

SH/XII/2023

02nd February, 2024

Corporate Relationship Department
BSE Limited
01st Floor, Phiroze Jeejeebhoy Towers
Dalal Street, Fort,
Mumbai-400 001
Scrip Code: 500040/973812/974571/947877

Dear Sir/ Madam,

**Sub: Security Cover Certificate for the quarter ended
31st December, 2023 of Century Textiles and Industries
Limited ('the Company')**

**Ref: Regulation 54 of Securities and Exchange Board of India
(Listing Obligations & Disclosure Requirements) Regulations,
2015 ('Listing Regulations')**

Pursuant to Regulation 54 of Listing Regulations, please find attached the Security Cover Certificate for the quarter ended 31st December, 2023 issued by the Statutory Auditor of the Company.

This is for your information and record.

Thanking you,

Yours truly,
For **CENTURY TEXTILES AND INDUSTRIES LIMITED**

ATUL K. KEDIA
Sr. Vice President (Legal) & Company Secretary
Encl: As above



Independent Auditor's Report on Security Cover and compliance with respect to financial covenants as at December 31, 2023 for submission to SBICAP Trustees Company Limited (the "Debenture Trustee")

To

The Board of Directors

Century Textiles and Industries Limited

Century Bhawan, Dr. Annie Besant Road,

Worli, Mumbai - 400 030

1. This Report is issued in accordance with the terms of the service scope letter agreement dated August 25, 2023 and master engagement agreement dated August 25, 2023, as amended with Century Textiles and Industries Limited (hereinafter the "Company").
2. We S R B C & CO LLP, Chartered Accountants, are the Statutory Auditors of the Company and have been requested by the Company to examine the accompanying *Statement including Annexure 1A* showing 'Security Cover as per the terms of Debenture Trust Deed and compliance status of covenants for its 6.32% rated listed secured redeemable non-convertible, non-cumulative debentures of a nominal value of Rs. 10,00,000 (Rupees Ten Lakhs) each aggregating to Rs. 250 Crores due on February 22, 2025 (hereinafter the NCD) of the Company, as at December 31, 2023 (hereinafter the "Statement") which has been prepared by the Company from the Board approved unaudited standalone financial results, underlying books of account and other relevant records and documents maintained by the Company as at and for the period ended December 31, 2023 pursuant to the requirements of the SEBI circular dated May 19, 2022 on Revised format of security cover certificate, monitoring and revision in timelines (hereinafter the "SEBI Circular"), and has been initialed by us for identification purposes only.

This Report is required by the Company for the purpose of submission with SBICAP Trustee Limited (hereinafter the "Debenture Trustee") of the Company to ensure compliance with the SEBI Regulations and SEBI Circular in respect of its 6.32% rated listed secured redeemable non-convertible, non-cumulative debentures of a nominal value of Rs. 10,00,000 (Rupees Ten Lakhs) each, aggregating to Rs. 250 Crores due on February 22, 2025 ('Debentures') The Company has entered into an agreement with the Debenture Trustee vide agreement dated February 24, 2022 in respect of such Debentures.

Management's Responsibility

3. The preparation of the Statement is the responsibility of the management of the Company including the preparation and maintenance of all accounting and other relevant supporting records and documents. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Statement and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances.



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Chartered Accountants

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4. The management of the Company is responsible for ensuring that the Company complies with all the relevant requirements of the SEBI circular and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 including maintenance of hundred per cent security cover as per the terms of Debenture Trust Deed sufficient to discharge the principal amount and the interest thereon at all times for the non-convertible debt securities issued. The management is also responsible for providing all relevant information to the Debenture Trustee(s) and for complying with all the covenants as prescribed in the Debenture Trust Deed dated February 24, 2022 entered into between the Company and the Debenture Trustee ('Trust Deed')

Auditor's Responsibility

5. It is our responsibility to provide a limited assurance and conclude as to whether the:
 - (a) Book values of assets as included in the Statement are in agreement with the books of account underlying the unaudited standalone financial results of the company as at December 31, 2023.
 - (b) Company is in compliance with all covenants including financial covenants as mentioned in the Debenture Trust Deed as on December 31, 2023.
6. We have performed a limited review of the unaudited standalone financial results of the Company for the period ended December 31, 2023 prepared by the Company pursuant to the requirements of Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, and issued an unmodified conclusion dated February 02, 2024 . Our review of those financial results was conducted in accordance with the in accordance with the Standard on Review Engagements (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India ("ICAI").
7. We conducted our examination of the Statement in accordance with the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI (the "Guidance Note"). The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
8. 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.
9. Our scope of work 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 results of the Company taken as a whole. We have not performed an audit, the objective of which would be the expression of an opinion on the financial results, specified elements, accounts or items thereof, for the purpose of this report. Accordingly, we do not express such opinion.
10. A limited assurance engagement includes performing procedures to obtain sufficient appropriate evidence on the applicable criteria, mentioned in paragraph 5 above. The procedures performed vary in nature and timing from, and are less extent than for, a reasonable assurance. Consequently, the level of assurance obtained is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Accordingly, our procedures included the following in relation to the Statement:



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- a) Obtained the Board approved unaudited standalone financial results of the Company for the period ended December 31, 2023.
- b) Obtained and read the Debenture Trust Deed dated February 24, 2022 in relation to NCD and noted that as per such debenture trust deed the Company is required to maintain 100 percent security cover.
- c) Traced the book value of assets with the books of accounts of the company underlying the unaudited standalone financial results.
- d) Traced and agreed the principal amount and the interest thereon of the NCD outstanding as at December 31, 2023 to the Board approved unaudited standalone financial results of the Company and the underlying books of account maintained by the Company as at December 31, 2023.
- e) Examined and verified the arithmetical accuracy of the computation of Security Cover, in the accompanying Statement.
- f) Obtained and read the list of security cover in respect of Debentures outstanding as per the Statement. Traced the value of assets from the Statement to the management certified unaudited books of accounts and records of the Company as at December 31, 2023.
- g) Compared the Security Cover with the Security Cover required to be maintained as per debenture trust deed.
- h) Obtained the Security Cover as determined by the management and evaluated whether the listed entity is required to maintain hundred percent security cover or higher security cover required to be maintained as per Trust Deed
- i) The management has represented us that the Company is not required to comply with any financial covenant as at December 31, 2023.
- j) Performed necessary inquiries with the management and obtained necessary representations.

Conclusion

11. Based on the procedures performed by us, as referred to in paragraph 10 above and according to the information and explanations received and management representations obtained, nothing has come to our attention that causes us to believe that:
- a) The Book values of assets as included in the Statement are not in agreement with the books of account unaudited standalone financial results of the Company as at December 31, 2023.
 - b) The Company is not in compliance with financial covenants as mentioned in the Debenture Trust Deed as on December 31, 2023.



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Chartered Accountants

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Restriction on Use

12. The Report has been issued at the request of the Company, solely in connection with the purpose mentioned in paragraph 2 above and to be submitted with the accompanying Statement to the Debenture Trustee and is not to be used or referred to for any other person. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come. 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

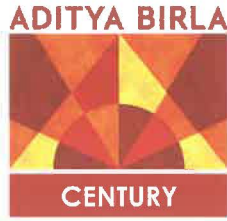


UDIN: 24049365BKGVIF3742

Mumbai

February 02, 2024





Statement of Security Cover Ratio and Other Financial Covenants as at December 31, 2023 ('Statement')

(a) Security Cover Ratio

Sr. No.	Particulars	31-Dec-23	Requirement as per Trust Deed	Applicable for
1	Pari Passu Security Cover (Refer Annexure 1A)	7.19	> 1	NCD

(b) Other Financial Covenants

As per Clause 12 of the Debenture Trust Deed dated February 24, 2022 for NCD, the Company is required to comply with the Net debt to equity ratio and Interest coverage ratio on an annual basis. Hence, the compliance to the said covenants is not tested as at December 31, 2023.

(c) List of secured Debentures issued by the Company and outstanding as at December 31, 2023

Sr. No.	Particulars	Debenture Trustee	Trust Deed Date	Issuance Date	Amount Outstanding (Rs. in Crores)
1	6.32% 2,500 Redeemable Non Convertible debentures (NCD)	SBICAP Trustee Company Limited	February 24, 2022	February 22, 2022	263.46

Notes:

6.32% rated, listed, secured, redeemable, non-convertible, non-cumulative debentures have been secured against first pari passu charge on plant and machineries, present and future of Birla Century and pulp and paper divisions.

Sr. No.	Asset	Book Value (Rs. in Crores)
1	Plant and Machineries - Birla Century and pulp and paper	2,197.39
2	Capital Work in Progress - Birla Century and Pulp and Paper	54.29

Note (i)

Sr. No.	Particulars	Outstanding borrowings as at December 31, 2023 (Rs. in Crores)
1	6.32% Non convertible debentures	263.46
	Total	263.46

2. The Company has complied with all the other applicable covenants including affirmative, informative and negative covenants, as prescribed in the Information Memorandum and / or Debenture Trust Deed for NCD.

For and on behalf of Century Textiles and Industries Limited

Name: Nilay Rathi
Designation: Joint President (Commercial)
Date: February 02, 2024
Place: Mumbai





Annexure 1A
Computation of Security Cover as at December 31, 2023 for NCD

Rs. in Crores

Statement of Security Coverage Ratio										
Column A	Column B	Column C		Column D	Column E	Column F	Column G	Column H	Column I	Column J
Particulars	Description of Asset for which this Certificate relate	Exclusive Charge		Pari Passu Charge			Assets not offered as Security	Elimination on (amount in negative)	(Total C to H)	
		Debt for which this certificate being issued	Other Secured Debt	Debt for which this certificate being issued	Assets shared by Pari Passu debt holder (includes debt for which this certificate is issued & other debt with Pari Passu charge)	Other assets on which there is Pari Passu charge (excluding Items Covered In column F)		Debt amount considered more than once (due to exclusive plus Pari Passu charge)		
		Book Value	Book Value	Yes/ No	Book Value	Book Value				
Assets										
Property, Plant and Equipment	Plant and Machinery and assets classified as held for sale	-	-	Yes	2,197.39	-	889.93	-	-	3,087.32
Capital Work-in- Progress	Capital Projects under construction- plant and machinery	-	-	Yes	54.29	-	21.36	-	-	75.65
Goodwill		-	-	No	-	-	-	-	-	-
Intangible Assets		-	-	No	-	-	5.73	-	-	5.79
Intangible Assets under Development		-	-	No	-	-	-	-	-	-
Investments		-	-	No	-	-	653.84	-	-	653.84
Loans		-	-	No	-	-	731.30	-	-	731.30
Trade Receivables		-	-	No	-	-	167.61	-	-	167.61
Inventories		-	-	No	-	-	2,167.80	-	-	2,167.80
Cash and Cash Equivalents		-	-	No	-	-	213.27	-	-	213.27
Bank Balances other than Cash and Cash Equivalents		-	-	No	-	-	16.82	-	-	16.82
Others		-	-	No	-	-	1,245.01	-	-	1,245.01
Total (i)		-	-		2,251.68	-	6,112.73	-	-	8,364.41
Liabilities										
Debt securities to which Certificate pertains	Non- convertible Debenturs	-	-	Yes	263.46	-	-	-	-	263.46
Other debt sharing Pari Passu charge with above debt	Term Loan	-	-	Yes	49.59	-	-	-	-	49.59
Other Borrowings		-	-	No	-	-	909.06	-	-	909.06
Trade Payables		-	-	No	-	-	762.34	-	-	762.34
Lease Liabilities		-	-	No	-	-	20.96	-	-	20.96
Provisions		-	-	No	-	-	179.76	-	-	179.76
Others		-	-	No	-	-	1,796.20	-	-	1,796.20
Total (ii)		-	-		313.05	-	3,668.32	-	-	3,981.37
Cover on Book Value (i/ii)					7.19					
		Exclusive Security Cover Ratio			Pari Passu Security Cover Ratio					
		-								

The above financial information has been extracted from the management certified unaudited standalone financial results for the quarter ended December 31, 2023 and unaudited books of account maintained by the Company as at December 31, 2023

SIGNED FOR IDENTIFICATION
BY

SRBC & CO LLP
MUMBAI



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