

CENTURY Textiles and Industries Limited

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Scrip Code: 500040

Listing Department
National Stock Exchange of India Limited
"Exchange Plaza" 5th floor,
Bandra-Kurla Complex
Bandra (East), Mumbai-400 051.
Scrip Code: CENTURYTEX

Dear Sir/ Madam,

**Sub: Q1FY22 Earnings Conference Call Transcript of Century Textiles
and Industries Limited ('the Company')**

With reference to the above subject, please find attached the Q1FY22 Earnings Conference Call transcript of the Company regarding the Earnings call held on 28th July, 2021 to discuss Q1FY22 earnings.

This for your information and record.

Thanking you,

Yours faithfully

For **CENTURY TEXTILES AND INDUSTRIES LIMITED**



ATUL K. KEDIA
Company Secretary



Encl: As above.



Century Textiles and Industries Limited

Q1 FY22 Earnings Conference Call

July 28, 2021

Moderator: Ladies and Gentlemen, Good Day and welcome to the Century Textile and Industries Limited, Q1 FY22, Earnings Conference Call. As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator pressing '*' and '0' on the touch tone phone. Now, I hand the Conference Call to Mr. Anuj Sonpal – CEO Valorem Advisors. Thank you and over to you, Sir.

Anuj Sonpal: Thank you. Good afternoon, everybody, and a warm welcome to you all. My name is Anuj Sonpal from Valorem Advisors, we represent the Investor Relations of Century Textiles and Industries Limited. On behalf of the company, I would like to thank you all for participating in the Company's Earnings Conference Call for the First Quarter of Financial Year 2022.

Before we begin, as mandatory, I would like to mention a short cautionary statement:

Some of the statements made in today's Earnings Conference Call may be forward-looking in nature. Such forward-looking statements are subject to risks and uncertainties which could cause actual results to differ from those anticipated. Such statements are made based on management's beliefs as well as assumptions made by an information currently available to management. This is a caution not to place any undue reliance on these forward-looking statements in making any investment decisions. The purpose of today's conference call is only to educate and bring awareness about the company's fundamental business and financial quarter under-review.

Now, let me introduce you to the Management participating with us in today's earnings call. We have with us, Mr. J.C. Laddha – Managing Director, Mr R. K. Dalmia – Senior President Century Textiles and Whole-time Director, JP Narayan – CEO of Century Pulp and Paper, Mr. KT Jithendran – CEO of Bilra Estates, Mr. Snehal Shah – CEO and Mr. Nilay Rathi – Senior Vice-President of Commercials. Without further delay, I request Mr. Laddha to start the opening remarks. Thank you and over to you, Sir.

J.C. Laddha: Thank you, Anuj. A very good afternoon to everyone joining us today and it is my pleasure to welcome you all to the Earnings Conference Call for the First Quarter of FY22.

Firstly, I hope you and your family members are healthy and keeping safe in this pandemic environment.

At the outset, I am happy to inform that the overall performance across has been very good for Quarter 1 of FY22.

Turnover as well as EBITDA are highest in the last six quarters, which basically covers the beginning of the COVID-19 First Wave. Despite, the impact of the Second wave, the most part of the first quarter of FY22 we could insulate our Company's performance.

Let me first take you to the financial performance of our company on a consolidated basis for the first quarter of FY22:

The net sales for the quarter were Rs.832 crores which grew by 111% year-on-year and were flattish Q-on-Q. EBITDA for the quarter was Rs.117 crores which grew by 289% Y-o-Y and 46 % Q-on-Q, resembling an EBITDA margin of 14.1% for the part. The net profit for the quarter stood at 25 crores which has been a major reversal on Y-O-Y and Q-on-Q basis.

Overall, this quarter we saw a healthy turnaround in financial performance, especially in the paper and textile businesses driven by high operating efficiencies despite Second Wave of COVID-19. Our highest focus during the quarter was to ensure the safety of our employees for which we vaccinated 78% of our regular employees with first dose by June end. As we speak today, we have almost covered 100%.

Company remains dedicated to work towards the benefit of the society. Under the ESG, which is Environment, Social and Governance framework, Company has undertaken numerous initiatives during the quarter. On environment front, initiated a program in association with forest department, Naital on collection of fallen Pine tree leaves in Uttarakhand. This will help avoid forest wildfires and provide employment to 5,000 locals. On social front, a check dam has been built at Adivali village near Kalyan, Maharashtra by Birla Estates in collaboration with Rotary Foundation thereby directly benefitting 3,500 nearby villagers with water for their crops and for their personal use.

Secondly, as earlier quoted company remains focused on safety of its employees and thus organized various vaccination camps at the factories and offices which has vaccinated 78% of its employees with first dose by the end of the quarter.

Further, continued distributing face masks and sanitizers in nearby schools and villages and hospitals has been our priority.

Lastly, company is fully committed to governance with robust compliances in place for its regulatory requirement.

Now, let me take you towards some of the key highlights across our three business verticals:

Starting with the Real Estate Division, talking about the financial performance during the First Quarter:

Revenues were reported at 34 crores with EBIDTA at Rs. 6 crores. The early part of Quarter 1 FY22 saw dip gripped by Second wave of COVID-19 pandemic. Sales and construction activities were impacted again due to the Second lockdown. Site operations had slowed down slightly due to labor unavailability. However, in month of June availability of labor improved. The sector showed great resilience in withering with these incidents. The government gave the sector a boost with the passing of the Model Tenancy Act, which is expected to lure investors back in the market. The RBI had also maintained its accommodative strength by keeping repo rate and reverse repo rate at status quo which has enabled the continuation of the low mortgage interest rate regime for home buyers.

The strong demand for fundamentals and increased pace of vaccinations is expected to drive the recovery of the sector. Our sales for the quarter were Rs. 45 crores at our already launched projects of Birla Alokya Bengaluru and Birla Navya, Gurugram while we made considerable improvement in collections across during Quarter 1 of FY22 on the back of strong customer connect and strong customer outreach.

We received commencement certificate and RERA approval for the second phase of Birla Vanya Kalyan, post which we have initiated market warming and launched preparations for the same. Our two commercial assets, Birla Aurora, and Birla Centurion continue to generate staple rentals. Our primary focus has been to ensure a safe environment for all the stakeholders at our property.

Talking about our projects yet-to-be launched the approval process for the first phase at Century Mills, Worli and Magadi project road, Bengaluru is on track as per plan. We launched our digital sales public channel on WhatsApp and the dedicated customer app to enable swift resolution of customer queries. Customer connect initiatives promoting health and wellness are undertaken along with protective construction updates for the customers of Birla Vanya and Birla Alokya to not only remain connected but also meaningfully interact with them.

The economic activity is expected to gain momentum over the coming quarters led by favorable monetary conditions, abundant liquidity, and optimism from the vaccine rollout. The trust in the Birla brand and our product will hold us in good feet as we build up on our growth story over the coming quarters.

Moving on to the pulp and paper segment of the First quarter of financial year 2022:

The sales from this segment stood at Rs.577 crores. EBIDTA for this segment improved to Rs.96 crores from Rs. 28 crores last year, Y-o-Y reflecting an EBITDA margin of 16.6%. Sales volumes grew by 83% year-on-year in Quarter 1 of FY22, however, were down 9% Q-on-Q. The capacity

utilization during the quarter was 94%, in the First Quarter, various realization prices have been improved due to multiple price increases in board and tissue segment compared to Quarter 4 of FY 21. Our average price realization improved by 12%.

The demand for writing and printing paper was impacted during April and May due to imposition of country-wide lockdown. However, it started recovering from June onwards where demand for tissue paper was healthy as the Second wave helped an increasing hygiene awareness and there was good order flow in paper board segment from pharma, FMCG and food-packaging sectors.

Due to closure of major paper consumption sectors and in anticipation of third wave, overall flow in writing and printing paper is expected to be volatile in the domestic market in the near-term. However, the demand for tissues and board segment is expected to remain healthy.

Finally, to update you on the new tissue plant which was commissioned in the month of March '21 but due to COVID-19 lockdown, the project got delayed by about 7 months. Currently, the trial production is in progress, and we are hopeful of starting commercial production very soon as well achieving full capacity utilization by Quarter 2, FY22. This will help in driving good sales growth in the coming quarter.

Now, let us move on to the textile division:

I would like to request Mr. RK Dalmia who is the Senior President of Century Textiles and the whole-time Director of the company to give the key performance highlights.

Over to you, Mr. Dalmia.

RK Dalmia:

Good afternoon, Ladies and Gentlemen. Welcome you all to this Earnings Conference Call. Talking about the financial performance for the quarter under review, sales of the textile segment stood to 205 crores and EBIDTA was Rs. 2 crores.

Our plant was operating at around 80% capacity utilization. This capacity utilization is low because of the second wave of COVID and lockdown in the retail market. The demand for home textiles remains good in the export market but margin was under pressure due to finished good prices is price sensitive not absorbed by increase in material prices. The Apparel fabric segment remain uncertain and the demand from retail segment needs to come back to normal because of the same realization continue to be under pressure. However, August to December '21 is a crucial period because of festive season, and we expect the market to be stable in months to come.

Finally, I am happy to inform that Birla Century bagged the 'National Energy Management' Award in textile category presently, virtually at Event held on June 26, 2021. This award is given

to companies who have contributed sufficiently towards energy savings and management. Now, I hand over the call back Mr. Laddha.

J.C. Laddha: Thank you, Mr. Dalmia. To conclude, as the vaccination drive accelerates, we are hopeful of our continued performance. With that, we can now open the floor for the question-and-answer session.

Moderator: Thank you, Ladies and Gentlemen. The first question is from the line of Vidhi Dedhia from Redan Securities. Please go ahead.

Vidhi Dedhia: Good evening, Gentlemen. My question is for KT Sir. Sir, what are the pending approvals for our Worli project and what is the company's expectation for the soft launch. Thank you.

KT Jitendram: Good evening, to answer this question, we have got the IOD, we have certain important approvals like the environmental clearance, which is still expected and after that, of course, the commencement certificate followed by RERA. Once, all this is in place, then we would be ready for the launch, and we would expect the launch to happen either in the latter part of Q3 or early part of Q4.

Vidhi Dedhai: Ok, Sir. Thank you so much and all the best.

Moderator: Thank you and we move on to the next question from the line of Hitesh Doshi. oPlease go ahead.

Hitesh Doshi: Good evening to all of you and congrats for getting the IOD approval for the Worli project. For KT Sir, for how much square feet now, we have got IOD approval now? With this approval, how much square feet, we can build over next 2 to 3 years in terms of Carpet area and second thing, can we have a timeline for other projects like Kalyan, Phase-2, how much square feet and what we envisage right now in the Magadi road project? So, what can be the time launch for the next 3-4 projects and what can be the square feet that we can launch?

K.T. Jitendran: As far as Worli is concerned the IOD we have got is for two towers. So it is roughly about 14-15 lakh square feet of saleable area. So, Hitesh Bhai we have got the initial NOC for two towers phase one. That is roughly about 15 lakh square feet.

Hitesh Doshi: IOD is for 15 lakhs square feet in Worli right?

K. T. Jitendran: That is right.

Hitesh Doshi: So, two towers and this 15 lakhs is saleable or carpet?

K.T. Jitendran: Saleable. So, beyond that as far as Vanya is concerned, we have got all approvals for phase two, RERA. We are just sort of warming the market thinking of the right time to launch it. So, either

we may launch it in the latter part of this quarter or early next quarter. As far as Magadi is concerned, we are in the final leg of approval. Once we get that we will apply for RERA and after RERA, I think hopefully in the first part of Q3 we should be able to launch it.

Hitesh Doshi: Okay, first part of Q3 only. So, it will be earlier than Worli and Kalyan, hopefully.

K.T. Jitendran: Yeah.

Hitesh Doshi: Kalyan would be how much square feet sir? Phase two, how much square feet we will get approval and how much we launch?

K.T. Jitendran: So, we should be about 3.5 lakh square feet.

Moderator: Thank you. We move onto the next question that is Venkat Samala from TATA AMC. Please go ahead.

Venkat Samala: KT sir, if you could just give some color on the projects added or the projects in the pipeline.

K.T. Jitendran: Unless we finalize the project, it is not possible to talk about it. All I can say is that we are now in the market talking to several landowners, we are in the process of discussing many proposals. But as you know, we had really started it a couple of quarters back we are really picking up momentum. So, it is going to take a little while. So maybe by Q3 we should be able to close some of this. But we are in all markets, all the four chosen markets, we are aggressively pursuing the right sort of deals. Once you finalize, we will be able to talk about it.

Venkat Samala: We expect to hear on this by Q3, is it?

K.T. Jitendran: Yes, some of them in Q3, some of them in Q4.

Venkat Samala: Sir, the other thing I just wanted to understand is the guidance that you had given last time. FY22, I think 2300-2500 sales. In fact, is that still on?

K.T. Jitendran: So, I said around sort of guidance of this year about (+1500). Of course, this pandemic has kind of dented that a little bit. For instance, our initial launches which were planned for Q1 have now got delayed. We would have launched Kalyan and Magadi Road in Q1. Obviously, those schemes have got delayed because of the lockdown. However, largely we are still hopeful that if there are no further setbacks that we should largely be able to meet those targets before the turn of this financial year.

Venkat Samala: So, as investor I mean we can still look up to those numbers. It should be close to that.

K.T. Jitendran: It should be close to that, yeah. Provided better condition, how things smoothen out from now.

Venkat Samala: But are you seeing the momentum there?

K.T. Jitendran: Yeah, momentum is already picking up because honestly nothing happened in April and May, but June things picked up July is even better. So, the momentum is picking up.

Venkat Samala: My last question is the debt has gone up quarter-on-quarter, right. So, if you could give some color as to what is the reason for the increase, and if at all you can give any guidance as to what the net debt at the end of FY22 could look like?

Snehal Shah: Primarily the debt has gone up for the spend that we did for getting our premium payment to the BMC for the Worli project. So, that is a major spend of, I mean, roughly around Rs. 275 crores etc. So, that is one of the major reasons why the debt has gone up. In terms of guidance, I can broadly give you, see on the projects real estate is expected to spend around Rs. 1,200 crores this year and the net cash requirement after considering collections etc. would be around Rs. 1100 crores. And we expect around Rs. 200 crores from our other businesses, the free cash flows. There will be a Rs. 900 crores deficit, which we will be borrowing and considering our debt, starting debt of about Rs. 1,000 crores we should be close to around Rs. 2,000 cores by the end of this year, which would roughly give us an EBITDA level of 4.

Venkat Samala: So then the net collections that we are expecting for the real estate business would be around Rs. 100 crores?

Snehal Shah: No collections would be more, but then there is a corporate overhead cost of the business etc. and all that. So, net we would be around Rs. 100 crores.

Venkat Samala: So what is the expectation sir, with respect to collection?

Snehal Shah: With respect to collection, I think roughly around I would say close to around Rs. 300 crores.

Moderator: Thank you. The next question is from the line of Amit Sriivastava from B&K Securities. Please go ahead.

Amit Shrivastava: My question is related to paper business basically. Sir, we have seen that our paper realization has improved sharply quarter-on-quarter, and we are operating at around 94% of utilization also. But I feel that at the same level, our margins are not improving, like it has improved but till we are far away from our peak margins. So, you can give a broader idea of how the roadmap could be on margin side and as well as the demand side, how are we looking at?

J.P. Narain: Yes, you rightly said that in the earlier pre-COVID the margin was in the range of 22-23% and pre-COVID the major driver of driving the margins was rise in printing paper. Because it was giving a good contribution and the EBITDA margin in the range of somewhere around 24-25%. Whereas in tissue and packaging board EBITDA was in the range of 18-20-21%. So, during pandemic, the only segment which is badly affected that is rise in printing paper. And the

margin, as well as the revenue realization has come down sharply in that segment, whereas tissue as well as the packaging has already achieved their pre-COVID level. So, I am sure once the school, colleges and the offices will start working the writing, printing as well as the copier segment will bounce back, and the EBITDA margin will be there as pre-COVID levels.

Amit Shrivastava: And in terms of demand sir, how is the improvement? Like you had mentioned that it had improved. But it is continuing in July and how is the writing and printing segment positioned?

J. P. Narain: See, as schools are opening, we are anticipating that it should start moving now, especially writing and printing. Other segments like tissue and packaging the order book is there.

Amit Shrivastava: My next question is on the textiles side. We have done a JV with Grasim on Birla Advanced Knits. So, I just wanted to understand that why there was a JV with Grasim, what is the kind of synergy, what kind of investment and projects and scope of that JV would be? If you can throw some light on it.

R.K. Dalmia: This JV is a 50-50% JV. It is for the knits manufacturing and the primary raw material will be modal, excel viscose fiber which are produced by Grasim. So, we will promote this fiber and they will use it in the knit and with excellent quality, and to benchmark this product to develop it in the market and to reduce the import of this product from China. And the investment is around Rs. 200 crores in this project.

Amit Shrivastava: And what kind of revenue potential we will have around 2-3 years' time sir?

R. K. Dalmia: Revenue potential is around Rs. 400 - Rs. 500 crores in a year.

Amit Shrivastava: In the investment of Rs. 200 crores?

R. K. Dalmia: Yes.

Snehal Shah: Amit, but Rs. 200 crores is not the investment by the company. So, most of it will be a borrowing. So, roughly we are expecting just about 10 to 20...Nilay how much is the amount that we will be investing?

Nilay Rathi: Sir like Rs. 20 crores both the entities will be investing, Grasim as well as Century. Balance we will take a loan from the bank.

Moderator: Thank you. We move on to the next question that is from the line of Nitin from KIFS Trade Capital. Please go ahead.

Nitin: I want to know Birla Navya, that Gurugram project revenue potential will be realized within how many years?

K.T. Jitendran: So, the low rise phase, which has a potential of about Rs. 2, 200 crores that should be realized in a period about 4 to 5 years.

Nitin: Sir, Birla Navya, right?

K.T. Jitendran: Yes, that is correct.

Nitin: And that includes the group housing Rs. 2, 150 crores?

K.T. Jitendran: No, housing is separate, another Rs. 2, 000 crores which once we get the license we started, that will take, and that group housing will take about another 5 years. But it won't be 5 plus 5. It may be like whenever we start it, maybe in a year or so, from there about 5 years. Overall, it we had expected about 7 years for the duration of the project. But the only thing is that because of this COVID, governments and departments not working, there has been a delay in the group housing license. So, it hasn't come yet. Whenever it comes it will take about 5 years from there.

Nitin: And with IOD in hand for the Worli project, how much time will it take?

K.T. Jitendran: For launch?

Nitin: No, launch anyway is happening September – October as per last time you had guided.

K.T. Jitendran: Yeah, pre-Q4. Either in part of December or January whenever we get the balance approval in time. We are waiting for someone for more approvals, but the key IOD is in hand. As far as construction is concerned, these are tall towers so, I expect about 5 years for each tower. The timeline is about 5 years.

Nitin: And what about commercial lease? That includes that timeframe.

K.T. Jitendran: No, so commercial we have not started. So, whenever we start commercial, that will take close to a million square feet, that will take about 4 years. After that a couple of years, lease it and then only the monetization will happen. So that we will wait for the opportune time to start that.

Nitin: So for commercial we will keep spending money for 4 years and, leasing only will happen. That will happen post 6 years from the time construction start, right?

K.T. Jitendran: Yeah. So that is how commercial is done, so that is the sort of gestation period, it is much longer. So we will wait for our money to come in, the cash flow to come in from the residential sales and then sort of put it there.

Nitin: So they will be leased, like relationship for approximately 6 to 8 quarters between residential and commercial to start the activity, right.

K.T. Jitendran: Yeah, at least.

Moderator: Thank you. The next question from the line of Ravi Kumar an independent investor. Please go ahead.

Ravi Kumar: I would like to know the company owned like, from the old legacy Century Textile Mills and you know, the other things pertaining to that. I know that there was some land dispute with Bombay Dyeing some 10-acre plant. What is the status on it?

K.T. Jitendran: Yeah, so the company has land banks as you have mentioned in Worli, which is the textile mill is there, which is about 40 acres. 10 acres is in dispute. So, balance 30 acres which is the focus of development now. But 10 acres of course as you mentioned is in court, and it will take a while for the dispute to be resolved. So that is in abeyance. Apart from that, there is some part of a couple of acres of land in Prabha Devi. We, we have Kalyan, of course you said 22 acres under development. There are more parts in Kalyan which is not at this point of time not right for development. So, we are exploring different options on that, how else can we monetize and unlock the value out of that. Apart from that we have about 45 acres in Talegaon close to Pune. So whenever is the right time for the development of that location, we will consider development of that. Century Textiles these are the land parcels which is currently available for.

Ravi Kumar: With having lot of land bank, when are you targeting this company to debt free? Completely, debt free and positive cash flows.

K.T. Jitendran: That will take at least 3 to 4 or 5 years. Maybe once Worli cash flows in full swing, Worli launches gets fully going at that point in time, we may even become debt-free. I mean, it becomes surplus cash. The point is that even it is surplus we will continue to invest into projects. So, construction finance debt will continue to happen as we will not stop investing in. So as soon as this cash flow comes, we will be investing in land buying or doing JVs.

Ravi Kumar: I know. That is why I am asking you, when comparing with listed players like you and Godrej, I see some local players are doing with full cash, with cash I mean a very positive cash flows. So, they seems to be more profitable at least. I am from Hyderabad, and I am witnessing that. So, I am really wondering about the listed players. And to conclude that, my final question, like on an average how the margins are there, like from cost to margin? I know it varies from market to market and season to season, but just to benchmark on an average.

K.T. Jitendran: All our projects we are at the moment marking a 30% EBITDA margins, in all our projects. We are comfortable.

Ravi Kumar: But that varies from JVs to own land bank, right?

K.T. Jitendran: All of them yeah.

Ravi Kumar: Are you saying about the aggregated thing between what we are doing with the JV versus what is with our own land bank?

K.T. Jitendran: Our own land bank is slightly more than that, there is slightly higher difference.

Moderator: Thank you very much. The next question is from the line of Nishit Shah from Equitas Investments. Please go ahead.

Nishit Shah: Sir, I wanted to focus on paper segment and ask you questions. So for the July month was there any increase in realization for writing and printing and packaging segment?

J.P. Narain: Yes, in packaging there will be little bit but in writing and printing we are not anticipating that.

Nishit Shah: Can you please quantify how much it will be for packaging?

J.P. Narain: It will be in the range of somewhere 1-2%.

Nishit Shah: And sir, I wanted to understand do we have any CAPEX plan now going forward, once our tissue plant is done?

J. P. Narain: We have got a minor CAPEX since we are expanding our writing, printing capacity with certain modifications so we have got a Rs. 165 crores CAPEX for that. Not a major one. And we are investing in other areas like recovery and other areas so, we have got a CAPEX there also.

Nishit Shah: And sir lastly, what would be the international pulp prices trading right now?

J. P. Narain: It is trading between \$720 to \$740 for hardboard and \$750 to \$780 for soft board.

Nishit Shah: So earlier it was \$980 around, right?

J. P. Narain: Soft board was in the range of \$850 to \$880 and hardboard was in the range of \$780 to \$800.

Moderator: Thank you. The next question is from the line of Vasudev Hajrajani, an investor. Please go ahead.

Vasudev Hajrajani: I just wanted to know regarding the Prabha Devi land and what is the area we have and when are we planning to develop that? And secondly, in respect of the rentals of the two buildings

we have, are we getting the full rentals or is there any deduction in rentals from the two buildings we have in the Century lands, in the two buildings?

K.T. Jitendran: The first part of the question on Prabha Devi land. Right now, we are focusing on Worli, the Century Textile land. This is not too far from the Prabha Devi location. So, we are in no hurry to launch that. So, of course with dues of time we will be launching it. It is a very premium land. Maybe we may take a little more time, once Worli is sort of stabilized, we may look at that. Of course, there is a CRZ because it being right on the beach. The CRZ rule allows it to develop it, but that rule has not yet become a statute. So, we are waiting for that, that is one more reason. Primary reason is that large size inventory there is plenty of supply. So, we will wait for the right time. It may be 2 years from now, 3 years from now. We have to choose it.

Vasudev Hajrajani: How big is that land?

K.T. Jitendran: It is a couple of acres.

Vasudev Hajrajani: A couple meaning 2-3 acres or more?

K.T. Jitendran: 2 acres.

Vasudev Hajrajani: And why are we not looking at developing this land? Because if it can be developed, I mean, there are a lot of properties which are in that same area, which is going for about almost Rs, 100 crores of flat and all in that, I believe that A-25 or F-25 the new building which has come up. So why are we not looking at developing this?

K.T. Jitendran: We are, we will be developing. We have to choose the time. We chose choose the right time. As you mentioned, there are so many other projects which have plenty of supplies there; number one. Number two; as I also mentioned that we are waiting for the final CRZ clearance statute to come because unless it is come there will be restriction on FSI utilization.

Vasudev Hajrajani: What about the rentals? Regarding the rentals are we receiving the full rentals?

K.T. Jitendran: Yeah, we are getting the full rental. There have been a few tenants who had reduced their occupancy. For example, Vodafone which was initially having five floors now reduced to three floors. They have vacated. Currently, the occupancy is close to about 90%. Average rentals in Birla Centurion are in the region of about Rs. 170 per square foot, Birla Aurora is in the range of Rs. 190 per square foot. We have added about 70,000 square feet of new tenants in the last 6 to 8 months. There are a few more spaces to be rented out, about 60,000 square feet. So yeah, the only thing is that whenever there is a renewal of rentals, considering the current state of market we are not getting the premiums and no extra premiums. We have to forego that. Otherwise, it is quite stable.

Moderator: Thank you. We take the next question from the line of Ravi Kumar, an independent investor. Please go ahead.

Ravi Kumar: My other question is the total debt right now we have about Rs. 1, 100 crores, right? This is all the Century Estates. Is the debt on those books or it is there on pulp and textile business as well?

Snehal Shah: Most of it is related to real estate. There is hardly any debt I mean, most of the debt for our manufacturing businesses is more on the working capital side. But on the long-term debt, most of it is for the real estate business. Now our debt is around Rs. 1, 350 crores, as of June end. You mentioned something 1100, I think probably you are referring to the beginning of the year, I guess.

Ravi Kumar: Yeah maybe, sometimes. And the other question is, is there any CAPEX plan for textile business? Because right now, like India is getting opportunity with China Plus One policy as well as from the government push. I know at one point of time we were into ready-mades also, but that got shut down.

Snehal Shah: So right now, we seriously don't have some major plans other than as we said, once that joint venture that we have signed up with Grasim. So, we will be investing around Rs. 10 crores over there. Then there would be a general repairs and maintenance, and maybe some environmental related costs that we might we incur. But there are no major plans of major CAPEX in the textile business as of today.

Ravi Kumar: I just wanted to add, I have been with Century Textiles since very long time. I think since 12 years or so. Even that time I used to go and buy Century...my clothing comes from Century. But somewhere the quality of the thing was not up to the kind of brand name which Century used to have in the marketplace. So, I knew that, that time I knew that it is not going to sustain. It happened the same thing. This is a feedback to the group, sir. The Century brand name carries a lot of legacy. But somewhere I am seeing kind of less focus from the top management.

J. C. Laddha: I am not sure how you got that feedback. I am sure Mr. Dalmia would like to add.

Ravi Kumar: Going back to the Century and UltraTech deal also, that is not made in favor of all stakeholders, especially the retail stakeholders. This is a feedback. This has to go to Mr. Birla level. So, now we are seeing how Idea and Vodafone is suffering. So, we have to take care of every stakeholder whether it is retail investor or customers.

R. K. Dalmia: Just I would like to take this question. I believe you are talking about when we were in the ready-made garments business of Century.

Ravi Kumar: As a group I have little bit of kind of a question mark sir.

R. K. Dalmia: No, that's not true. That is why the reason why we have closed down that business because our focus was not on the ready-made garments. Being a fabric manufacture it was difficult to sustain that business. So, we have closed at least 7-8 years back. Now we are focusing on to fabric as well as the home textile business. Home textile we are manufacturing, which we are exporting to all big brands in the USA, just like Costco, and Donna Karan, DKNY all big brands we are going, and quality is excellent, and they are very happy about it and we are getting repeat orders. So as far as home textile business, we are not selling in India, but is it totally entirely an export business. As far as fabric is there, we are manufacturing excellent quality and which we are supplying to all the big brands in India, who are converting the garments and then they are selling it in both domestic and overseas market. But I believe your experience is from our ready business that we have closed few years back. As I said, our focus was not there in that business because of being a fabric manufacturer. But still I will take your point and we will look into it, and wherever any necessary measures are required we will take it certainly because we cannot let down the Century brand name, rest assured.

Moderator: Thank you. As there are no further questions, I now hand the conference over to Mr. J. C. Laddha from Century Textiles and Industries Limited for his closing comments.

J.C. Laddha: Thank you very much. Thank you all for participating in these earnings con call. As this quarter has been the best among the last six quarters, I am confident that coming quarters will be even better and will not get impacted by COVID-19 challenges. I hope we have been able to answer your questions satisfactorily. If you have any further questions or would like to know more about the company, we would be happy to be of assistance. We are very thankful to all our investors who stood by us and had the confidence in the company's growth plans. With this, I wish everyone a great evening. Take care, stay safe. Thank you very much.

Moderator: Thank you. Ladies and gentlemen, on behalf of Century Textiles and Industries Limited, that concludes this conference call. We thank you for joining us and you may now disconnect your lines. Thank you.