

DIRECTORS' REPORT

Dear Shareholders,

We are pleased to present the 127th 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:

(₹ in Crores)

PARTICULARS	Standalone		Consolidated	
	2023-24	2022-23	2023-24	2022-23
Continuing Operations				
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
Profit before Exceptional items, Tax Depreciation and Amortisation and Share of Profit / (Loss) of Joint-Venture	786.29	675.77	682.16	559.08
Less: Depreciation and Amortisation expenses	201.34	191.65	209.87	195.93
Profit before Exceptional items, Tax and Share of Profit / (Loss) of Joint Venture	584.95	484.12	472.29	363.15
Add: Exceptional item	-	134.21	-	134.21
Profit before Tax and Share of Profit/ (Loss) of Joint Venture	584.95	618.33	472.29	497.36
Less: Share of Profit/(Loss) of Joint Venture	-	-	(22.40)	(1.84)
Profit before tax	584.95	618.33	449.89	495.52
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
Profit after tax from continuing operations	397.36	425.95	304.86	322.59
Discontinued Operations				
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
Loss from discontinued operations	(246.20)	(57.64)	(244.48)	(58.04)
Net Profit for the year	151.16	368.31	60.38	264.55
Other Comprehensive Income	(1.00)	1.19	(1.40)	0.18
Total Comprehensive Income	150.16	369.50	58.98	264.73
(Gain)/Loss Attributable to Non-Controlling Interest	-	-	(9.85)	7.33
Total Comprehensive Income of the Company	150.16	369.50	49.13	272.06
Retained Earnings				
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



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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 31st March, 2024.

4. SHARE CAPITAL:

The Company's paid-up equity Share Capital remains at ₹ 111.69 Crores as on 31st 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

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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 20th 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 31st 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 20th March, 2024 as an Independent Director of the Company for second term of five years commencing from 01st April, 2024 up to 31st 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 24th July, 2024 to 5th 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.

24th 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 127th 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

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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 "15th 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 3rd 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 114th and 115th "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 36th Quality Circle Competition conducted by Confederation of Indian Industry (CII) at Rudrapur on 22nd 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 28th 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 124th Annual General Meeting held on 16th 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. 16th July, 2021 by the shareholders at the said AGM.



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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 8th 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 31st March, 2025. The Secretarial Audit Report for the year ended 31st 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 31st March, 2024 and state that:

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

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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 16th 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 09th 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 31st 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 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



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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.

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 28th 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. 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.

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.



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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 31st 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 127th 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: 7th May, 2024

DIN: 00040951

DIN: 01055000