

# Transcript of the 124<sup>th</sup> Annual General Meeting of Century Textiles and Industries Limited

16<sup>th</sup> July, 2021 from 2:30 p.m. (IST) to 3:52 p.m. (IST)

**Mr. K. M. Birla:** Should I start?

**Mr. Atul Kedia:** Chairman Sir, we have the required quorum, you can start the proceedings of the meeting.

**Mr. K. M. Birla:** Dear fellow shareholders, a very good afternoon. I welcome all of you to the 124<sup>th</sup> Annual General Meeting of the Company. I hope all of you are safe and well, owing to the ongoing global pandemic, I am yet again unable to address you in person; however, due to technological development, we are meeting virtually at this AGM of your Company. I am addressing this meeting from my residence in Delhi. Before we start the proceedings of the meeting, I would like to request my colleagues on the Board, who are present through this video conference to please introduce themselves. To start off with, I would like to request my mother. There seems to be a technical snag, I will move on to Mr. Y. P. Dandiwala.

**Mr. Yazdi Dandiwala:** Hello, good afternoon. I am Yazdi Dandiwala. I am an Independent Director of your Company. I am also the chairman of the Audit Committee, as also the Nomination and Remuneration Committee. Apart from that, I am the member of CSR committee and the Stakeholders Relationship Committee. I am attending this AGM from my residence in Mumbai. Thank you.

**Mr. K. M. Birla:** I will now request Mr. S. K. Jain to come.

**Mr. S. K. Jain:** Good afternoon. I am attending this AGM from my Pune office. I am an Independent Director of the Company, and also I am a member of the Audit Committee and other committees, and I am attending from my Pune office.

**Mr. K. M. Birla:** Mr. Rajan Dalal please.

**Mr. Rajan Dalal:** Good afternoon everyone, I am Rajan Dalal, Independent Director of your Company. I am the chairman of the Stakeholder Relationship Committee, and member of few other committees, including Audit Committee and Nomination and Remuneration Committee. I am attending the AGM from my residence in Mumbai. Thank you.

**Mr. K. M. Birla:** Miss Preeti Vyas. You're on mute.

**Ms. Preeti Vyas:** Thank you. Good afternoon, everyone. I am Preeti Vyas, Independent Director of your Company. I am a member of the Stakeholders Relationship Committee. I am attending this meeting from our residence in Mumbai.

**Mr. K. M. Birla:** Mr. J. C. Laddha.

**Mr. J. C. Laddha:** Good afternoon Dear Members, I am Jagdish Chandra Laddha, Managing Director of your Company and member of the Audit Committee, CSR Committee and the Risk Management Committee. I am attending this meeting from Company's office in Mumbai. Thank you.

**Mr. K. M. Birla:** Mr. R. K. Dalmia

**Mr. Rajendra Kumar Dalmia:** Good afternoon, I am Rajendra Kumar Dalmia, Whole Time Director of your Company. I am a member of CSR Committee, Stakeholder Relations Committee and Risk Management Committee. I am attending this meeting from my office in Mumbai.

**Mr. K. M. Birla:** Thank you. On behalf of the Board of Directors and my colleagues at CTIL. I thank you for your presence today, dear shareholders at this virtual AGM, which is a testimony, not just of the power of technology, but also of your support in these virulent times, and your involvement with our Company. At the outset, I once again express my gratitude for your unstinting support and trust. The Ministry of Corporate Affairs, Government of India and the Securities and Exchange Board of India, have issued circulars as specified in the AGM notice, permitting companies to convene AGMs through video conferencing or other audio-visual means during the calendar year 2021 in view of the continuing restrictions on movement and gathering of persons at a common venue, consequent to the outbreak of the COVID-19 Pandemic. Accordingly this AGM is being convened in compliance with the Ministry of Corporate Affairs and SEBI circular. Your Company has made all efforts under the circumstances to enable you our shareholders to participate and vote on items being considered in this AGM. Based on registration received, more than 30 shareholders being the requisite number required to constitute the quorum, have joined the AGM and therefore I call the meeting to order. Please note that in addition to the key executives of the Company, who have joined this meeting through video conference, the Statutory Auditors of the Company, that is SRBC and Company LLP, and the Secretarial Auditor of the Company, that is Mr. Gagan B Gagrani of Gagrani & Gagan have also joined this meeting in a similar fashion. I thank all our shareholders, colleague from the Board, representatives of the Statutory and Secretarial auditors and members of the Management Committee for joining this AGM. Your company has engaged NSDL, which is the National Securities Depository Limited, for providing remote e-voting facility and for participating and voting at the AGM.

The facility of joining this AGM has been made available on a first come first served basis. This meeting is being administered and facilitated by the moderator. All shareholders who have joined the AGM as by default be placed on a mute mode by the moderator to avoid background noise and disturbances and ensure smooth conduct of the proceedings. Speaker shareholders who have registered themselves will be unmuted by the moderator on their names being called out for speaking. In case, due to any technical or other reasons, a speaker shareholder is not able to join through video mode, then he or she may also join only through the audio mode. Shareholders seeking any technical assistance that may be required during the AGM, can call on the helpline number, provided in the AGM notice. Since the AGM has been held through video conferencing, where physical attendance of shareholders has been dispensed with, there is no requirement of appointing proxies. The register of proxies is therefore not required to be maintained and made available for inspection.

In accordance with the provisions of the MCA and the SEBI circulars, the AGM notice together with the AGM Report, together with the Annual Report for the year ended 31<sup>st</sup> March 2021, have been emailed to shareholders, who had registered that email IDs with the Company, the Registrar and Transfer Agent, Link Intime India Private Limited or the respective Depository Participants with whom where their demat account is maintained. The AGM Notice and the Annual Report are also uploaded on your Company's website and those of the BSE Limited, the National Stock Exchange of India Limited and NSDL. The Register of Directors and Key Managerial Personnel, Register of Contracts, the Statutory Auditor's Report, the Secretarial Auditor report, are all available for inspection electronically during this meeting. Since the AGM Notice dated 7<sup>th</sup> June 2021, has already been emailed to you, I am with your permission, taking the same as received and read. Performance of each business segment of the Company has been comprehensively dealt with in the Management Discussion and Analysis Report. The reports of the Statutory and Secretarial Auditors do not contain any adverse

qualifications, observations or comments on the functioning of your Company, and therefore are not required to be read.

In terms of the relevant provisions of the Companies Act, 2013 and the rules made there under and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, remote e-voting facility was made available to shareholders for all the 8 resolutions proposed at this AGM, to enable them to vote on the resolutions using the said facility.

The remote voting commenced at 9:00 a.m. on 12<sup>th</sup> July 2021 and ended at 5:00 p.m. on 15<sup>th</sup> July, 2021. Shareholders who have not been able to vote so far can vote during the AGM, by clicking on the button visible on their screens. Shareholders who have already voted through the remote e-voting mechanism, can attend the AGM, though they will not be able to vote again.

Mr. Gagan B. Gagrani, Practicing Company Secretary has been appointed as scrutinizer for the remote e-voting as well as the voting to be done during the AGM.

Since the resolutions forming part of the notice, have already been voted on through remote e-voting facility, and as provided in the Secretarial Standard relating to general meetings, there will be no proposing and seconding of the resolutions.

Now I take up the agenda for the meeting, as per the items of business mentioned in the AGM notice.

Item No. 1 relates to:

- Adoption of standalone and consolidated audited financial statements and the reports of the Auditors and Directors.

Members can raise queries relating to accounts and performance of the Company after completing all the other items on the agenda.

Item No. 2 relates to:

- Declaration of dividend on equity shares for the year 2020-21.

Since for Item No. 3, I am an interested party and request, Mr.Y. P. Dandiwala to take up the same.

You are on mute Mr. Dandiwala.

**Mr. Yazdi Dandiwala:** Item Number 3 relates to re-appointment of Mr. Kumar Mangalam Birla as a Director, who retires from office by rotation, but being eligible offers himself for re-election. I now request Mr. Birla to take over the Chair.

**Mr. K. M. Birla:** Thank you Mr. Dandiwala.

Item No. 4 relates to:

- the reappointment of the Statutory Auditor, S R B C & Co. LLP for a second term of five consecutive years.

Item No. 5 relates to:

- approval of remuneration paid to Jagdish Chandra Laddha, Managing Director for the period ending 31<sup>st</sup> March 2021.

Item No. 6 relates to:

- the approval of the remuneration paid to Mr. R. K. Dalmia, Whole Time Director for the year ending 31<sup>st</sup> March 2021.

Item No. 7 relates to:

- approval of the re-appointment and remuneration of Mr. R. K. Dalmia as a Whole Time Director of the Company; and

Item 8 relates to:

- approval of remuneration of the cost auditor for the financial year ending 31<sup>st</sup> March, 2022.

Let me now share with you some thoughts on the prevailing circumstances, the economic scenario and performance of your Company during FY21.

I now read out my speech, dear fellow shareholders, I am sure that you will agree, that we are all navigating in a unique period in human history, that will have profound implications for future generations as well. The pandemic and the subsequent lockdowns have truly tested the resilience of nations, individuals and even corporations. Some businesses that are closely linked to mobility and human interactions have of course been more severely impacted.

In this unprecedented business environment, your Company delivered a stable performance in FY21 and is poised to overcome near term disruptions and accelerate its growth journey. Let me briefly give you the broader macroeconomic context in which your Company currently operates. The world as we know has been fighting the Covid 19 pandemic for more than a year now, and the struggle has had serious economic effects. In 2020, the global economy contracted by 3.3%, the largest contraction on record at least since World War 2. Much of it was actually concentrated in the first half of Fiscal Year 2021, as several countries enforced strict lockdowns. Economies however bounced back albeit at differentiated speeds in subsequent quarters on the back of large fiscal stimulus packages by the governments of different economies. The International Monetary Fund, has in its latest forecast suggested a strong 6% growth in global GDP in this calendar year, moderating to 4.4% in FY22. This reflects additional fiscal support in a few large economies. The anticipated vaccine powered recovery in the second half of 2021, and continued adaptation of economic activity to subdued mobility. The Indian economy, which was firmly on the path of recovery in the second half of FY21 was hit by a rather unexpectedly virulent second wave of COVID-19. As a result, Moody's Investors Service has slashed India's growth projections to 9.6% for 2021 calendar year from its earlier forecast of 13.9%. However, they estimate that the damage will be restricted to this April to June quarter. The IMF though has projected an impressive 12.5% growth rate for India in 2021. I remain firmly of the view that the pandemic is just an episodic occurrence in our economic history, and not a structural setback.

Moving on to the specifics of the standalone performance of the year 2020-21 of your Company, the revenues from operations of the Company stood at Rs. 2690 crores and earnings before interest, tax and depreciation was

Rs. 366 crores. Net profit for the year was Rs. 31.5 crores. Interest cost declined from 93 crores to 89 crores and depreciation was almost the same as the previous year at Rs. 229 crores. Considering the prevailing economic environment and the view to conserve resources, the Board of Directors have recommended a dividend of 10%, that would be Re. 1/- per share of Rs. 10/- for your approval.

I would now like to give you a brief overview of the performance of our various lines of business. Let me start with real estate that is Birla Estates Private Limited. The Covid 19 pandemic and the nationwide lockdown in the first quarter of FY21 severely impacted the real estate sector with the unavailability of migrant workforce, liquidity crisis as a slowdown being adopted. The residential segment saw sluggish sales and collections, while the commercial segment saw corporate occupiers delaying their leasing decisions. However by the third quarter, residential demand revived to a healthy level across regions and across price points. This was largely on the back of low home loan interest rates, stamp duty cuts by state governments and improved home affordability. The customer preference for branded players in addition to better business development and funding opportunities has increased the pace of consolidation in favor of branded players like us. This is evident from a 16% increase in sales of the top corporate developers in FY21 over FY20, even as overall residential sales decreased by 7%.

Your company continues to give priority to the safety and well-being of its workforce. During the lockdown, your Company adequately took care of the wellbeing of workers at oursite. Your Company continues to support employees with all the necessary medical facilities and has already vaccinated almost the entire team with the first dose of vaccination.

Digitization is taking center stage in all business processes. Your Company has significantly enhanced its digital presence by launching a digital sales platform called 'buyonline.birlaestates.com' for an end-to-end seamless online experience. The operating team is proactive with customers and facilitated meaningful interactions during the crises that strengthened the customer bond. Birla Estates has shown resilience and maintained business continuity, despite the disruption in supply chains and paucity of migrant workforce, that I spoke about earlier. In FY21, Birla Estates strengthened its position in a 3 focus markets of Mumbai, Bengaluru and NCR. The launch of the first residential project in NCR, Birla Navya in Gurugram during FY21 was very well received by the market with cumulative sales of almost Rs. 500 crores. The project has progressed well on both sales and the execution front with 80% of the launched inventory being sold already. The other ongoing projects of Birla Vanya at Kalyan and Birla Alokya at Whitefield in Bengaluru continue to sell steadily, and the construction is progressing well. We have crossed a cumulative sales of 1 million square feet worth Rs. 1000 crores in less than two years from these 3 launched projects.

The two projects at the planning and development stage, which are Magadi Road project in Bengaluru and the Century Mills project in Worli, Bombay are progressing as per plan with critical approvals now having been received.

On our 2 commercial assets in Worli which are Birla Aurora and Birla Centurion, both continue to operate at a high occupancy level. Your Company is ensuring a safe and healthy environment for all our stakeholders at our different properties.

The Covid 19 pandemic, has irrevocably accelerated the evolution of the real estate sector in India by reshaping business operations and customer preferences, creating a clear shift towards branded and organized players. The bias for home ownership has risen due to the increased time spent at home due to the pandemic. The pandemic is reiterating the emotional security associated with home ownership as homes remain the center of our lives morphing from a fitness lounge in the morning, virtual schools and offices in the day to an

entertainment hub in the evening. With its commitment to delivering high quality homes with open spaces, connected infrastructure and thoughtful amenities, Birla Estates is ideally poised to capitalize on this changing scenario. Your company now looks forward to accelerating its growth and cement its position as a leading player in the Indian real estate market.

Moving on to the pulp and paper business, the Century pulp and paper division operates under 3 segments.

First writing and printing paper. The pandemic induced lockdowns have had a significant negative impact on the writing and printing paper segment. The protracted lockdowns meant that all paper consumption centers like schools, colleges, offices, ports, shopping centers, etc. remain shut for a large part of the year. As a result there has been a dis-equilibrium between consumption and supply pattern of writing and printing paper. Therefore last year was perhaps one of the worst years for the writing and printing paper industry. The industry has lost not only its business volume, but also price realization to a large extent. Despite this challenging environment, business was able to manage its WPP plants capacity utilization at around 80%.

Second is the packaging board paper segment, there were contrasting forces that impacted the performance of the packaging boardpaper segment during FY21, as international and domestic retail markets were shut for prolonged periods of time, consumers switched to the e-commerce channel. Hence there was a strong demand for packaging board paper from the e-commerce sector. Similar demand was also seen from the pharma sector. Both these sectors have cushioned the impact on account of weak demand for book covers, cuppa and wedding card products due to COVID restrictions.

During this period, our packaging board plant capacity utilization was at a high 85%.

The third product category within the pulp and fiber business is tissue paper. Given the increased thrust on hygiene post the pandemic, the tissue paper segment was in focus for the year and witnessed high demand. Hence our tissue plant was operating day and night to service this pandemic induced high demand.

In this fiscal, despite all the challenges on account of the pandemic, your Company successfully commissioned a new capacity of 100 metric tons per day, which is called Tissue Plant Number 7. The trial run of the new plant commenced on 14<sup>th</sup> March, 2021, and during this trial run, the plant operated at around 75% of its capacity.

Moving on to the next business, which is textiles, which is called Birla Century as you know. The performance of the company's textile division Birla Century got negatively impacted by protracted lockdowns and a liquidity crisis at the customers' end, particularly for the apparel fabric business. Home textile business, has shown marginal growth as compared to previous years since exports and the branded business performed well. However raw material prices increased disproportionately and realizations that continues to be under pressure impacting demands. During the year, Birla Century has successfully launched products through e-commerce in the US market under the label "Avonleigh Linen".

The business is focused on building an innovative product mix that leans on a sustainability ethos. This will enable Birla Century to cater to the changed consumer sentiment once domestic and international markets reopen in full swing.

On our CSR activities, our endeavor has always been to take up meaningful projects that enrich the lives of the needy in and around our operating locations to create a more sustainable future for local communities.

Finally on behalf of the Board of Directors, I take this opportunity to thank all of our shareholders for your continued support. We would like to assure you of our commitment to seek excellence in the operations of your Company. I would also like to acknowledge the continued support, co-operation and assistance received from our banks, financial institutions and our value chain partners, and finally I wish to record my deep appreciation for the tireless commitment and selfless dedication of all our employees across our workplaces and plants in what has been an extraordinary year.

I look forward to your continued support.

Thank you.

Let me now move on to the questions and answers by shareholders. Some shareholders have registered themselves as speakers at the AGM. Some queries and suggestions have also been received. I will address them after listening to all the speaker shareholders.

Before moving ahead, I would request the speaker shareholders to call out their name, folio number or DP ID and client ID as the case may be. If someone is unable to use a video mode, they can use only the audio mode. Please use your earphones and do not be connected to any other device while speaking. If for any reason, there is a connectivity issue at the speaker shareholders end the speaker will be disconnected and the next speaker shareholder will be invited to speak. Once connectivity is restored, the earlier speaker will be asked to resume after all the other speakers. The moderator will call out the speaker shareholders name one at a time and will simultaneously unmute their audio. Once the speaker finishes, the moderator will again activate his or her mute audio, mute mode. Before moderator begins calling out the names, may I in the interest of time request the speakers to limit the queries to a maximum of 3 minutes per speaker and restrict the questions strictly to the Company's performance during the previous financial year, and not repeat questions that have been asked by previous speakers. I now request the moderator to call out the first speaker.

**Moderator:** Thank you so much sir. So firstly, I would like to call Shri. Gautam Tiwari. Please speak. Mr. Gautam Tiwari.

**Mr. Gautam Tiwari:** Can you listen me?

**Mr. K. M. Birla:** Yes, I can hear you.

**Mr. Gautam Tiwari:** Honorable Chairman Sir, a very-very special good afternoon to you and also good afternoon to all my eminent Board of Directors, the Century Textile team and fellow shareholders. Sir, my name is Gautam Tiwari, and I am attending this virtual meeting from Mumbai.

Sir, at first sight, first of all, I would really like I would like to have this opportunity to congratulate everyone involved in preparation of Annual Report, which is very-very informative, well designed and colorful, and sir, though the performance of the Company was affected due to pandemic, but still however it is very heartening to note sir, that our Company had installed new tissue paper plant of 36000 tons per annum and for manufacturing of tissue paper, and the trial run also has begun in March 2021. Sir, despite challenges due to ongoing pandemic, this plant has been started for which we really want to congratulate our management to the best extent. Sir, in this challenging time also, the board has declared a dividend of 10% which is quite commendable. I am of the firm view sir that this will be restored at par in the time to come. Sir, our Company as usual has worked very hard in identifying the project and areas of CSR activities as usual, which are beneficial to the public at large for which I would like to congratulate them, and sir, our secretarial department also is

giving a very good investor care, investor service throughout the year in year, through and through, for which we would like to congratulate. Sir, in order to improve my understanding and appreciation for the Company, I got some 2-3 queries which I would like to know. Sir, when are you going to start the development of the balance Century Mill Land which is at Worli?

Secondly sir, what are your plans to fund our future projects of real estate? Sir, out of my anxiety, I would like to know sir, how many casualties totally in our staff employees and how many recoveries so far due to pandemic? And Sir, what is the capacity utilization of our all plants on average at present? Sir, I have got total faith, trust and confidence in the management of the Company. As I have been a shareholder, our full family has been a shareholder with all Birla Group of companies including this Century Textiles, and sir, our Company is in safe hands. I wish you a very long happy prosper, healthy, wealthy, safe and protective life to all those who are connected with us and total Board of Management and all those who are connected, and I wish you sir bright and shining future for the Company and for the management. I would like to thank you for being very patient and listening. Jai Hind, Jai Bharat. Thank you very much sir.

**Mr. K. M. Birla:** Could you call out the next speaker please Moderator?

**Moderator:** Yes sir. Thank you so much Mr. Tiwari. After this I would like to call Ms. Lekha Satish Shah.

**Mr. K. M. Birla:** Sorry tell me the name again, couldn't hear you.

**Moderator:** Lekha Satish Shah. Ms. Lekha

**Ms. Lekha Satish Shah:** I support all the resolutions of today's meeting. My best wishes are always with the Company. Thank you sir.

**Mr. K. M. Birla:** Thank you so much Lekha. Mrs. Shah...thank you so much for your good wishes.

**Ms. Lekha Satish Shah:** Thank you sir. Respected Chairman sir, Board of Directors and my fellow members. Good afternoon to all of you. Myself Lekha Shah, from Andheri, Mumbai. First of all, I am very much thankful to our Company Secretary, Mr. Atul Kediaji for extending very good investor services, and also sending me the AGM notice by email in such a difficult situation. So I am very grateful to our Company Secretary Mr. Kediaji, Chairman Sir for explaining us well about the Company. Sir, I pray to God that he always showers his blessings upon you. Sir I am happy to see what you have done during this tough time. Sir, I am happy that the Company is doing very well in the field of CSR activities.

Sir, I would like to ask only two questions. How is the Company handling their activities during this Covid time? Sir, any new product...has our company made any new products? How we are engaging our employees? So I would like to say I strongly support all the resolutions for today's meeting and my best wishes are always with our Company and its prosperity. Thank you Sir.

**Mr. K. M. Birla:** Thank you Mrs. Shah. Moderator go ahead.

**Moderator:** Yes sir. Thank you so much Lekha ma'am. Moving on to the next, now I request Mr. Yusuf Rangwala to please proceed. Now you can speak sir.

**Mr. Yusuf Rangwala:** Good afternoon sir.



**Mr. K. M. Birla:** How are you Mr. Rangwala?

**Mr. Yusuf Rangwala:** Good afternoon sir, I am very happy with our excellent management, our team who is giving me a link and also I am thankful to our secretary, who is a very dynamic and very handsome and very hardworking, and because of him, I can join with you and I am very happy with your Chairman speech. It was really very good. I am very happy to hear the chairman speech. We are in paper, we are in many businesses, and I don't have anything to say for our Birla Group, it's like moonlight is incomplete without the moon, similarly without Century, it's incomplete for us to meet you. This is the poetry for you sir.

I want to know that in Covid 19 pandemic, have all staff people of our company taken the vaccine doses? I want to know the current position of our factory that whether it is open or not and whether the staff is coming or not. What is the current position? How are the people working? Please let me know sir. It's my humble request sir, if you could give me the office number and secretary's mobile number. I don't have his mobile number because I lost my phone. So I don't have his mobile number and if it is possible then tell sir to contact me please. I want to talk to him because earlier I had his contact number, but I lost my old mobile phone 10-15 days back, so that's why I lost all the contact numbers. I don't have to ask or say anything because it's a very good company and you gave 10 rupees dividend on share, and now your share price is also very good. I don't want to say anything and I would like to give all the best wishes to you. Thank you very much. I don't want to say anything else. Bye sir. Jai Gujarat.

**Mr. K. M. Birla:** Thank you.

**Moderator:** Thank you so much Mr. Yusuf Rangwala. Next I would like to call Shri. Sarbananda Gattani sir. Please proceed.

**Mr. K. M. Birla:** Mr. Gattani are you there?

**Mr. Sarbananda Gattani:** Yes sir, nice meeting you after a year Sir. I am feeling very good and I feel like I am meeting one of my family members. I felt very happy after meeting the top 10 richest person of India. Company's result is very good and dividend is also very good. I would like to thank Atul Sir, he did a very good job last year and brought it to VC. He did a very good job this year too, and he made very good account. I would like to congratulate CFO sir being a senior chartered accountant, sir. I have few queries.

My first query is Kumar Mangalam Birla Group is so big, but it is not here in Calcutta, and Mamta Di came here again for next 5 years. So I will request very humbly and even the son of Trump has constructed a very good building here called 42. So I would request you Sir to make one building in real estate in Plaza side. This is my humble request from you that please come to Calcutta. If Kumar Mangalam name will come to Calcutta, then it will progress well. Tata had tried it, Ratan Tata, so this is my first request.

My second request sir is that you are celebrating 124<sup>th</sup> year, but 25 years, 50 years and 75 years, 100 years matter a lot, and next year we will celebrate 125<sup>th</sup> year of the company, so I would request you that you should give a very nice gift to all the shareholders who enrolled today. I would say that you should gift one diary and pen where you have company's logo printed on it. It would be a very small thing for you to do, so this is my humble request. It will be a memento for us that we got something from Kumar Mangala Birla Sir, and my humble request from you that you should do something for the Covid, as second wave is going on and some people are saying it's a third wave, and Atul Kedia sir...

**Moderator:** Thank you so much Sarbananda sir. That was amazing you having here. Moving to the next, I would request Mr. Manoj Kumar Gupta to please join.

**Mr. K. M. Birla:** Can't hear you Mr. Gupta, has he joined Moderator?

**Mr. Manoj Kumar Gupta:** yes, yes, hello.....

**Mr. K. M. Birla:** yes, yes we can hear you.

**Mr. Manoj Kumar Gupta:** Good afternoon Mr. Birla and respected chairman, Board of Directors and fellow shareholders. My name is Manoj Gupta. I am joining this meeting from Calcutta. First of all, my thanks to you that you are running this Company. I thank you that you are running a Company from last...of 124 years old Company and I pray to Good, give more success in coming times to take the Company to new heights under your leadership, and I look at your mother and I respect her a lot and my great respect and regards to your mother also because my father has started his career in 1948 with B.K. Babu, under B.K. Babu company in Ahmedabad, and we can't forget B.K. Babu, Basant Babu in our life, that he has done a lot of things under the social market in Calcutta in the health and education. Thanks for your higher dividends and thanks for your Company Secretary who helped us to join this meeting. I will not say a single word on CSR, because you are the master of CSR Birla family.

Sir, kindly try to consider a special discount coupon to the shareholders that they can get Century products of textiles in from any shop in Calcutta. Earlier you were sending a discount coupon and sir how you will celebrate the 125<sup>th</sup> year, next year? What is your plan for investors and employees? We try to reward to investors and employees on the eve of 125<sup>th</sup> year and how the investors will get return on their investment? What were the impacts of COVID? Sir, may I request you to come to Calcutta and try to meet us in Calcutta. If you spare some time and you come to Calcutta to visit Industry House and call us, 2-3 shareholders of Calcutta to meet you sir. We are very eager to meet you sir.

**Mr. K. M. Birla:** Thank you Mr. Gupta for your suggestions.

**Mr. Manoj Kumar Gupta:** Thank you.

**Mr. K. M. Birla:** Thank you.

**Moderator:** Thank you so much Mr. Gupta. Moving on to the next, I would request Ms. Celestine Elizabeth to please join us.

**Mr. K. M. Birla:** Can you name again?

**Moderator:** Celestine Elizabeth

**Ms. Celestine Elizabeth:** Can you hear me?

**Mr. K. M. Birla:** Please go ahead.

**Ms. Celestine Elizabeth:** Respected chairman, Mr. Kumar Mangalam Birla, MD JC Laddha and non executive madam Director Rajashree Birla, and various other honorable Directors and my fellow shareholders attending this VC. My name is Celestine Elizabeth Mascarenhas. I am attending from Mumbai. First of all, Company

Secretary Shri Atul Kedia and his team for sending me the annual report and allowing me to speak and making my entry easy. Now, I come to the annual report. Very good, very explanatory, self explanatory, colorful also, and we also appreciate the good mission vision and value statement. Our working is definitely good, but dividend one rupee is too less. Market CAP is okay. We have got good rating also. I congratulate you and your whole team for all the awards which are there in the report. Also I appreciate the good CSR work done by you and the team.

My queries now...we are leading players in textiles, Century, Birla Century and offering personal apparels and home textiles. Sir, are we entitled for the PLI which is just now, has been declared by the government in textile? So, what I would like you to share something regarding this? Number two, we are in banana fiber fabrics, a wealth out of waste and we are pioneers in India. Sir, any competitor who is doing similar and what is our margin in this? Can you for unlocking shareholder value, can you think or I don't know I am feeling, that if you demerge the real estate, real estate is becoming quite with rentals and all is becoming quite strong. So you make it a subsidiary and then if you list it, it will give lots of valuation. So what is your idea on that? Any acquisitions in the future?

Sir, I have one problem. My shares are in physical and that Ultratech which was demerged, you must have sent share certificate but I don't seem to receive it. So I would like you, means your secretarial team to give me support in the demating or sir you can always buy our physical shares. You know us better than the registrars. So if you could buyback our shares at a little discount also, I would be very happy. Sir, please think on this because it is too much we are unable to demat our shares you know. You bring affidavit, you bring... so many things are, you know our Registrars are troubling us too much, means too much...and they are blaming the SEBI and we...of course you know us better. If it was in house, this would have never happened you know. You would know...we had never any problem. The Companies which are in.....

**Mr. K. M. Birla:** Okay, Kedia look into this.

**Moderator:** Thank you so much ma'am. Moving on to the next, I request Mrs. Shobhana Mehta to please proceed.

**Mrs. Shobhana Mehta:** Can you hear me Sir?

**Mr. K. M. Birla:** Very clearly.

**Mrs. Shobhana Mehta:** Okay. Respected Chairman, Shri. Kumara Mangalam ji, MD Shri. Jagdish ji, Smt. Rajashree ji and Smt. Preeti ji and rest my fellow Directors and shareholders. I am Mrs. Shobhana Mehta from Surat. Good afternoon everyone. Sir, even this year also we are meeting with each other through video conferencing due to Covid pandemic. So I would say Sir, what is in you is not in your picture? I really like to meet you all and talk to you all. Anyway sir, through email I got the notification in time from our secretarial department. They have made a transparent and informative Balance Sheet, so I would like to congratulate our Company Secretary Shri. Atulji and his team and all the executives who participated in making the Balance Sheet. I would like to say that you have used colorful photographs, graphs and charts and tried to tell us the complete story of the Company, so very well done, very good. Keep it up. Sir, this year we have performance stable and you said already in your opening remarks and you also said it in Director's Report and Management Discussion and Analyses, so I would not like to repeat it again. I will say that after seeing the performance, you recommended 10% of dividend this year as against 30%, so that means you told us that Company is conserving the resources. So anyway I would say sir, that something better than nothing. So you took a right decision because if we will conserve the resources, then Company's development will be good.

I would like to do 3 general queries and I will say that the various awards and certifications that Company received, I would like to congratulate all of you for that, and sir, I would like to ask you, what is the total land of the Company? The Worli property that you are developing and it's already developed now, so we are going to use the mix property of Worli, where you will make both residential and commercial. So please tell me, how much would be the price per square feet in residential and commercial? Our share is of 10 rupees face value, so please tell us your plan for division if you can. Please have 5 rupees or 2 rupees of face value and do the sub division, then it would be better for us. It will enhance the shareholder's value.

Sir lastly, how much amount did Company save in this video conferencing meeting? Because this year, you don't have to do expenses on Balance Sheet, printing, posting and hall booking, and Sir last but not the least, next year Company will complete 125<sup>th</sup> year, so how will you want to celebrate it and what is your thought on giving bonus? As I talked about bonus, then I would like to ask, when did Company give the last bonus? How much was the ratio? So I fully support in all the resolutions and give my best wishes to the Company. I also give best wishes for all the coming festivals this year, I would like to say that next month, we have Rakshabandhan festival, so this sister gives you her best wishes. I wish Rakshabandhan in advance and I would like to say this thing, *Phoolon ki khushboo kaliyon ki bahaar, chaand ki chandni, apno ka pyar, Mubarak ho sabko anewale sabhi tyohaar*. So with that, thank you very much. I wish you all.

**Moderator:** Thank you ma'am. Thank you so much. Moving on to the next I would like to call Mr. Atul Gadodia sir. Please join.

**Mr. Atul Gadodia:** Hello, I am Atul Gadodia from Calcutta, I would like to extend my greetings to the entire board. My DP ID is IN302252 and my client ID is 10103661. Now I would like to extend the congratulations to the board for the excellent performance in spite of the pandemic. As the last but one speaker told, speaker Miss Elizabeth, she told like I would like to illustrate on that point only.

The Aditya Birla Group is having many, like companies as like we have non ferrous metal...Hindalco is leading the non ferrous metal space, it is a separate listed entity. Ultratech is having the cement entity, housing the cement entity, and financial services is in Aditya Birla Capital, so like... is it not possible to reorganize a Company in 3 different verticals? Like since paper is contributing nearly 70% of the revenue if I am not mistaken. So, like if we split it into 3 parts, real estate, paper and the balanced businesses, textiles and all. So, if it is feasible on the part of the Board, if, if...I'll be grateful if the Board considers this proposal, and secondly like as everyone told that next year is 125<sup>th</sup> year, so instead of doling out a special dividend or a bonus issue, will it not be wise enough since that Company is accruing enough cash to carry out a buyback, which in my view will be more value accretive? Since our capital is 111 crores, it is having 11 crores outstanding shares. We are providing for a depreciation of 200 odd crore rupees, and hopefully this year, we will have sufficient cash accrual as well. We have just disposed of our yarn unit...denim unit, last...just last night, I got the message on the BSE website. So, we have got 60 odd crore rupees cash on that part also. So instead of giving a special dividend, in my view, it would be more feasible to carry out a buyback, which would reduce the floating stock in the market. It also helps in increasing the promoter's stake and more value accretive, and as regards CSR, I'll send you a separate proposal to you and Mr. Dalmia as well. So, if you wish, you may have a look at it. Thank you so much.

**Mr. K. M. Birla:** Thank you, Mr. Gadodia.

**Moderator:** Thank you so much. Next I would like to call Miss Vasudha Dakwe to please join.

**Ms. Vasudha:** Can you hear me Sir?

**Mr. K. M. Birla:** Yes, please go ahead.

**Ms. Vasudha:** Very good afternoon, respected Chairman Sir, Board of Directors and my fellow shareholders, myself Vasudha from Thane. I would like to congrats our Company Secretary for sending a soft copy of the report well in advance which itself is a clear and transparent. I would like to ask one question. In page number 89, total number of permanent employees are 4268, but the women employees number is only 76. So with this, I support all the resolutions. Thank you very much.

**Mr. K. M. Birla:** Thank you.

**Moderator:** Thank you so much ma'am, and next... then we have Shri Hardik Jain.

**Mr. K. M. Birla:** Are you there Mr. Jain?

**Moderator:** Mr. Ashish Bansal.

**Mr. K. M. Birla:** Mr. Bansal, are you there?

**Moderator:** I guess he is not available, so moving on to the next. Shri Sharad Kumar Shah. I guess Mr. Sharad Kumar Shah is also not available. Hari Ram Chaudhary...so we don't have Mr. Hari Ram as well. Mr. Pramod Kumar.

**Mr. K. M. Birla:** Is there some technical glitch because of which people can't speak or they are not there.

**Moderator:** They are not there actually Sir.

**Mr. K. M. Birla:** Okay.

**Moderator:** Moving on to Mr. Ronald Fernandes. We have Mr. Ronald over here.

**Mr. K. M. Birla:** Yes, please go ahead Mr. Fernandes.

**Mr. Ronald Fernandes:** Hello sir, a very good afternoon. This is Ronald Fernandes over here sir. First and foremost, I wish to thank the company management, the shareholders, I mean the staff of Century Birla, and of course no doubt, looking at your performances has been very, extremely good, but yet you have declared a dividend sir. It would be better if you have not declared a dividend because we ourselves have to pay the tax for it. So you could come out with something better next year, and the next year is our 125<sup>th</sup> AGM, so I am looking forward for a better growth, either by bonus shares. It would be at least...because 125 is what sir, nothing, it's very simple. Two perpendicular bodies, I mean standing facing each other, then in the center is two and one is to five. So one is to five, every one share held, so you can give five shares for the shareholders. So it will be a complementary bonus, where Kumar Mangalam Birla has done, and he has been doing it from the continuous for so many number of years, ever since I've been a shareholder. I would like to appreciate also mentioning that of course, the Company Secretary, management staff, as well as all the likes from your casual workers, everybody has great new respect for us. So that's what I will look at it sir.

Secondly, I would like to highlight to you sir, now since you cannot have any factory visit anything and all that. So you can come out once in 5 years for factory visit, that would be after 2025 because I don't think that COVID-

19 is gone. It will continue because if you are looking at it, today's date or month and the year, take it is 19, and you're page number 19 of the report is also showing information to the shareholders, wherein to specify yearly, that for information of shareholders, you have to login so and so, so and so. 19 page number because it is consisting of 260 pages pull out of the Balance Sheet and 20 page pull out of these, so 280 pages. It is another 20 short for 300, so that's what liquidated. With this sir, I support all the resolutions and thank the management for the operations. Thank you.

**Mr. K. M. Birla:** Thank you Mr. Fernandes.

**Moderator:** Thank you sir. So, moving on to the next I would like to call Mr. Dinesh Bhatia.

**Mr. K. M. Birla:** Is he there moderator?

**Moderator:** Mr. Dinesh...no Sir, he is also not here. Hello sir, we have covered all the shareholders. Rest of them are not available.

**Mr. K. M. Birla:** Right. So before I answer some of the questions, try to be as comprehensive as possible. I want to thank all our shareholders keen interest in the working of the Company. There have been some very insightful questions, and I will try and answer as many as possible.

I agree that commissioning the tissue plant of 100 tons per day in this COVID time is indeed a very commendable achievement, and on behalf of all of us, I'd like to congratulate Pulp & fiber division. Tissue is like I said in my opening remarks, one of the most profitable products, and I think that this investment will pay us very rich dividends. On Worli, when are we starting construction? I believe that we will launch the project sometime, Q3, Q4, this financial year, which is a FY21-22. Several permissions are now in place, and I think in another 6 months, we should be able to formally launch this project.

In terms of funding, there was a question on how it will get funded? It will get funded through internal accruals of course, and also short term and long-term debt. That broadly is the funding plan for real estate in Worli. Capacity utilization was about 75% for pulp and paper. Capacity utilization was 100% for textiles.

In terms of COVID, we had 259 employees, who contracted COVID. Unfortunately, we had 12 deaths despite all the efforts made by the Company, and we had at the same time 247 recoveries as well. All the activities that the Company could undertake possibly during this period of lockdown, the Company has done.

Again congratulations to all the senior management of textile, the pulp and paper and the real estate business. New Products, they've been launched both in the textile business and the paper business. There will be hygiene related products, for example, variants of the tissue paper in the paper and pulp business. Textiles has also come out with new products, mainly for the export market. For example, disposable... sorry, banana fiber fabrics manufactured by Birla Century will operate at a margin for about 25 to 30%. New products in pulp and paper, you have disposables bedrolls which I think is a very interesting product. But you also have something called a Barber Kit, so a lot of value added products are constantly being introduced into the market by our businesses, and as you know, the margins for value added products, is always higher than that for commoditized products. So launching wraps or value added products is a way to maintain and grow a month.

How many employees have been vaccinated? 78% of our employees have got the first dose, which I think is a very high number, which is other than contract staff. 9% have got both the doses, and this number of course, is dependent on the time when a person is eligible to take his or her second dose, but I think 78% employees have

taken the first dose and that is itself a commendable number. A lot of work has been done for COVID by our teams, across our workplaces, across our plants. I think that every possible measure has been taken to keep our employees and workers in good health.

125<sup>th</sup> year celebration, I don't think we have anything planned. I think the best celebration can be even better performance, which I am sure that your Company will deliver in the coming year.

PLI, yes there is a PLI in the textile business. However, it's linked to incremental investment and also bases some conditions. But importantly, it's linked to incremental investment and not on existing investments. We have no acquisition plans in the future. There was a question around that.

Mrs. Mascarenhas had a problem with Demating share certificates, and I request our Company Secretary Atul Kedia to look into this on priority.

Total land bank...what is the total land bank? In terms of millions square feet, we have land of our own company owned, where we can build 13 million square feet, and we have land that we own through joint development agreements with partners, where we can build another 4.8 million square feet. So, as you can understand, there is a very large potential for building real estate, just on our own land, and basis the JVs that we have a today, and we are constantly on the lookout for new investments, new projects that are safe and that have a good rate of return that we can deliver to all of you. There are several comments about bonus, buyback. As always, I would like to just assure you that the Board, your Board of Directors are always primarily focused on shareholder value creation, and as and when it is an opportune time the Board will definitely look at any and all of these options.

I think with that, I've come to the end of the questions and answers. I think I pretty much covered all the questions, that have been asked and again I thank you for your involvement with your Company, which is very apparent in the kind of questions that you have put forward today.

Going ahead, shareholders may note that the e-voting window will remain open for another 15 minutes. I am asking the Company Secretary to ensure that it is open that will be opened for another 15 minutes, so that those who have not voted, can vote now. I request the moderator to turn on the timer screen. For your information the voting results will be announced on or before 18<sup>th</sup> July. It will be available at the Registered Office of your Company. It will also be uploaded on your Company's website and the website of the stock exchange and NSDL. The business of the meeting are complete and I declare the meeting closed. Once again, I thank you all for your participation. Please take care of families and stay safe. Thank you.

**Moderator:** Thank you so much all the ladies and gentlemen.

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