



SH/XII/2024

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

Corporate Relationship Department  
**BSE Limited**  
01<sup>st</sup> Floor, Phiroze Jeejeebhoy Towers  
Dalal Street, Fort,  
Mumbai-400 001  
**Scrip Code: 500040/973812/974571/ 974877/975457**

Dear Sir/ Madam,

**Sub: Security Cover Certificate for the period ended 31<sup>st</sup> March, 2024 of Century Textiles and Industries Limited ('the Company')**

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

Pursuant to Regulation 54 of Listing Regulations, please find attached the Security Cover Certificate for the period ended 31<sup>st</sup> March, 2024 issued by the Statutory Auditor of the Company.

This is for your information and record.

Thanking you

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

A handwritten signature in blue ink, appearing to read "Atul K. Kedia", is written over a horizontal line.

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



**Independent Auditor's Report on Security Cover, Compliance with all Covenants and book value of assets as at March 31, 2024 pursuant to Regulation 56(1)(d) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) and SEBI Circular dated May 19, 2022 for submission to SBICAP Trustees Company Limited (the "Debenture Trustee")**

To  
The Board of Directors  
Century Textiles and Industries Limited  
Century Bhawan, Dr. Annie Besant Road,  
Worli, Mumbai – 400 030

1. This Report is issued in accordance with the terms of the service scope letter dated May 3, 2024 and master engagement agreement dated August 25, 2023, as amended with Century Textiles and Industries Limited (hereinafter the "Company").
2. We S R B C & CO LLP, Chartered Accountants, are the Statutory Auditors of the Company and have been requested by the Company to examine the accompanying statement showing 'Security Cover as per the terms of Debenture Trust Deed, Compliance with Covenants and book value of assets' for its 6.32% rated listed secured redeemable non-convertible, non-cumulative debentures of a nominal value of Rs. 10,00,000 (Rupees Ten Lakhs) each due on February 22, 2025 (hereinafter the NCD) as at March 31, 2024 (hereinafter the "Statement") which has been prepared by the Company from the Board approved standalone financial results, underlying books of account and other relevant records and documents maintained by the Company as at and for the period ended March 31, 2024 pursuant to the requirements of the Regulation 56(1)(d) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, and SEBI Circular dated May 19, 2022 on Revised format of security cover certificate, monitoring and revision in timelines (hereinafter the "SEBI Regulations and SEBI Circular"), and has been initialed by us for identification purpose only.

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



**Management's Responsibility**

3. The preparation of the Statement is the responsibility of the Management of the Company including the preparation and maintenance of all accounting and other relevant supporting records and documents. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Statement and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances.
4. The Management of the Company is responsible for ensuring that the Company complies with all the relevant requirements of the SEBI Regulations and SEBI Circular including maintenance of hundred per cent security cover or higher security cover as per the terms of Debenture Trust Deed sufficient to discharge the principal amount and the interest thereon at all times for the non-convertible debt securities issued. The management is also responsible for providing all relevant information to the Debenture Trustee and for complying with all the covenants as prescribed in the Debenture Trust Deed dated February 24, 2023 entered into between the Company and the Debenture Trustee ('Trust Deed').

**Auditor's Responsibility**

5. It is our responsibility to provide a reasonable assurance as to whether the:
  - (a) Company has maintained Security cover as per the terms of the Debenture Trust deed; and
  - (b) Company is in compliance with all the covenants including financial covenants as mentioned in the Debenture Trust Deed as on March 31, 2024.
  - (c) Book values of assets as included in the Statement are in agreement with the books of account underlying the standalone financial results of the company as at March 31, 2024.
6. We have performed an audit of standalone financial statement of the Company for the year ended March 31, 2024, prepared by the Company pursuant to the requirements of Regulation 33 and 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, and issued an unmodified opinion dated May 07, 2024. Our audit of those standalone financial results was conducted in accordance with the Standards on Auditing, as specified under section 143(10) of the Companies Act, 2013 and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India ("ICAI"). Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the standalone financial results are free of material misstatement.
7. We conducted our examination of the Statement in accordance with the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
8. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.



9. Our scope of work did not involve us performing audit tests for the purposes of expressing an opinion on the fairness or accuracy of any of the financial information or the financial results of the Company taken as a whole. We have not performed an audit, the objective of which would be the expression of an opinion on the financial results, specified elements, accounts or items thereof, for the purpose of this report. Accordingly, we do not express such opinion.
10. A reasonable assurance engagement includes performing procedures to obtain sufficient appropriate evidence on the applicable criteria, mentioned in paragraph 5 above. The procedures selected depends on the auditor's judgement including the assessment of risks associated with the reporting criteria. Accordingly, our procedures included the following in relation to the Statement:
- a) Obtained and read the Debenture Trust Deed dated February 24, 2022 and noted that as per such debenture trust deed the Company is required to maintain 100 percent security cover.
  - b) Obtained the Board approved audited standalone financial results of the Company for the period ended March 31, 2024.
  - c) Traced and agreed the principal amount and the interest thereon of the borrowing outstanding in respect of debt securities and assets available for debt securities as at March 31, 2024 to the Board approved audited standalone financial statements of the Company and the underlying books of account maintained by the Company as on March 31, 2024.
  - d) Obtained and read the list of security cover in respect of secured listed non-convertible debt security outstanding as per the Statement. Traced the value of assets from the Statement to books of accounts and records of the Company underlying the Board approved audited financial statements as at March 31, 2024.
  - e) Obtained the list and value of assets placed under lien or encumbrance for the purpose of obtaining any other loan and determined that such assets are not included in the calculation of Security Cover in respect of secured listed non-convertible debt security.
  - f) Examined and verified the arithmetical accuracy of the computation of Security Cover and financial covenants in the accompanying Statement.
  - g) Obtained the Security Cover as determined by the management and evaluated whether the listed entity is required to maintain hundred percent security cover or higher security cover required to be maintained as per Trust Deed.
  - h) Obtained the working of asset and liabilities presented in the respective columns in annexure to the Statement and verified the same from the books of account and relevant records and documents underlying the Board approved audited financial statement for the year ended March 31, 2024

The amounts appearing in the total column (column J) have been traced from the Board approved standalone financial statements;



- j) With respect to covenants other than those mentioned in paragraph 10(a) above, the management has represented and confirmed that the Company has complied with all the other covenants as prescribed in the Debenture Trust Deed, as at March 31, 2024. We have relied on the same and not performed any independent procedures in this regard;
- k) Performed necessary inquiries with the Management and obtained necessary representations.

**Conclusion**

11. Based on the procedures performed by us, as referred to in paragraph 10 above and according to the information and explanations received and management representations obtained, in our opinion:
- a) The Company has maintained security cover as per the terms of the Debenture Trust deed; and
- b) The Company is in compliance with all the covenants as mentioned in the Debenture Trust Deed and stated in the Statement to this report as at March 31, 2024.
- c) Book values of assets as included in the Statement are in agreement with the books of account underlying the Board approved audited standalone financial statement of the Company as at March 31, 2024.

**Restriction on Use**

12. The Report has been issued at the request of the Company, solely in connection with the purpose mentioned in paragraph 2 above and to be submitted with the accompanying Statement to the Debenture Trustee and is not to be used or referred to for any other person. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come. We have no responsibility to update this Report for events and circumstances occurring after the date of this report.

For **SRBC & CO LLP**

Chartered Accountants

ICAI Firm Registration Number: 324982E/E300003

**RAVI  
BANSAL**

Digitally signed by RAVI BANSAL  
DN: cn=RAVI BANSAL, o=IN,  
ou=Personal,  
email=ravi.bansal@srbc.in  
Date: 2024.05.07 14:41:35  
+05'30'

per **Ravi Bansal**

Partner

Membership Number: 049365

UDIN: 24049365BKGVIO3845

Place of Signature: Mumbai

Date: May 07, 2024

*RB*





**Statement of Security Cover Ratio and Other Financial Covenants as at March 31, 2024 ('Statement')**

**(a) Security Cover Ratio**

Sr. No.	Particulars	31-Mar-24	Requirement as per Trust Deed	Applicable for
1	Pari Passu Security Cover (Refer Annexure 1A)	7.88	> 1	NCD

**(b) Other Financial Covenants**

As per Clause 12 of the Debenture Trust Deed dated February 24, 2022 for NCD, the Company is required to comply with the Net debt to equity ratio and interest coverage ratio on an annual basis. Hence, the compliance to the said covenants has been tested as at March 31, 2024.

**Net debt to Equity**

(Net debt to equity shall not exceed 1.0x for 6.32% Debentures)

Sl No	Particulars	Amount
A	Net debt	1207.93
B	Equity	4,377.87
	Net debt to equity ratio (A/B) (Refer Note 3)	0.28

**Interest cover**

(Interest cover shall be atleast 1.0x as per the information memorandum and / or Debenture Trust Deed)

Sl No	Particulars	Amount
A	Cash flow from operations	589.2
B	Cash interest	96.42
	Interest cover ratio (A/B) (Refer Note 4)	6.11

**(c) List of secured Debentures issued by the Company and outstanding as at March 31, 2024**

Sr. No.	Particulars	Debenture Trustee	Trust Deed Date	Issuance Date	Amount Outstanding (Rs. in Crores)
1	6.32% 2,500 Redeemable Non Convertible debentures (NCD)	SBICAP Trustee Company Limited	February 24, 2022	February 22, 2022	12.08

**Notes:**

1. 6.32% rated, listed, secured, redeemable, non-convertible, non-cumulative debentures have been secured against first pari passu charge on plant and machineries, present and future of Birla Century and pulp and paper divisions.

The Company has also secured its SBI Bank term loan and Kotak Bank with a first pari passu charge on the plant and machineries of Birla Century and pulp and paper division. Accordingly for the purpose of determining security cover, we have considered the written down value of such common assets in proportion to the value of outstanding debentures to the overall secured borrowings of the Company, details of which is as under

Sr. No.	Asset	Book Value (Rs. in Crores)
1	Plant and Machineries - Birla Century and pulp and paper	2,033.60
2	Capital Work in Progress - Birla Century and Pulp and Paper	27.06

**Note (i)**

Sr. No.	Particulars	Outstanding borrowings as at March 31, 2024 (Rs. in Crores)
1	6.32% Non convertible debentures	12.08
	<b>Total</b>	<b>12.08</b>

1 NCD : 6.32% Rated, listed, secured, redeemable, non-convertible debentures, non-cumulative debentures of a nominal value of Rs. 10,00,000 (Rupees Ten lakhs) each, aggregating to Rs. 250 crores due on

2 The following definition has been considered for the purpose of computation of Net Debt Ratio:

Net debt ratio = Net debt / Equity

Net debt = Total debt\* (long term + short term, including secured, unsecured and subordinate debt) minus cash and other liquid assets

Equity = Equity share capital, including reserves and surplus

\*Total debt includes lease liabilities

3 The following definition has been considered for the purpose of computation of Interest cover Ratio:

Interest cover ratio = Cashflow from operations / Cash interest (interest paid)

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

For and on behalf of Century Textiles and Industries Limited

Name: Nitya Rathi  
Designation: Joint President (Commercial)  
Date: May 07, 2024  
Place: Mumbai



Century Textiles and Industries Limited

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