

**Transcript of the 126<sup>th</sup> Annual General Meeting of Century Textiles and Industries Limited  
held on 27<sup>th</sup> July, 2023**

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**Moderator:** Good afternoon everyone. Dear Chairman sir, with your permission, may I start the proceedings of this AGM?

**Mr. Kumar Mangalam Birla:** Yes Moderator, please go ahead.

**Moderator:** Now, I request the Company Secretary Mr. Atul Kedia, to confirm the presence of the requisite quorum.

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

**Mr. Kumar Mangalam Birla:** Dear fellow shareholders, a very good afternoon to all of you, and welcome to the 126<sup>th</sup> Annual General Meeting of your company. We are meeting virtually at this AGM as permitted by the Ministry of Corporate Affairs and SEBI, for the AGMs to be held up to 30<sup>th</sup> September, 2023. I am addressing this meeting from my residence in Delhi. Before we start the proceedings of this meeting, I would like to request my colleagues on the board, who are present through this video conference, to introduce themselves. I would like to start with my mother.

**Smt. Rajashree Birla:** I am Rajashree Birla, a Non-Executive Director of your Company, and I am joining this AGM from my office in Bombay. Thank you.

**Mr. Yazdi Dandiwala:** I am Yazdi Dandiwala. I am attending this meeting from my office in Mumbai. I am an Independent Director and I am also the Chairman of the Audit Committee. Thank you.

**Mr. S. K. Jain:** I am S.K. Jain. I am attending the meeting from London. I am a Independent Director of your company.

**Ms. Preeti Vyas:** Good afternoon, everyone. I am Preeti Vyas, an Independent Director of your company. I am a member of the Audit Committee and Stakeholders Relationship Committee. I am attending this meeting from my office in Mumbai.

**Mr. Rajendra Kumar Dalmia:** Good afternoon, everyone. I am Rajendra Kumar Dalmia, Managing Director of your company. I am a member of the CSR Committee, Stakeholders Relationship Committee, Risk Management Committee, and few other committees. I am attending this meeting from my residence in Mumbai.

**Mr. Kumar Mangalam Birla:** On behalf of the board of directors and my colleagues at CTIL, I thank you dear shareholders for your presence. At the outset, I express my gratitude to all of you for your unstinted support.

The Ministry of Corporate Affairs, Government of India, and SEBI have issued circulars as specified in the AGM notice, permitting companies to convene Annual General Meetings through video conferencing or other audio-visual means up to September, 2023. Moderator, I hope I can be heard clearly.

**Moderator:** Yes sir, you are heard.

**Mr. Kumar Mangalam Birla:** Accordingly, this AGM is being convened in compliance with the Ministry of Corporate Affairs and SEBI orders. Your Company has made all efforts under the circumstances to enable our shareholders to participate and vote on items being considered in this AGM.

Based on registrations received, more than 30 shareholders, being the required number required to constitute the quorum, have joined the AGM, and therefore I call the meeting to order.

Please note in addition to the key executives of the Company who have joined this meeting through video conference, the Statutory Auditors of the Company, i.e., SRBC & Company LLP, and the Secretarial Auditor of the Company, i.e., Mr. Gagan B. Gagrani of Gagrani & Gagan, and the Cost Auditor i.e., R. Nanabhoy & Co., have also joined this meeting in a similar fashion.

I thank all of our shareholders, colleague from the board, representatives of the Statutory, Secretarial and Cost auditors and members of the management team for joining this AGM.

Your company has engaged NSDL, National Securities Depository Limited, for providing remote e-voting for participating and voting at the AGM.

The facility of joining this AGM has been made available on a first-come first-serve basis. This meeting is being administered and facilitated by the moderator. All shareholders who have joined the AGM have, by default, be placed on a mute mode by the moderator to avoid background noise and disturbances, and to 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/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.

This AGM is being 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 Annual Report for the year ended 31<sup>st</sup> March 2023, has been emailed to shareholders, who had registered their email IDs with the Company or the Registrar and Transfer Agent Link Intime India Private Limited, or the respective depository participant 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 the NSDL.

The Register of Directors and Key Managerial Personnel, Register of Contracts, the Statutory Auditor's Report, the Secretarial Auditor Report, Certificate from Secretarial Auditor of the company certifying that the ESOP scheme of the company is being implemented in accordance with the SEBI Regulations 2021, and the existing Articles of Association, along with the Articles of Association amended as per the proposed amendments, are available for inspection electronically during this meeting.

Since the AGM Notice dated 27<sup>th</sup> June, 2023, has already been emailed to you, I am, with your permission, taking the same as received and therefore read.

The performance of each business segment of the Company has been dealt comprehensively 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 five resolutions proposed at this AGM, in order to enable them to vote on the resolutions using the said facility.

The remote e-voting commenced at 9:00 a.m. on 23<sup>rd</sup> July, 2023 and ended at 5:00 p.m. on 26<sup>th</sup> July, 2023. Shareholders who have not been able to vote so far, can vote during this 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 the scrutinizer for the remote e-voting, as well as the voting to be done during AGM.

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

Item No. 2 relates to: Declaration of dividend on equity shares for the financial year 2022-23.

Item No. 3 relates to: The reappointment of Mrs. Rajashree Birla as Director who retires from office by rotation, but being eligible, offers herself for re-election.

Item No. 4 relates to: Amendments to Articles 73(i) of the Articles of Association of the company.

Item No. 5 relates to: Approval of the remuneration of the Cost Auditor for the financial year ending 31<sup>st</sup> March, 2024.

Let me now share with you some thoughts on the prevailing circumstances, the economic scenario and the performance of your company during FY23.

Dear Shareholders, once again a very warm welcome to all of you.

In the fiscal year 2022-23, the global landscape was shaped by the Russia- Ukraine conflict and heightened Global and Geopolitical tensions. These disturbance significantly destructed supply chains, making it a challenging period for business, not just in India, but worldwide. Although the pandemic's grip seemed to be using its aftermath, combined with ramifications of the Russia Ukraine conflict, resulted in fresh challenges and uncertainty. We encountered surging inflation, fluctuating interest rates and energy crisis, unpredictable demand patterns and a fragmented supply chain. In today's interconnected world, events in one economy reverberate across the globe.

Amidst this turbulence and uncertainty in business, our adopted purpose-driven strategy achieved better outcomes. Our group has always been guided by the principles of nation building and trusteeship across generations, a legacy that we carry forward with pride. Our firm belief in leading with purpose and growing with responsibility, has been unwavering.

Over the past 125 years, we have successfully navigated through various external challenges, which have only made us stronger and more resilient. This enduring legacy stands as a testament to our relentless pursuit of excellence and our ability to adapt to changing times.

Evolving landscape, driven by emerging technologies, has further emphasised, the importance of innovation, customer centricity and sustainability. As we progress, we will capitalise on these core strengths, to stay ahead of the curve.

Your Company's operational and process strategies encompassing a wide range of sectors, including real estate, pulp and paper and textiles, are thoughtfully crafted to strike a balance between economic growth and our Environmental, Social and Governance i.e. ESG commitments.

Amidst the challenges posed by the business environment, your company demonstrated an improved performance in FY23, and stands firmly poised to further accelerate its growth journey going forward.

Let me briefly touch upon the broader macroeconomic context, in which your company is operating.

The global economy continues to grapple with challenges caused by the lingering effects of the pandemic, and of course, the Russia-Ukraine war, resulting in a phase of sub-par economic performance. The International Monetary Fund predicts a deceleration in world economic growth to 2.8% in FY23 from the previous year's growth of 3.4%. Developed economies are poised to grow at the slowest pace in a decade.

However, there are also some encouraging developments, Central banks in developed nations seemed to be approaching the peak of their interest rate hiking cycles, as inflation shows early signs of moderation, though still remaining above target levels. Supply chain pressures have eased, leading to cooling commodity prices, including those of energy. China's exit from its Zero-COVID policy, has allowed a resumption of economic activities, and prompt actions by policy makers have contained the risks of a banking contagion in the US.

Despite weaker global growth in the current year, there is a room for cautious optimism about subsequent recovery, as global financial markets have held up reasonably well. The Indian economy presents a robust picture with strong domestic impulses, outweighing the negative global slowdown effects.

High frequency indicators reflect resilience in domestic economic activity, and inflation is moderating towards the Reserve Bank of India's target levels. India's sound macroeconomic fundamentals provide comfort amidst global risks, with moderating inflation, easing current account deficits and improved foreign exchange reserves. Fiscal consolidation is on track despite substantial increases in the government spending on capital expenditure. Public investments, particularly in critical infrastructure, are making the economy future-ready, while pragmatic industrial policies and production-linked incentive schemes will stimulate private capex.

These initiatives, combined with the improved balance sheets of banks and corporate, and the dynamism of the technology-based new economy, create promising mid-term growth prospects for the Indian economy.

Moving on to your Company's performance.

In FY23, the Operating Revenue reached Rs. 4,795 crores showing an impressive 14% year-on-year increase. Similarly, EBITDA stood at Rs. 707 crores marking a 17% rise from FY22 and Net Profit surged 78% Year-on-Year to Rs. 368 crores.

Regarding other Financial Metrics, the Interest Cost for FY23 was recorded at Rs. 89 crores. Furthermore, the Company maintained a robust debt to equity ratio of 0.22 times, only indicating a very healthy financial position. The depreciation figure for the year stood at Rs. 223 crores, slightly lower than the previous year's provision of Rs. 228 crores.

Keeping in mind the interests of shareholders, the Board of Directors has recommended a dividend of 50% amounting to Rs. 5 per share of Rs. 10 for your approval. This represents an increase from the 40% dividend paid for FY22.

I would now like to provide you with an overview of the Company's performance in its various lines of businesses, starting with the real estate business, Birla Estates.

India's economy continues to display robust growth, driven by factors such as a growing consumer base, rapid urbanisation, infrastructure projects and the government's ambition to achieve a \$5 trillion economy by 2025. The real estate sector, a significant contributor to the GDP, is currently experiencing a favourable upswing. This vibrant phase spanning over a decade, is characterised by rising demand for urban accommodations, office spaces and corporate environments. The industry has witnessed remarkable growth, nearly tripling within just 3 years, reinforcing the enduring appeal of home ownership and instilling confidence in real estate as a valuable long-term asset.

Birla Estates has had yet another outstanding year achieving bookings worth Rs. 2,133 crores from our 5 already launched projects. It is truly noteworthy, that almost 80% of our launched inventory has been sold out, reflecting the overwhelming response from our valued customers.

Notably, our flagship project called Birla Niyaara in Worli, Mumbai, which was introduced last year, achieved extraordinary results, becoming one of the highest selling projects in the MMR region in the calendar year 2022 with bookings exceeding Rs. 1,900 crores. Birla Niyaara holds a unique position as a luxury project being India's only USGBC LEED pre-certified platinum residential development. This prestigious recognition elevates it to the status of a landmark integrati development in Worli.

Leveraging our strong performance and capitalising on positive market sentiments, we are poised for rapid growth in the Real Estate industry. In FY 23, we made a significant acquisition of a 10-acre plot in R. R. Nagar, Bengaluru, with a gross developable value of Rs. 900 crores. We also secured a 28-acre plot in Sarjapur in Bengaluru again, with a gross potential of nearly Rs. 2,500 crores. These strategies move further affirm our commitment to growing our real estate footprint in Bengaluru.

Additionally, in Q1 FY24, we embarked in other notable forays in Pune. We acquired a 5.8-acre plot in Sangamwadi, with a total gross revenue of more than Rs, 2,500 crores of potential, marking our entry into this dynamic market. In Mumbai, we expanded our portfolio of ultra-luxury residences, with the acquisition of a plot in Walkeshwar with a gross potential of almost Rs. 600 crores, further strengthening our position in the city's high-end retail segment.

At Birla Estates, construction is progressing well across all of our launched projects, with as relentless focus on safety, quality execution and timely delivery. Our commitment to safety is acknowledged through prestigious awards, such as the Gold Award for Birla Navya at the Apex India Occupational Health & Safety Awards 2022. Further, both Birla Vanya and Birla Alokya have been recognised with the Silver category at the esteemed Royal Society for Prevention of Accidents, Health and Safety Awards 2022, underscoring our dedication to maintaining the highest standards of health and safety across our projects. We remain committed to prioritising innovation and technology, enhancing operational efficiency and nurturing stronger relationships with our stakeholders.

As we find ourselves amidst a multi-year of upcycle for the residential real estate market, Birla Estates, I believe, is well-positioned to embrace continued success, delivering exceptional projects,

and redefining luxury and catering to our customers' evolving needs. With dedication to excellence and a vision for the future, we will continue to lead the way in the real estate industry, making a lasting impact in the lives of our valued customers. In fact, I believe, that the Real Estate business, holds a promise to be a significant new growth engine for the Aditya Birla Group.

Let me now focus on the performance of the Pulp and Paper business of your Company which played a pivotal role in driving the revenue and profit for FY23. As you may know, Century Pulp and Paper operates under three segments: First is Writing and Printing paper, second is Packaging Board paper and third is Tissue paper.

On the first, which is writing and printing paper, the demand for this paper experienced a moderate increase after the reopening of consumption centres like schools, colleges, offices, courts and shopping centres in 2022. To align with rising input costs, multiple price adjustments were made in the year. However, in the 2<sup>nd</sup> half of the fiscal year, prices remained mostly stable. Throughout the year, there was a positive copier demand, leading to better realisations, technological upgradation, including upgrading Paper Machine No. 4 with state-of-the-art technology for shoe-press, along with Nipco-P roll, resulting in increased production capacity and reduced steam consumption, have been areas of focus. The WPP plant operated at full capacity and the introduction of the American A4 copier marked a product innovation.

Second is Packaging Board Paper. In the packaging board segment, the order flow from pharma, FMGC and food packaging in the domestic market remained positive in the 1<sup>st</sup> half of FY23. However, a slowdown in demand from the FMCG and F&B along with de-cartonization measures taken by liquor companies, led to high price volatility in the market place in the last fiscal year. Prices consistently decreased month after month. This trend was influenced by factors such as reduced demand in the domestic market, and a decline in export volumes.

The third product category within our Paper and Pulp business, is tissue paper. Tissue paper segment was a focus throughout the year due to increased hygiene awareness post the pandemic. The demand remained positive until Q3 of FY23, during which there were upward price corrections in both, the domestic and export markets. However, in Q4 demand normalised and there were fewer orders from export markets due to price pressures from international tissue mills. Imports of tissue paper increased, driven by better prices offered by Indonesian mills. In response to market trends, the Company introduced the ultra-soft facial and toilet tissue, targeting the premium segment.

Despite the challenges in market fluctuations, the Pulp and Paper business exhibited resilience and adaptability. Product innovations and technological upgradations allowed the business to meet customer demands, and maintain at the same time a strong position in the industry. As we moved forward, the Company remains committed to addressing market dynamics and embracing innovation to stay at the forefront of the pulp and paper sector.

Let me now focus on the textile business of the Company, Birla Century.

Our textile unit remains dedicated to sustainability and has established new technical collaborations, receiving recognition through various domestic and international awards for its sustainable initiatives. However, the textile industry faced significant challenges during FY23. The demand for textile products in the US and Europe experienced a sharp decline, resulting in squeezed margins. In the domestic market, demand remained reasonable, but still posed profitability challenges.

During May 2023, the division has declared an ex-gratia scheme to its workers to opt for VRS taking 25 days of wages for each completed year of service. Workers from the spinning and weaving department had accepted the same and settled their accounts peacefully. This will not affect the revenue, and in the long run, profitability will in fact, increase, considering that the unviable spinning and weaving departments have been closed. Processing activity and made-up stitching departments

will continue as a normal business, and great fabric will be produced from outside with the required quality parameters.

The Company is internationally accredited certification adds credibility and reinforces our commitment to sustainable environment practices.

On Birla Advanced Knits Pvt. Ltd., in collaboration with Grasim Industries Ltd., your Company has established a 50-50 joint venture named Birla Advanced Knits Pvt. Ltd. This venture has established a centre of excellence for manufacturing knitted fabrics in Bharuch. Our vision is to produce world class sustainable knitted fabrics, using manmade cellulose fibres. The plant is equipped with state-of-the-art machinery, incorporating the latest technology, prioritising innovation, and aligning with global trends. By elevating the Indian circular knitwear value chain to international standards, this venture aims to make a significant impact in the knitwear industry. Commercial production at plant commenced on 1<sup>st</sup> April, 2023.

Let me now discuss your Company's Environmental, Social and Governance (ESG) practices, which epitomise the responsible way of conducting business.

I am delighted to present our inaugural Business Responsibility and Sustainability Report, adhering to SEBI's framework and encompassing comprehensive ESG disclosures. This report reflects our unwavering commitment to responsible business conduct across all facets of our operations, positioning us as a role model for best-in-class sustainability practices, both within our industry and beyond. Guided by the 9 thematic principles outlined in National Guidelines on Responsible Business Conduct (NGRBC), your company wholeheartedly embraces responsible and sustainable business practices, ensuring a positive impact on society and the environment.

Regarding Corporate Social Responsibility (CSR), your company is dedicated to making a positive difference through holistic community development, striving to make communities self-reliant and self-sustainable. In FY23, your Company allocated Rs. 5.18 crores towards our CSR obligations.

A notable milestone achieved in collaboration with Dev Foundation, a Gujarat-based NGO, relates to farmer's welfare, by facilitating a shift from chemical fertilisers to natural crop protection agents. We enabled farmers to achieve a beautiful harvest. This achievement garnered recognition in the World Book of Records London (India Edition) highlighting our commitment to impactful CSR initiatives.

On the governance front, your Company firmly believes that good governance is integral to sustainable business practices. With an increased focus on ESG, we are poised to enhance our governance practices, creating value not only for the Company, but also for all our stakeholders. Our pillars of good governance are built on accountability, fairness, transparency, and meaningful engagement with all our stakeholders.

As we progress, we remain committed to fostering a culture of responsible business conduct, ensuring a positive impact on the environment, society, and in fact, all of those associated with our company. Embracing ESG principles, we strive to be at the forefront of sustainable business practices.

To conclude, I would like to reiterate, that the company doesn't just pride itself in being a purpose-driven organisation, it embodies it, living out of this ethos in every endeavour, every relationship, and every venture. Its commitment to purpose is what continues to steer us towards and even brighter and more impactful future.

On behalf of the Board of Directors and on my own behalf, I extend a heartfelt gratitude too all of you, our shareholders, for your unwavering support. We remain steadfast in our dedication ensuring the creation of enduring value for all our stakeholders, including you our shareholders, and the

society that we serve. I am deeply grateful for the cooperation and assistance we have received from the financial institutions, our banks, and suppliers, which has contributed very greatly to our success.

I also want to express my sincere appreciation for the dedication and hard work of our committed workforce. Without their efforts, our achievements would not have been possible.

Together, we will keep making a positive difference, and driving our purpose-driven mission forward. Thank you.

With this, let me now move on to the questions and answers and suggestions by shareholders.

Some shareholders have registered themselves as speakers at the AGM. Few queries and suggestions have, in fact, already been received. I will address them after listening to all the speaker shareholders.

Before moving ahead, I would request the speaker shareholders to please 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 also 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 shareholder's name one at a time and will simultaneously unmute their audio. Once the speaker finishes, the moderator will again activate his/her mute mode. I request every shareholder to not take more than 3 minutes to give their suggestions and to ask questions about the Company's performance in FY23.

Before the moderator begins calling out the names, may I in the interest of time, again request speakers to limit the queries to a maximum of 3 minutes per speaker and restrict the queries strictly to the Company's performance during the previous financial year only, and not repeat questions that have already been asked by earlier speakers.

I now request the moderator to call out the first speaker.

**Moderator:** Thank you, Sir. Now, I request Shri Prabhjot Singh Sahani, kindly unmute your audio and start speaking. Shri Prabhjot Singh Sahani to kindly unmute their audio and start speaking.

**Tech Support:** The person with the said name is not connected.

**Moderator:** Okay. Moving on to our next speaker, Shri Gautam Kedarprasad Tiwari, kindly unmute your audio and start speaking.

**Shri Gautam Tiwari:** Sir, am I audible?

**Mr. Kumar Mangalam Birla:** Yes, yes, please go ahead.

**Mr. Gautam Tiwari:** Yes, Sir. Sir, I think I'm visible also?

**Mr. Kumar Mangalam Birla:** Yes, we can see you now.

**Mr. Gautam Tiwari:** Yes Sir. Thank you very much Sir. Sir, First of all, by bowing to lord Ganesha, I will start with my speech, Sir. My dear Chairman Sir, a very, very good afternoon to everyone. Sir, before I communicate on the performance of the company, during the financial year



22-23, I would like to congratulate our esteemed Chairman, Shri Kumar Mangalamji Birla, who has been recognized by the Government of India for his contribution to business and industry by conferring on him prestigious Padma Bhushan award. Sir, we are very proud that two of our board members are Padma Bhushan awardees that is our Chairman and his mother and our mataji, Smt. Rajashree Birla. Sir, as regards performance of the company, it is a matter of great pride for all of us that EBITDA of our company has increased from Rs. 605 crores in FY 21-22, to Rs. 707 crores, that is an increase of almost 17% on standalone basis, whereas on consolidated basis, the increment is from Rs. 488 crores to Rs. 555 crores, showing an increment of about 14%. Sir, I would like to congratulate our esteemed Board of Directors and the management of the Company for a very encouraging performance, and we are quite hopeful Sir that it will continue in years to come. Further, we are also thankful Sir to the Board for giving an enhanced dividend of Rs. 5 per share that is 50% against Rs. 4 paid last year, that is an increase of 25%. Sir, I have got few queries in my mind. Firstly, it is regarding Real Estate business, where Birla Estates Private Limited, our real estate arm has been very aggressive in acquisition of land parcels in the recent past. Sir, in this connection, please inform us whether the company will continue acquiring land parcels for expansion of real estate business and how do you plan to finance such acquisition of land parcels? Sir, we are glad to note from the financial report that our Company is doing remarkable CSR work under the guidance of Honorable Smt. Rajashree ji Birla, our Mataji and in this connection, I'll be obliged if it is in from that what is the obligation of our Company towards CSR for the current financial year, that is 23-24? Sir, I wholeheartedly support resolution no. 3 regarding reappointment of Smt. Rajashree Birla, our Mataji and your mother Sir, and all other resolutions and also, I support heartily, and I've already voted in favor of them all. Sir, lastly, I would like to mention that secretarial department of the Company is providing efficient services to the shareholders for which I wish them all the best.

**Mr. Kumar Mangalam Birla:** Thank you.

**Mr. Gautam Tiwari:** Thank you very much, Sir. Jai Hindi. Jai Bharat. Jai Maharashtra.

**Mr. Kumar Mangalam Birla:** Yeah. Please go ahead, moderator.

**Moderator:** Sure. Thank you so much, Mr. Tiwari. Moving on to our next speaker shareholder. Shri Anil C. Parekh. kindly unmute your audio and start speaking.

**Mr. Anil C. Parekh:** Hello? am I audible?

**Mr. Kumar Mangalam Birla:** Yes, please go ahead.

**Mr. Anil C. Parekh:** Chairman, Shri. Kumar Mangalam Birlaji, other Board of Directors, and my fellow shareholders. Sir, good afternoon to you all and hope all of you are safe and fine at your respective end. Chairman Sir, I would like to first of all thank our CS team, Mr. Atul Kedia, Prashant Lathi, Dhanush Yadav for rendering excellent services as far as investor relation is concerned and the annual report which on my request physically sent, excellently drafted, excellent layout, well pictorial, and all the data is available, so I am thankful to them for excellent work. Now, Chairman, Sir as far as our result is concerned, consolidated basis, our revenue has gone up to 16% from last year and EBITDA has jumped to 38% and also our profitability has also jumped to Rs. 264 crores. Sir, I am highly appreciating you for doing an excellent job and also enhancing our dividend to 50%, Sir. Thank you,. Sir, I have few questions to ask you. Sir, this year we have added 11,000 employees for the FY22-23 and majority of our workforce is - 2/3<sup>rd</sup> of workforce is under 35. That's very good, Sir.

**Mr. Kumar Mangalam Birla:** No, I don't think that number is correct. We've not added 11,000 employees. Our totally strength is about 4,000. So, you got a wrong figure.

**Mr. Anil C. Parekh:** Okay, okay, but majority of them are under 35, that's very good. Sir, what is the Capex plan this year, Sir, I would like to know? And as far as our real estate division, Sir, what is inventory as of today? And any other new projects we are looking for other than MMR. Sir, I don't have many more questions to ask, since already it is given everything in the balance sheet. I thank you for giving me patient hearing and I support all the resolutions. Thank you for patient hearing, Sir.

**Mr. Kumar Mangalam Birla:** Thank you. The next speaker please.

**Moderator:** Moving on to our next speaker shareholder, Shri Atul Gadodia. Kindly unmute your audio and start speaking.

**Mr. Atul Gadodia:** Hello?

**Mr. Kumar Mangalam Birla:** Yeah Please go ahead, Mr. Gadodia.

**Mr. Atul Gadodia:** Good afternoon. Namaskar. First of all, I would like to express my deepest gratitude to the secretarial department, Mr. Kedia and Mr. Prashant Lathi for their support in helping me join the meeting. Actually, I apologize, I'm late for the meeting, I couldn't join early, so I missed most of the part of the Chairman speech, so I am sorry if I repeat some points. I have just few suggestions. Firstly, like many groups from Mumbai, Phoenix Mills have also come to Kolkata for Real Estate development. So, won't it be feasible for our Company to venture into Kolkata as well? And secondly, will the company venture into hospitality segment? Like even as I told Phoenix has developed Saint Regis in Mumbai. And the last question is Sir, is demerger of the company on the cards like the Paper division and the Real Estate division? So, on this note, I would like to end my suggestion box. Thank you so much.

**Mr. Kumar Mangalam Birla:** Thank you. Mr. Bharat Shah, the next speaker.

**Moderator:** Yes, Sir. Moving on to our next speaker shareholder, Shri Bharat M. Shah. Kindly unmute your audio and start speaking.

**Mr. Bharat M. Shah:** Sir, am I audible?

**Mr. Kumar Mangalam Birla:** Yes.

**Mr. Bharat M. Shah:** Respected Chairman, Mr. Kumar Mangalam Birla, MD, and other Board of Directors, my name is Bharat Shah. Sir, I am your shareholder since the issue time. I am attending the AGM for years. Sir, I don't have any query. You are running the Company neutrally. You have always kept the benefit of shareholder in your mind and given good returns and dividends to the shareholders. I want to thank the Chairman, his whole team, all the small and big employees of the Company. Sir, I pray the Company to grow day double and night quadruple. Sir, I want to congratulate you for all the awards too. Our CSR activity is also going on very nicely. Sir, if possible, please think about giving bonus in the coming year. What are the future plans of the company for the coming five years? Sir, I request you to please arrange a factory visit. I want to thank our Company Secretary, Shri Atul bhai Kedia, Prashant, and whole CS team as they are very hardworking team. They give best investor service. They solve the queries of the shareholder. It has been four years since we have met face-to-face, Sir so, next year please have a face-to-face meeting. I

wish you all for the coming festivals. I fully support all the resolutions. Thank you very much, Sir. Jai Hind. Thank you, Sir. Thank you.

**Mr. Kumar Mangalam Birla:** We go ahead to Mr. Manoj Kumar Gupta, moderator.

**Moderator:** Shri Manoj Kumar Gupta, kindly unmute your audio and start speaking.

**Mr. Manoj Kumar Gupta:** Hello. Good afternoon respected Chairman, Board of Directors, fellow shareholders, my name is Manoj Gupta. I've joined this meeting from my residence in Kolkata. Sir, first of all, I once again I congratulate you to get the second highest civilian award Padma Bhushan. We feel proud and we feel proud to that our Chairman has got on his contribution in the industry and the social and employment, Sir we feel proud. Sir, I say hello to your mother, I join the meeting from Kolkata just to see your beloved mother. We have a great respect and regards for her and we had meet once in my life, but we want to meet you when the physical AGM will start, I will come to Mumbai to attend your AGMs to meet you and your beloved mother. Sir, I will not suggest you to issue the bonus because bonus is just a duplicate copy of share, just split the shares to increase the liquidity and the market capitalization. If you will split the share either 5:1 or 10:1, then liquidity will increase, the small investors will attract to buy the shares, and our market cap will go up, and our share price will go up, and I thanks to your Company Secretary and his team for excellent work to help us to join this meeting through VC. I have got three calls from day before yesterday till day that Mr. Gupta, kindly join the meeting. Your sequence number is this.

**Mr. Kumar Mangalam Birla:** Okay. Thank you, Manoj. Thank you so much.

**Mr. Manoj Kumar Gupta:** Just a minute, Sir. Have you any plan to come in Eastern part or Northeast part, Sir. Northeast is also growing after become the NDA in this part and Sir your Century products are very good, try to spread the wings of Century products and I strongly support all the resolutions and with the hope that you will take the Company on new heights under your leadership with the help of the entire team. Thank you.

**Mr. Kumar Mangalam Birla:** We now have Ms. Lekha Shah.

**Moderator:** Sir, before Ms. Lekha, there is one another speaker shareholder, Mr. Hardik Jain, may I please ask him to unmute and speak?

**Mr. Hardik Jain:** Hello, can you hear me?

**Mr. Kumar Mangalam Birla:** Yes, Mr. Jain, please go ahead.

**Mr. Hardik Jain:** Yeah. Thank you for the opportunity, Sir. Sir, right now we have projects mainly in Mumbai, Bangalore, NCR, and Pune, so are we going to focus only on these four cities, or we are looking to go beyond these four cities and establish ourselves as a PAN India player? So, this is my first question. My most of the questions are related to real estate. Sir, in Worli, we have a historical land Bank of I think 40 acres, but there's some 10 acres dispute, but I think on 30 acres we are launching our project. So, we have a clear head start here because historical cost is 0, but how do you think when you go and acquire a new land because at the prevailing market prices to acquire a new land and construct project, what kind of IRR you know as a businessman you expect from such projects where you have to buy a land at the prevailing higher prices? I understand in Worli we will have a good profit because the cost of land is very historical and lastly Sir, because at some point in time, I expect that Birla Estate will also get listed as a separate entity. So, what do you think your

existing shareholders will, will they get the shares of Birla Estate on the demerger, what is your thought process around that? So, these are my few questions, Sir thank you.

**Mr. Kumar Mangalam Birla:** Okay

**Moderator:** Moving on with our next speaker shareholder, Ms. Lekha Shah. Kindly unmute your audio and start speaking.

**Ms. Lekha Shah:** Hello, can you hear me, Sir?

**Mr. Kumar Mangalam Birla:** Yes, Mrs. Shah. Please go ahead.

**Ms. Lekha Shah:** Thank you, Sir. Respected Chairman Sir, Board of Directors, and my fellow members, good afternoon to all of you, myself Lekha Shah from Mumbai. First of all, I'm very much thankful to our Company Secretary, Atul Kediaji, especially Prashantji for extending very good investment services and also sending me the AGM notice well in time, which is full of knowledge, fact and figures in place and also our Company Secretarial team, Prashantji always received my calls and happily clear all my doubts. Once again, thank you so much Prashantji. Chairman Sir, I want to thank all the person of company for receiving awards and recognition by our flag during the year 22 and 23. And also Company is doing very well in the field of CSR activities.

Sir, I would like ask few questions. My first question is, our Company being diversified business, would you provide breakup of revenue of Real Estate and Paper and Textiles? My second question is, in the current year how much of investment in CSR activities and any unsent amount pending? Chairman Sir, I hope the Company will continue video conference meeting in future. Sir, I strongly and wholeheartedly support all the resolutions of today's meeting and my best wishes always with our Company and its prosperity. Thank you so much, Sir.

**Mr. Kumar Mangalam Birla:** Thank you. Thank you, Mrs. Shah. We have got Mr. Yusuf Rangwala , Moderator.

**Moderator:** Yes. Shri Yusuf Rangwala. Kindly unmute your audio and start speaking.

**Mr. Kumar Mangalam Birla:** Okay I think he's not here. We can go ahead.

**Moderator:** Shri Yusuf Rangwala, are you there?

**Mr. Kumar Mangalam Birla:** We can go ahead Moderator.

**Tech Support:** Okay. Please unmute the mic, Mr. Yusuf Rangwala.

**Mr. Yusuf Rangwala:** Good afternoon, Chairman Sir. How are you?

**Mr. Kumar Mangalam Birla:** Yeah, I'm very well. Thank you. How are you?

**Mr. Yusuf Rangwala:** Yes Sir, a very good afternoon, Sir. I am very happy with our CS Department, especially Prashant. We have a two good starts, just like a signing star Sir. Sir, I will come directly to dividend Rs. 5. That is very excellent. As you mentioned in the Chairman speech, we are in the property business as you mentioned in your opening Chairman speech, Sir. You and your mother, I give my full support. I am wishing you a very happy for receiving awards, Sir. This is a pride for us. Sir, today market is 1007 today and book value Rs. 347. Sir, very excellent. I am very

happy with our company product which is available at Prabhadevi. Sir, that showroom is very excellent Sir. I am very happy with all the products and all the departments. Sir, you are manufacturing Lungi also Sir, which we South Indian people are using and there are many at Worli, all the flats are sold? How it is Sir, I would like to know and what is the rate of the flat Sir, if you can. Nothing more to add. I end my speech praying the God for you. Sir, this is the 126<sup>th</sup> year. Sir, last year was a 125<sup>th</sup> year, Sir celebration is left Sir. If possible, you can keep a factory visit. This is my humble request to you, Sir. Chairman Sir, and nothing more to add. I am meeting you for the first time and all the meeting on the way Sir and we will meet you, Sir. I pray to God for your health, Sir, and I will not take your time, I'll end my speech here only Sir.

**Mr. Kumar Mangalam Birla:** Move head.

**Moderator:** Okay. Moving on with our next speaker shareholder, Shri Ashish Bansal. Kindly unmute your audio and start speaking. Mr. Bansal, kindly unmute your audio and start speaking.

**Mr. Ashish Bansal:** You can hear my voice, Sir?

**Mr. Kumar Mangalam Birla:** Yes. Please go ahead, Mr. Bansal.

**Mr. Ashish Bansal:** Respected Chairman and Board of Directors, I first thank investor team, so I thank Company Secretary calling us for to attend the AGM and on today morning only, I received a physical copy of the annual report. If you can reply to me, I am thankful to you. Sir, I want to know more, how many showrooms are there, and will we start more showrooms in this current year? Thank you so much.

**Mr. Kumar Mangalam Birla:** Thank you, Mr. Bansal.

**Moderator:** Moving on to our next speaker shareholder, Ms. Swechha Jain, kindly unmute your audio and start speaking.

**Ms. Swechha Jain:** Hi Sir, am I audible?

**Mr. Kumar Mangalam Birla:** Yeah. Please go ahead.

**Ms. Swechha Jain:** Thank you for giving this opportunity. Sir, most of my questions have already been asked by somebody else. I just have two questions, we recently acquired this 30-acre land at Kalwa from Hindalco, if you could let us know the total consideration that we have paid for this land and I believe this would have happened at an arms-length basis and we also acquired a land at Walkeshwar. If you could just give us the area or what is the area of that land? That's all from my side. Thank you.

**Moderator:** Moving on to our next speaker shareholder, Shri Narendra Jhaveri. Kindly unmute your audio and start speaking. Shri Narendra Jhaveri, kindly unmute your audio.

**Tech Support:** The person with the same name is not connected.

**Moderator:** Okay. Moving on to our next speaker shareholder, Shri Pramod Kumar Agnihotri kindly unmute your audio and start speaking.

**Mr. Kumar Mangalam Birla:** Mr. Agnihotri? You have to unmute yourself. Moderator, you have to go ahead please.

**Moderator:** Okay Sir.

**Mr. Kumar Mangalam Birla:** Mr. Agnihotri, can you try again to unmute yourself? We can come back to him in the end. Moderator, can you please go ahead?

**Moderator:** Sure, Sir. Moving on to our next speaker shareholder, Shri Devilal Khandelwal, kindly unmute your audio and start speaking. Shri Devilal Khandelwal, kindly unmute your audio and start speaking.

**Tech Support:** The person with the said name is not connected.

**Moderator:** Okay. Moving on with our next speaker shareholder, Shri Dinesh Gopaldas Bhatia. Kindly unmute your audio and start speaking.

**Mr. Kumar Mangalam Birla:** Mr. Bhatia?

**Mr. Dinesh Bhatia:** Am I audible, Sir?

**Mr. Kumar Mangalam Birla:** You have to speak a bit loudly.

**Mr. Dinesh Bhatia:** Am I audible now, Sir?

**Mr. Kumar Mangalam Birla:** Yes, you are.

**Mr. Dinesh Bhatia:** Firstly, I want to congratulate Chairman and your entire team for the hard work which shows in the market price. Last year our net profit was Rs. 207.33 crores and this year our net profit is Rs. 368 crores, which means your hard work is visible in our results. Our last year revenue was Rs. 4,129 crores and this year's revenue is Rs. 4,700 crores, which is an increase of 15%. We see in the market that our market price last year of Rs. 10 was Rs. 796. Now this year market price has crossed Rs. 1010, which shows the progress of the Company. Your secretarial department takes care of the shareholders like you in joining the meeting today. The resolution of your mother which is there, resolution No. 3, I support the resolution because your mother is not Laxmi, but Mahalaxmi for us because of which our Company is progressing. Our all Companies are progressing in the market like Textile and Cement Companies. There is nothing to speak, all the things are excellent. I only have one suggestion Sir, I won't ask for bonus, I only request you to make the share of Rs. 10 to Rs. 2 or Rs. 5. If you make it Rs. 2, so we will get 5 shares for 1 share, it will be like a mini bonus and it will not reflect on our balance sheet and will increase liquidity in market.

**Mr. Kumar Mangalam Birla:** Thank you, Mr. Bhatia for your comments.

**Moderator:** Moving on to our next speaker shareholder, Shri Ronald Fernandes. Kindly unmute your audio and start speaking. Shri Ronald Fernandes, kindly unmute your audio and start speaking.

**Tech Support:** The person with the said name is not connected.

**Moderator:** Okay. There are no more speaker shareholders. I now request.

**Mr. Kumar Mangalam Birla:** Back to, who is our long-time shareholder, Mr. Agnihotri are you there? Can you unmute yourself?

**Mr. Atul Kedia:** Sir, I'll call him.

**Mr. Kumar Mangalam Birla:** Sorry, hello?

**Moderator:** Mr. Agnihotri? Kindly unmute yourself and start speaking.

**Mr. Kumar Mangalam Birla:** Okay. Since the audio doesn't seem to be working, I am going to go ahead with my answers. Thank you for the many questions, all of which were very, very pertinent, and incisive. Let me take as many as I can. There are many questions on the Real Estate business. There was a question as to will we continue to acquire land parcels? So, I would say that we have a two-prong strategy, either we will acquire parcels, or we do a joint development or joint venture so to speak with people who already have land parcels. We acquire the land, and we build other real estate for them. So, these are the two models that we have used successfully so far and that will be our strategy going forward as well.

Commitment on CSR was Rs. 5 crores last year and is around the same at Rs. 5 crores in this current year as well. Capex for the year? Capex for the year is Rs. 436 crores of which Rs. 411 crores is for the Pulp and Paper business and Rs. 16 crores is for the Real Estate business. Inventory as of now is about 700 thousand square feet about 7,00,000 square feet, which I think is very reasonable given the fact that we have introduced large projects to the market.

New projects, we will continue to focus on our core markets of MMR, Pune, Delhi, and Bangalore. 65% of projects in the Real Estate space happen in these markets. Therefore, as of now, going forward in the possible future, we will continue to focus on these markets.

Have we identified Kolkata for Real Estate project? No. As of now, we do not have Kolkata on our list of priority of cities where we want to launch Real Estate.

Will we go into hospitality? We have no plans at all to get into hospitality.

On the demerger, there is no plans to demerge Birla Estate and that was the question that was asked for a couple of people.

Factory visit, I will ask our Company Secretary, Atul to please coordinate a factory visit as and when possible.

On splitting shares, I think that your Directors are always looking at ways to increase shareholder value. Your suggestion is taken on Board. We will definitely study it and discuss it at the level of the Board.

What is the IRR we look for at the minimum for our Real Estate projects? Around 15%. We're looking for an IRR 15% at the minimum before we decide to invest in any project.

Listing of Birla Estate, it's not on the cards. We have no plans to list Birla Estates in the possible future. Again, CSR spend, this year will be approximately Rs. 5 crores.

Acquiring Kalva, I do not have the exact number with me to the tune of 700 to 800 crores which you will receive over a few tranches in the next few years. It has been completely at arms-length basis and independent valuation report by an independent agency. The exact number is Rs. 595 crores, payable Rs. 195 crores now, Rs. 200 crores later, and another Rs. 200 crores after that, so Rs. 595 crores payable in three years. Valuation has been done by an independent, well-known firm, I do not have the name here, but it's a firm of repute, so it's completely at arms-length.

Walkeshwar, area of that plot is about 0.2 acres.

With that, I think I have come to the end of the answers. Thank you again for the interest that you have shown in the working of your Company.

Shareholders may note that the e-voting window will now remain open for another 15 minutes and those who have not voted can do so now.

I request the moderator to please turn on the timer screen.

The voting results will be announced on or before 29<sup>th</sup> July, 2023. It will be available at the registered office of your Company and also be uploaded on your Company's website and those of the stock exchanges and of NSDL.

The business of the meeting is now complete, and I declare the meeting closed.

I once again thank you for your participation. Please take care of your families and stay healthy and stay safe. Thank you.

**E-voting process begins.**