. In the opinion and judgment of the Board, this did not affect the independence of the said director.

## CORPORATE GOVERNANCE REPORT (Contd.)

2. There is no severance fee or stock option in the case of the aforesaid managerial personnel. The respective tenure of the aforesaid managerial personnel shall be governed by the resolutions passed by the shareholders in general meeting with a notice period of three months by either side.
3. Commission to Non-Executive Directors including Independent Directors for financial year 2023-24 will be paid after the accounts are approved by the shareholders at the ensuing Annual General Meeting scheduled to be held on 23<sup>rd</sup> July, 2024.
4. Directors' commission amount is exclusive of applicable Goods and Service Tax (GST) which shall be borne by the Company.

**V. EMPLOYEE STOCK OPTION SCHEME (CTIL EMPLOYEE STOCK OPTION SCHEME 2023):**

At a meeting held on 16<sup>th</sup> January, 2023, the Board of Directors approved the formulation of an Employee Stock Option Scheme viz. CTIL Employee Stock Option Scheme 2023 ("ESOS 2023" or "Scheme") in terms of the Securities and Exchange Board of India (Share Based Employee Benefits & Sweat Equity) Regulations, 2021 (SEBI SBEB and SE Regulations). The Board mandated the Nomination and Remuneration Committee to implement and administer ESOS 2023. The Shareholders of the Company have approved ESOS 2023 on 9<sup>th</sup> March, 2023 by way of postal ballot under which the Company may create, offer, and grant from time to time, in one or more tranches, not exceeding 17,25,000 employee stock options to its employees as defined in the aforesaid scheme working exclusively with the Company and its group company(ies) (as defined under SEBI SBEB and SE Regulations) including subsidiary company(ies) and associate company(ies) of the Company. For implementation of the Scheme, a trust viz. 'CTIL Employee Welfare Trust' was formed which acquired 12,52,480 equity shares of the Company through secondary acquisition on the platform of a recognized Stock Exchange for cash consideration during the year. As per Ind AS, purchase of own equity shares is treated as treasury shares and is disclosed under 'Other Equity' in the Financial Statements. As on 31<sup>st</sup> March, 2024, the trust holds 12,52,480 equity shares of your Company for transfer to the eligible employees under the Scheme upon exercise of options. Each option when exercised would be converted into one fully paid-up equity share of ₹ 10/- each of the Company. Further, the Company has granted 12,27,535 options to the employees of its wholly owned subsidiary viz. Birla Estates Private Limited as per the Scheme.

The Scheme is in compliance with the SEBI SBEB and SE Regulations and the approval of the shareholders and a certificate to that effect from the secretarial auditors of the Company will be available on our website [www.centurytextind.com](http://www.centurytextind.com) for inspection by the shareholders.

**VI. SENIOR MANAGEMENT PERSONNEL:**

The details of change in Senior Management Personnel (SMP) of the Company during FY 2023-24 and SMP as on 31<sup>st</sup> March, 2024 are as follows:

Name of the Senior Management Personnel	Designation	Date of change	Reason for change
Mr. Arun Gaur	Chief Human Resource Officer	30 <sup>th</sup> June, 2023	Retirement
Mr. Vinod Chaturvedi	Chief Human Resource Officer	1 <sup>st</sup> July, 2023	Appointment (1)
Mr. Vijay Kaul	Chief Executive Officer - Century Pulp & Paper, division of the Company	29th March, 2024	Demise (2)
Mr. Snehal Shah	Chief Financial Officer	-	-
Mr. Atul K. Kedia	Company Secretary	-	-

(1) Mr. Vinod Chaturvedi resigned from the office w.e.f. 29<sup>th</sup> May, 2024 and Mr. Anand Tripathi appointed as Chief Human Resource Officer w.e.f. 1<sup>st</sup> June, 2024.

(2) Mr. Ajay Kumar Gupta is appointed as CEO –Century Pulp & Paper division of the Company w.e.f. 1<sup>st</sup> June, 2024.



## CORPORATE GOVERNANCE REPORT (Contd.)

## FOR SHAREHOLDERS' INFORMATION:

## VII. GENERAL BODY MEETINGS:

- (a) (i) The details of Annual General Meetings held in the last three years and the Special Resolution(s) passed thereat are as under:

Year	AGM	Day, Date and Time	Venue	Special Resolution passed
2021	124 <sup>th</sup>	Friday; 16 <sup>th</sup> July, 2021; 02:30 p.m.	Conducted through Video Conferencing from the Registered office of the Company at Century Bhavan, Dr. Annie Besant Road, Worli, Mumbai 400 030.	<ul style="list-style-type: none"> <li>Approval of remuneration paid to Mr. J.C. Laddha, Managing Director for the year ended 31<sup>st</sup> March, 2021.</li> <li>Approval of the remuneration paid to Mr. R.K. Dalmia, Whole-time Director for the year ended 31<sup>st</sup> March, 2021.</li> </ul>
2022	125 <sup>th</sup>	Monday; 18 <sup>th</sup> July, 2022; 02:30 p.m.	-do-	There was no matter which required passing of Special Resolution.
2023	126 <sup>th</sup>	Thursday; 27 <sup>th</sup> July, 2023; 02:30 p.m.	-do-	<ul style="list-style-type: none"> <li>Re-appointment of Smt. Rajashree Birla as a Non-Executive Director.</li> <li>Approval of amendments in Article 73(i) of Articles of Association of the Company.</li> </ul>

- (ii) The details of Extra-Ordinary General Meeting held in the last three years are as under:

No Extra- Ordinary General Meeting was held in the last three years.

## (b) Postal Ballot:

## i. Details of special resolution passed last year through postal ballot:

During the year, the Company has sought the approval of members through postal ballot via remote e-voting for the following special resolution:

Date of Postal Ballot Notice	Date of Passing of Postal Ballot	Brief particulars of the resolution
8 <sup>th</sup> February, 2024	20 <sup>th</sup> March, 2024	Reappointment of Ms. Preeti Vyas as an Independent Director of the Company for second term of five consecutive years with effect from 1 <sup>st</sup> April, 2024 to 31 <sup>st</sup> March, 2029.

## CORPORATE GOVERNANCE REPORT (Contd.)

**ii. Details of voting pattern:**

Total Shares	No. of votes polled	In favour		Against	
		No. of votes	% of votes	No. of votes	% of votes
11,16,95,680	8,13,91,946	7,61,85,242	93.60	52,06,704	6.40

**iii. Person who conducted the postal ballot exercise?**

The Company had appointed Mr. Gagan B. Gagrani, Practicing Company Secretary, Membership No. FCS 1772 and C.P. No. 1388 as the scrutinizer for conducting Postal Ballot through e-voting process in a fair and transparent manner.

**iv. Whether any special resolution is proposed to be conducted through postal ballot?**

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

**v. Procedure followed for postal ballot:**

Pursuant to and in compliance with the provisions of Sections 108, 110 and other applicable provisions, if any, of the Act read with Rules 22 and 20 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of the Listing Regulations, Secretarial Standard-2 on General Meetings ('SS-2'), read with the guidelines prescribed by the Ministry of Corporate Affairs ('MCA') for holding general meetings/conducting postal ballot process through e-voting vide General Circular No. 09/2023 dated 25<sup>th</sup> September, 2023 along with other relevant General Circulars issued by the MCA from time to time, and other applicable laws and regulations, as amended from time to time (including any statutory modification(s) or re-enactment thereof for the time being in force), the notice was sent to the Members of the Company to transact the special business as set out in the postal ballot notice for passing Special Resolution, as applicable, by remote e-voting process only.

The Company had provided facility to the Members to exercise voting through electronic voting system ('remote e-voting') on the e-voting platform provided by National Securities Depository Limited ('NSDL').

Members whose names appear in the Register of Members / List of Beneficial Owners as on the cut-off date i.e., Friday, 9<sup>th</sup> February, 2024 were eligible to cast their votes on the resolutions set out in the Notice.

The Scrutiniser, after the completion of scrutiny, submitted his report in accordance with the provisions of the Act, the Rules framed thereunder and the SS-2. The consolidated results of the voting by postal ballot and e-voting were then announced on 20<sup>th</sup> March, 2024 and are also available on the Company's website at [www.centurytextind.com](http://www.centurytextind.com) besides being communicated to BSE Limited ('BSE') and National Stock Exchange of India Limited ('NSE').

**VIII. MEANS OF COMMUNICATION:**

<b>(a) Quarterly results:</b>		
(i)	Newspapers wherein results normally published in	Financial Express, All India editions. Loksatta, Mumbai edition.
(ii)	Any website, where displayed	<a href="http://www.centurytextind.com">www.centurytextind.com</a>
(iii)	Whether it also displays official news releases and presentations made to Institutional investors/to the analysts	Official news releases are displayed on the website. As and when any presentation is made to Institutional investors / analysts, the same are also displayed on the website.
<b>(b) Shareholders' grievances / complaints:</b>		
	Grievance Redressal division's E-mail ID for investors	<a href="mailto:ctil.investorrelations@adityabirla.com">ctil.investorrelations@adityabirla.com</a>



## CORPORATE GOVERNANCE REPORT (Contd.)

**IX. GENERAL SHAREHOLDER INFORMATION:****(a) Annual General Meeting to be held:**

Day : Tuesday  
 Date : 23<sup>rd</sup> July, 2024  
 Time : 02:30 P.M  
 Venue : Through Video Conferencing or other Audio-Visual Means

**(b) Financial Year : 2024-25**

First Quarterly Results : On or before 14<sup>th</sup> August, 2024  
 Second Quarterly Results : On or before 14<sup>th</sup> November, 2024  
 Third Quarterly Results : On or before 14<sup>th</sup> February, 2025  
 Audited Yearly Results for the : On or before 30<sup>th</sup> May, 2025  
 year ending 31<sup>st</sup> March, 2025

**(c) Dates of Book Closure:**

Friday, 12<sup>th</sup> July, 2024 to Tuesday, 23<sup>rd</sup> July, 2024 (Both days inclusive).

**(d) Dividend payment date:**

Dividend on equity shares will be made payable on or after Thursday, 25<sup>th</sup> July, 2024 once approved. In respect of shares held in physical form, the dividend will be paid to those shareholders whose name appear in the Register of Members as at Tuesday, 23<sup>rd</sup> July, 2024. In respect of shares held in electronic form, the dividend will be paid on the basis of beneficial ownership position as per the data to be furnished by National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) for this purpose.

**(e) Stock Exchange related information:****(i) Listing on Stock Exchanges:**

Equity Shares	Privately-placed Redeemable Non-Convertible Debentures
BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001.	BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001.
National Stock Exchange of India Limited Exchange Plaza, Bandra Kurla Complex, Bandra (East), Mumbai – 400 051.	



## CORPORATE GOVERNANCE REPORT (Contd.)

## (ii) Stock codes and ISIN numbers for the Company's Listed securities:

Sr. No.	Particulars	Name of Stock Exchange where securities are listed	Stock codes	ISIN Number
1.	Equity shares	BSE Limited	500040	INE055A01016
		National Stock Exchange of India Limited	CENTURYTEX	
2.	Secured Redeemable Non-Convertible Debentures (privately placed) (XIX Series)	BSE	973812*	INE055A07104
3.	Unsecured Redeemable Non-Convertible Debentures (privately placed)(XX Series)	BSE	974571	INE055A08029
4.	Unsecured, Redeemable, Non-Convertible Debentures (privately placed)(XXI Series)	BSE	947877	INE055A08037
5.	Unsecured, Redeemable, Non-Convertible Debentures (privately placed)(XXII Series)	BSE	975457	INE055A08045

\*On 22<sup>nd</sup> February, 2022, 2500 NCDs of ₹ 10,00,000/- each aggregating to ₹ 250 crores were issued with availability of put option. On 22<sup>nd</sup> February, 2024, 2380 NCDs of ₹ 238 crores have been redeemed pursuant to put option exercised by the Debenture holders.

**Notes:**

- i) Listing fees have been paid to the Stock Exchanges for the financial year 2024-25.
- ii) Depository connectivity:  
National Securities Depository Limited  
Central Depository Services (India) Limited

## (f) Market price data:

The details of monthly highest & lowest closing quotations of the equity shares of the Company during financial year 2023-24 are as under :-

(in ₹ per share)

Month	BSE Limited		National Stock Exchange of India Limited	
	High	Low	High	Low
April, 2023	683.15	644.75	682.75	644.80
May, 2023	822.50	679.20	822.85	678.75
June, 2023	861.80	783.90	861.50	783.05
July, 2023	1,076.15	866.60	1,076.20	866.15
August, 2023	1,075.65	976.65	1,075.55	977.40
September, 2023	1,117.50	1,007.75	1,117.05	1,008.15
October, 2023	1,193.65	1,063.20	1,195.05	1,061.85
November, 2023	1,262.45	1,071.50	1,263.75	1,072.05



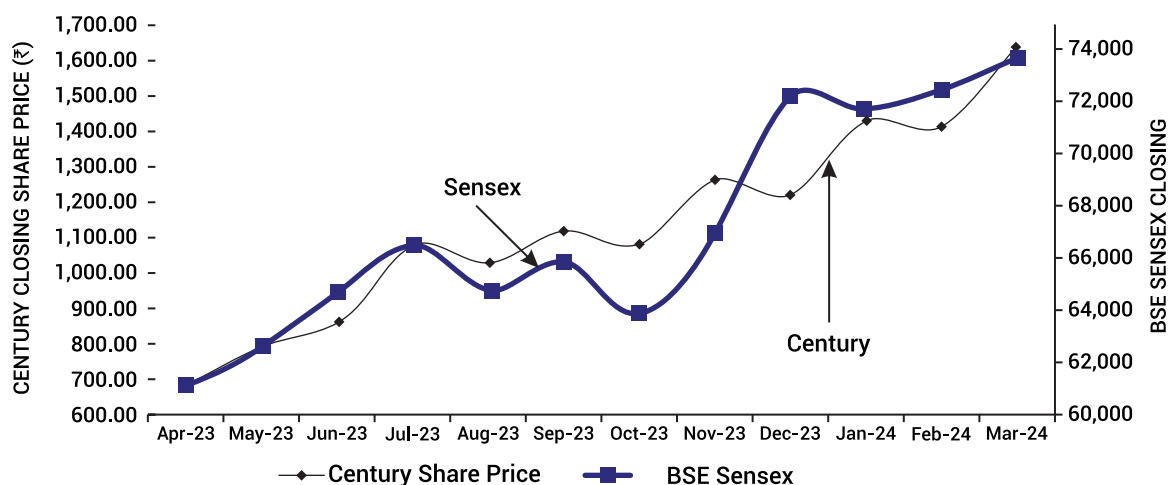
## CORPORATE GOVERNANCE REPORT (Contd.)

(in ₹ per share)

Month	BSE Limited		National Stock Exchange of India Limited	
	High	Low	High	Low
December, 2023	1,332.10	1,206.55	1,331.85	1,206.15
January, 2024	1,583.70	1,245.65	1,587.00	1,246.05
February, 2024	1,545.45	1,357.70	1,547.25	1,355.95
March, 2024	1,632.50	1,338.80	1,629.90	1,344.55

## (g) Performance in comparison to broad based indices:

## CENTURY VS BSE SENSEX



## (h) Suspension from trading:

No Securities of the Company have been suspended from trading on any of the Stock Exchanges where they are listed.

## (i) Registrar and Transfer Agents:

The Company has appointed Link Intime India Private Limited as its Share Transfer Agent for both physical and demat segments of Equity Shares and Debentures.

## Details of the Share Transfer Agent is:

## Address:

## Link Intime India Private Limited

C-101, 247 Park,

L.B.S. Marg,

Vikhroli (West),

Mumbai- 400 083. Maharashtra

Telephone No. 022 - 4918 6000, Fax No. 022 - 4918 6060.

## CORPORATE GOVERNANCE REPORT (Contd.)

**For shareholders queries :**

Telephone No. : 8108116767

Email ID : rnt.helpdesk@linkintime.co.in;  
bonds.helpdesk@linkintime.co.inPlease quote on all the correspondence: **Unit - Century Textiles and Industries Limited.****(j) Share Transfer System:**

As per SEBI norms, all requests for transfer, transmission and transposition of securities is effected only in dematerialized form. Further, the securities are issued in dematerialized form only. For processing any service requests from shareholders viz., issue of duplicate share certificates, endorsement, transmission, transposition, etc. after processing the service request, a letter of confirmation is issued to the shareholders and is valid for a period of 120 days, within which the shareholder is required to make a request to the Depository Participant for dematerializing those shares. If the shareholders fail to submit the dematerialization request within 120 days, then RTA credits those shares in the Suspense Escrow Demat account held by the Company. Shareholders can claim these shares transferred to Suspense Escrow Demat account on submission of necessary documentation.

Executives of the Company have been authorised to approve transfers in addition to the Committee.

**(k) Awareness about Online Dispute Resolution (SMART ODR):**

SEBI vide its circular dated 31<sup>st</sup> July, 2023, 4<sup>th</sup> August, 2023 and 20<sup>th</sup> December, 2023 has introduced Securities Market Approach for Resolution through Online Dispute Resolution (SMART ODR) Portal. This platform is designed to enhance investor grievance redressal by enabling investor to access online conciliation and online arbitration for resolution of disputes arising in the Indian Securities Market. The SMART ODR Portal allows investors with additional mechanism to resolve the grievances and the same can be accessed at <https://smartodr.in/>. The said circulars and link to access SMART ODR portal are hosted on the website of the Company viz. [www.centurytextind.com](http://www.centurytextind.com). Shareholders could avail ODR mechanism only if resolution provided by the Company/RTA and SCORES platform of the SEBI are not satisfactory.

**(l) Distribution of shareholding:**

The shareholding distribution of equity shares of face value of ₹ 10/- each as at 31<sup>st</sup> March, 2024 is given below:-

Sr. No.	No. of Equity Shares held	No. of Folios	No. of Shares	Percentage of Shareholding
1.	1 to 100	53,208	17,50,892	1.57
2.	101 to 500	12,875	31,58,954	2.83
3.	501 to 1000	2,679	20,37,350	1.82
4.	1001 to 5000	2,570	56,48,404	5.06
5.	5001 to 10000	347	24,68,484	2.21
6.	10001 to 100000	310	82,59,797	7.39
7.	100001 to 500000	46	1,01,45,343	9.08
8.	500001 & above	25	7,82,26,456	70.04
	<b>Total</b>	<b>72,060</b>	<b>11,16,95,680</b>	<b>100</b>



## CORPORATE GOVERNANCE REPORT (Contd.)

**(m) Shareholding pattern as on 31<sup>st</sup> March, 2024:**

Sr. No.	Category	No. of Folios	% of Folios	No. of shares held	% of share holding
1.	Promoter and Promoter group	7	0.01	5,60,77,970	50.21
2.	Resident Individuals	69,412	96.33	2,01,61,379	18.05
3.	Private Corporate Bodies	870	1.21	71,30,519	6.38
4.	Nationalised Banks, Govt. Insurance Companies, Mutual Funds and AIF	101	0.14	1,76,80,625	15.83
5.	FII's & Foreign Portfolio Investors (Corporate)	122	0.17	83,37,927	7.47
6.	NRIs and OCBs	1,547	2.14	10,54,780	0.94
7.	Employee Welfare Trust / ESOP	1	0.00	12,52,480	1.12
	<b>Total</b>	<b>72,060</b>	<b>100.00</b>	<b>11,16,95,680</b>	<b>100.00</b>

- (n)** 26,789 equity shares of the face value of ₹ 10/- each for 237 folios in respect of which dividend was not encashed for seven consecutive years were transmitted to Investor Education and Protection Fund (IEPF) Authority on 23<sup>rd</sup> September, 2023. The above mentioned shares were transmitted pursuant to requirement under Section 124 of the Companies Act, 2013 read with Rule 6 of Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 as amended from time to time.

During the year, dividend of ₹ 35,26,462.50/- declared by the Company for the financial year ended 31<sup>st</sup> March, 2016, which remained unclaimed/ unpaid for seven consecutive years was transferred to IEPF on 14<sup>th</sup> September, 2023.

**(o) Dematerialisation of equity shares:**

About 98.97% of total equity share capital is held in dematerialised form with NSDL and CDSL.

**(p) Hedging of Risk:**

The Company is not having much exposure to foreign exchange and there is a natural hedging partly available in terms of exports made by the Company. Further, the Company has a Risk Management Policy which addresses the foreign currency risk. Refer Note no. 43 to the financial statement.

The Company has a robust framework in place to protect its interest from risks arising out of market volatility. Based on market intelligence and continuous monitoring, the procurement team is advised on appropriate strategy to deal with such market volatility. Except for Foreign currency exposure, the Company does not have any exposure hedged during the financial year 2023-24.

**(q) List of all credit ratings obtained by the Company for financial facilities:**

Long-Term Rating	CRISIL AA / Stable (Reaffirmed)	23 <sup>rd</sup> February, 2024
Short-Term Rating	CRISIL A1+ (Reaffirmed)	23 <sup>rd</sup> February, 2024

CORPORATE GOVERNANCE REPORT (Contd.)

**(r) Plant Locations:**

- |   |   |
|---|---|
| <p>(i) BIRLA CENTURY<sup>#</sup><br/>Plot No. 826,<br/>GIDC Industrial Estate,<br/>Jhagadia - 393 110,<br/>Dist. Bharuch (Gujarat).</p> | <p>(iii) CENRAY MINERALS AND CHEMICALS<br/>Nawa Nagna,<br/>Jamnagar - 361 007, (Gujarat).</p>                         |
| <p>(ii) CENTURY RAYON<sup>*</sup><br/>Rayon, Tyre Cord &amp; Chemical Plants,<br/>Murbad Road,<br/>Kalyan - 421 103, (Maharashtra).</p> | <p>(iv) CENTURY PULP &amp; PAPER<br/>Ghanshyamdham,<br/>P.O. Lalkuan - 262 402,<br/>Dist. Nainital (Uttarakhand).</p> |

**Other Unit (Property Development)**

CENTURY ESTATES

Birla Aurora, Level 8, Dr. Annie Besant Road,  
Worli, Mumbai – 400 030

<sup>#</sup> In the early second quarter of the year, the Company had initiated the process to restructure its operations of Textiles business viz. Birla Century Plant ('Plant') which included outsourcing some of the material from the third party instead of manufacturing it in the plant. Subsequently, on 22<sup>nd</sup> March, 2024, the Board of Directors approved the discontinuation of operations of the said plant.

<sup>\*</sup> With effect from 1<sup>st</sup> February, 2018, the Company has granted to Grasim Industries Limited (GIL) the right and responsibility to manage, operate, use and control the viscose filament yarn business of Century Rayon Division of the Company for 15 years, for a commuted royalty of ₹ 600 Crores, interest free, refundable, security deposit of ₹ 200 Crores and Century Rayon's working capital to GIL at actuals.

**(s) Address for correspondence:**

Century Textiles and Industries Limited  
Century Bhavan,  
Dr. Annie Besant Road,  
Worli, Mumbai- 400 030.  
Tel No.: 022 2495 7000

**X. OTHER 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 including transactions for which omnibus approval of the Audit Committee was taken. There were no material individual transactions with related parties which were not in the normal course of business, required to be placed before the Audit Committee and that may have potential conflict with the interest of the Company at large. All individual transactions with related parties or others were on an arm's length basis. Transactions with related parties as per requirements of IND AS 24 - 'Related Party Disclosures' are disclosed in Note 40 to the Financial Statements.
- (ii) 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.



## CORPORATE GOVERNANCE REPORT (Contd.)

- (iii) The Company has established a Vigil mechanism / Whistle blower policy for directors and employees to report concerns about unethical behaviour, actual or suspected fraud etc. and the same has been disclosed on the website of the Company. Further in terms to the provisions of Listing Regulations, no personnel has been denied access to the Chairperson of the Audit Committee.
- (iv) Direct wholly owned subsidiary Companies incorporated under the Act:
- Birla Estates Private Limited
  - Birla Century Exports Private Limited
  - CTIL Community Welfare Foundation

- (v) Web-links:

Sr. No.	Particulars	Web-link
1	Familiarization programme for Independent Directors	<a href="https://www.centurytextind.com/assets/pdf/others/insidertrading.pdf">https://www.centurytextind.com/assets/pdf/others/insidertrading.pdf</a>
2	Related party Transaction Policy	<a href="https://www.centurytextind.com/assets/pdf/others/related_prty_transaction_policy.pdf">https://www.centurytextind.com/assets/pdf/others/related_prty_transaction_policy.pdf</a>
3	Material subsidiary	<a href="https://www.centurytextind.com/assets/pdf/corporate-policies/policy-for-determining-material-subsiidiaries.pdf">https://www.centurytextind.com/assets/pdf/corporate-policies/policy-for-determining-material-subsiidiaries.pdf</a>
4	Dividend Distribution Policy	<a href="https://www.centurytextind.com/assets/pdf/others/dividend-distribution-policy.pdf">https://www.centurytextind.com/assets/pdf/others/dividend-distribution-policy.pdf</a>

- (vi) Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32(7A) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 - N.A.

- (vii) Certificate from Practicing Company Secretary:

The Company has obtained a certificate from Gagrani & Gagan, Company Secretaries, Membership no. FCS 1772 and CP No. 1388, that none of the directors on the board of the company has been debarred or disqualified from being appointed or continuing as directors of companies by the Securities and Exchange Board of India / Ministry of Corporate Affairs or any such statutory authority.

- (viii) Recommendation of any Committee of the board which is mandatorily required:

Any recommendations given by the Committees of the Board are required to be placed before the Board. The Board has accepted all the recommendations by various committees of the Board during the financial year 31<sup>st</sup> March, 2024.

- (ix) Total fees for all services paid by the listed entity and its subsidiaries, on a consolidated basis, to the Statutory Auditor and all entities in the network firm/network entity of which the statutory auditor is a part.

Total fees for all services paid by Century Textiles and Industries Limited and its subsidiaries, on a consolidated basis, to SRBC & Co. LLP and other firms in the network entity of which SRBC & Co. LLP is a part of:

₹ in Crores	
Particulars	Amount
Fees for audit and related services paid to SRBC & Co. LLP affiliate firms and to entities of the network of which SRBC & Co. LLP is a part of (Including fees for limited review, tax audit and reimbursment).	1.98
Other fees paid to SRBC & Co. LLP and other firms in the network entity of which SRBC & Co. LLP is a part of :	0.34
<b>Total</b>	<b>2.32</b>



## CORPORATE GOVERNANCE REPORT (Contd.)

- (x) Disclosure in relation of Sexual Harassment of Women at Workplace:

The Company has zero tolerance for sexual harassment at workplace and has adopted a Policy in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules thereunder for prevention and redressal of complaints of sexual harassment at workplace. The details of complaints are as under:

No. of complaints filed during the financial year	0
No. of complaints disposed off during the financial year	0
No. of complaint pending as on end of the financial year	0

- (xi) All Accounting Standards mandatorily required have been followed without exception in preparation of the financial statements.
- (xii) 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.
- (xiii) No money was raised by the Company through public issue, rights issue etc. in the last financial year.

- (xiv) (a) All pecuniary relationships or transactions of the Non-Executive Director vis-à-vis the Company have been disclosed in item IV of this report.

- (b) The Company has a Managing Director on the Board of the Company viz. Mr. R. K. Dalmia whose appointment and remuneration has been fixed by the Board on the recommendation of Nomination and Remuneration Committee of the Board and approved by shareholders of the Company on 20<sup>th</sup> October, 2022 through postal ballot via remote e-voting.

The remuneration paid to Mr. R. K. Dalmia, Managing Director of the Company is mentioned in item IV of this report.

- (xv) (a) Management Discussion and Analysis forms part of the Annual Report to the shareholders and it includes discussion on matters as required by Regulation 34(3) of the Listing Regulations.
- (b) There were no material financial & commercial transactions by Senior Management as defined in Regulation 26 of the Listing Regulations 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.

- (xvi) Details of Loans & Advances given by the Company & its subsidiaries in the nature of loans to firms / Companies in which Directors are interested: NIL

- (xvii) Details of Material Subsidiaries of the Company, including date and place of incorporation and name and date of appointment of Statutory Auditors of such subsidiaries:

Not applicable since there is no material subsidiary of the Company for the FY 2023-24.

- (xviii) Disclosure of certain types of agreements binding listed entities as mentioned under Clause 5A of paragraph A of Part A of Schedule III of Listing Regulations:

There are no agreements impacting the management or control of the Company or imposing any restriction or creating any liability upon the Company.

## XI. NON-COMPLIANCE:

There is no non-compliance of any of the requirements of the Corporate Governance report as required under the Listing Regulations.



## CORPORATE GOVERNANCE REPORT (Contd.)

### XII. DISCRETIONARY REQUIREMENTS:

**1. The Board:**

An office for the use of the Chairman is made available whenever required.

**2. 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.

**3. Modified opinion(s) in audit report:**

There are no qualifications in the Auditor's report on the financial statements to the Shareholders of the Company.

**4. Separate posts of Chairperson and Chief Executive Officer:**

The Company has a Managing Director in addition to the Non-Executive Chairman of the Board. The Chairman of the Board is Non- Executive Director and is not related to the Managing Director as per the definition of the term 'relative' defined under the Companies Act, 2013.

**5. Reporting of Internal Auditor:**

Internal Auditors are invited to the meetings of Audit Committee wherein they report directly to the Committee.

### XIII. DISCLOSURE OF COMPLIANCES:

The Company has disclosed the compliance of regulations in respect of Corporate Governance under the Listing Regulations on its website viz. [www.centurytextind.com](http://www.centurytextind.com).

### XIV. COMPLIANCE CERTIFICATE:

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

### XV. CEO/CFO CERTIFICATION:

As required under Regulation 17(8) of Listing Regulations, the Managing Director and CFO have certified to the Board about compliance by the Company with the requirements of the said sub-regulation for the financial year ended 31<sup>st</sup> March, 2024.

### XVI. DISCLOSURES WITH RESPECT TO SUSPENSE ESCROW DEMAT ACCOUNT AND UNCLAIMED SUSPENSE ACCOUNT:

- As per the Circulars/guidelines issued by SEBI, after due verification of the investor service requests received from the Shareholders/Claimants, 'Letter of Confirmation (LOC)' are issued in lieu of physical share certificate(s) by Companies/RTAs. The validity of such LOCs is one hundred twenty (120) days from the date of issuance, within which the Shareholder/Claimant is required to make a request to the Depository Participant (DP) for dematerializing the shares covered by the LOC. In case the demat request is not submitted within the aforesaid timeline of one hundred twenty (120) days, the Companies are required to transfer such shares to Suspense Escrow Demat Account (SEDA) of the Company opened for this purpose. Shareholders/Claimants can claim back their shares from SEDA by submitting the required documents to RTA as per SEBI Advisory dated 30<sup>th</sup> December, 2022.

## CORPORATE GOVERNANCE REPORT (Contd.)

Details of shares transferred to / released from SEDA during the FY2023-24 are as under:

Particulars	Number of shareholders	Number of equity shares
Shares lying as on 1 <sup>st</sup> April, 2023	0	0
Shares transferred to SEDA during FY 2023-24	3	320
Shares claimed back from SEDA during FY2023-24	1	100
Shares lying in SEDA as on 31 <sup>st</sup> March, 2024	2	220

- As required under Regulation 39 of Listing Regulations, an Unclaimed Suspense Account of the Company has been opened during the year for crediting to the said account the unclaimed shares lying with the Company. The crediting of the unclaimed shares to the said account is under process.

**XVII. RECONCILIATION OF SHARE CAPITAL AUDIT:**

As stipulated by the Securities and Exchange Board of India (SEBI), a qualified practicing Company Secretary carries out Reconciliation of Share Capital Audit. This audit is carried out every quarter and the reports thereon are submitted to the Stock Exchanges and are also placed before the Board of Directors.

**XVIII. FILING OF COST AUDIT REPORT:**

As per Section 148 of the Companies Act, 2013 read with Rule 6 of the Companies (Cost Records and Audit) Rules, 2014, Cost Auditors have to forward Cost Audit Report to the Board of Directors of the Company within a period of 180 days from the closure of financial year and the said report is required to be filed within a period of 30 days from the date of receipt with the Ministry of Corporate Affairs.

Details of the Cost Audit Reports for the financial year 2022-23 filed during the year in compliance of the aforesaid are tabled below:

Products	Name of the Cost Auditors	Date of Filing
Textiles: Birla Century	M/s. R. Nanabhoy and Co.	08 <sup>th</sup> August, 2023
Paper: Century Pulp and Paper		

**XIX. DEBENTURE TRUSTEE DETAILS:**

Details about Debenture Trustee for Non-Convertible Debentures issued by the Company as per Regulation 53(e) of Listing Regulations:-

Name	SBICAP Trustee Company Limited	Axis Trustee Services Limited
Address	Mistry Bhavan, 4 <sup>th</sup> Floor, 122 Dinshaw Vachha Road, Churchgate, Mumbai – 400 020	The Ruby, 2 <sup>nd</sup> Floor, SW 29, Senapati Bapat Marg I, Dadar West, Mumbai – 400 028
Telephone No.	022-4302 5555/5566	022-62300451
Fax No.	-	022-6230 0700
E-mail	corporate@sbicaptrustee.com	debenturetrustee@axistrustee.in
Investor Grievance email	investor.cell@sbicaptrustee.com	complaints@axistrustee.in
Website	www.sbicaptrustee.com	www.axistrustee.in
Contact person	Mr. Rajiv Ranjan, Compliance Officer Tel. No.: 022-4302 5503	Mr. Anil Grover, Operations Head
SEBI Registration No.	IND000000536	IND000000494

The above report has been placed before the Board at its meeting held on 07<sup>th</sup> May, 2024 and the same was approved.



## CORPORATE GOVERNANCE REPORT (Contd.)

## ANNEXURE A

**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 a specific Code of Conduct for the members of the Board of Directors and the Senior Management Personnel of the Company in terms of Regulation 17(5) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 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 31<sup>st</sup> March, 2024.

Place: Mumbai  
Date: 07<sup>th</sup> May, 2024

**R. K. Dalmia**  
Managing Director  
DIN: 00040951

## ANNEXURE B

**AUDITORS' CERTIFICATE REGARDING COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE****Independent Auditor's Report on compliance with the conditions of Corporate Governance as per provisions of Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended**

The Members of Century Textiles and Industries Limited

1. The Corporate Governance Report prepared by Century Textiles and Industries Limited (hereinafter the "Company"), contains details as specified in regulations 17 to 27, clauses (b) to (i) of sub – regulation (2) of regulation 46 and para C, D, and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the Listing Regulations") ('Applicable criteria') for the year ended March 31, 2024 as required by the Company for annual submission to the Stock exchange.

**MANAGEMENT'S RESPONSIBILITY**

2. The preparation of the Corporate Governance Report is the responsibility of the Management of the Company including the preparation and maintenance of all relevant supporting records and documents. This responsibility also includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Corporate Governance Report.
3. The Management along with the Board of Directors are also responsible for ensuring that the Company complies with the conditions of Corporate Governance as stipulated in the Listing Regulations, issued by the Securities and Exchange Board of India.

## CORPORATE GOVERNANCE REPORT (Contd.)

**AUDITOR'S RESPONSIBILITY**

4. Pursuant to the requirements of the Listing Regulations, our responsibility is to provide a reasonable assurance in the form of an opinion whether, the Company has complied with the conditions of Corporate Governance as specified in the Listing Regulations.
5. We conducted our examination of the Corporate Governance Report in accordance with the Guidance Note on Reports or Certificates for Special Purposes and the Guidance Note on Certification of Corporate Governance, both issued by the Institute of Chartered Accountants of India ("ICAI"). The Guidance Note on Reports or Certificates for Special Purposes requires that we comply with the ethical requirements of the Code of Ethics issued by ICAI.
6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.
7. The procedures selected depend on the auditor's judgement, including the assessment of the risks associated in compliance of the Corporate Governance Report with the applicable criteria. Summary of procedures performed include:
  - i. Read and understood the information prepared by the Company and included in its Corporate Governance Report;
  - ii. Obtained and verified that the composition of the Board of Directors with respect to executive and non-executive directors has been met throughout the reporting period;
  - iii. Obtained and read the Register of Directors as on March 31, 2024 and verified that atleast one independent woman director was on the Board of Directors throughout the year;
  - iv. Obtained and read the minutes of the following committee meetings held from April 01, 2023 to March 31, 2024:
    - (a) Board of Directors;
    - (b) Audit Committee;
    - (c) Annual General Meeting (AGM) / Extra Ordinary General Meeting (EGM);
    - (d) Nomination and Remuneration Committee;
    - (e) Stakeholders Relationship Committee;
    - (f) Risk Management Committee;
    - (g) Independent Director's Committee;
    - (h) Finance Committee;
    - (i) Corporate Social Responsibility (CSR) Committee
  - v. Obtained necessary declarations from the directors of the Company;
  - vi. Obtained and read the policy adopted by the Company for related party transactions;
  - vii. Obtained the schedule of related party transactions during the year and balances at the year- end. Obtained and read the minutes of the audit committee meeting where in such related party transactions have been pre-approved prior by the audit committee;
  - viii. Performed necessary inquiries with the management and also obtained necessary specific representations from management.
8. The above-mentioned procedures include examining evidence supporting the particulars in the Corporate Governance Report on a test basis. Further, our scope of work under this report did not involve us performing audit tests for the purposes of expressing an opinion on the fairness or accuracy of any of the financial information or the financial statements of the Company taken as a whole.



## CORPORATE GOVERNANCE REPORT (Contd.)

### OPINION

9. Based on the procedures performed by us, as referred in paragraph 7 above, and according to the information and explanations given to us, we are of the opinion that the Company has complied with the conditions of Corporate Governance as specified in the Listing Regulations, as applicable for the year ended March 31, 2024, referred to in paragraph 4 above.

### OTHER MATTERS AND RESTRICTION ON USE

10. This report 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.
11. This report is addressed to and provided to the members of the Company solely for the purpose of enabling it to comply with its obligations under the Listing Regulations with reference to compliance with the relevant regulations of Corporate Governance and should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care or for any other purpose or to any other party to whom it is shown or into whose hands it may come without our prior consent in writing. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

For **S R B C & CO LLP**

Chartered Accountants

ICAI Firm Registration Number: 324982E/E300003

per **Ravi Bansal**

Partner

Membership Number: 049365

UDIN: 24049365BKGVJF2083

Place of Signature: Mumbai

Date: 7<sup>th</sup> May, 2024