

CENTURY TEXTILES AND INDUSTRIES LIMITED

Registered Office: Century Bhavan, Dr. Annie Besant Road, Worli, Mumbai 400 030.

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CIN: L17120MH1897PLC000163

NOTICE OF MEETING

Notice is hereby given that an Extra-Ordinary-General Meeting of the members of **CENTURY TEXTILES AND INDUSTRIES LIMITED** will be held at the Registered Office of the Company at Century Bhavan, Dr. Annie Besant Road, Worli, Mumbai – 400 030 on Wednesday, the 4th day of June, 2014 at 3.00 P.M. to consider and if thought fit, to transact with or without modification(s) as may be permissible, the following business :

Special Business:

To consider, and if thought fit, to pass the following Resolution, with or without modification, as a Special Resolution:

***RESOLVED** that pursuant to provisions of Section 62(1)(c) and all other applicable provisions of the Companies Act, 2013, if any (including any statutory modification(s) or re-enactment thereof and the applicable provisions of Companies Act, 1956, for the time being in force), and pursuant to the provisions of Chapter VII of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements), Regulations, 2009 (SEBI ICDR Regulations, 2009), as in force and subject to other applicable Rules, Regulations and Guidelines issued by Securities and Exchange Board of India (SEBI) from time to time and the provisions of Foreign Exchange Management Act, 1999 and Rules and Regulations framed thereunder and enabling provisions of the Memorandum and Articles of Association of the Company and the Listing Agreements entered into between the Company with Stock Exchanges, where the shares of the Company are listed, and subject to requisite approvals, consents, permissions and / or sanctions, if any, of SEBI, Stock Exchanges and other appropriate authorities including the Reserve Bank of India, as may be required and subject to such conditions as may be prescribed by any of them while granting any such approval, consent, permission, and / or sanctions, and which may be agreed to by the Board of Directors of the Company (hereinafter referred to as the 'Board' which term shall be deemed to include any committee which the Board may have constituted or hereinafter constitute to exercise its powers including the powers conferred by this resolution), the Board be and is hereby authorized to create, offer, issue and allot, from time to time, in one or more tranches, upto 1,86,50,000 (One crore eighty six lac fifty thousand only) warrants on a preferential basis to Aditya Marketing & Manufacturing Limited, Essel Mining and Industries Limited, IGH Holdings Private Limited and Padmavati Investment Limited, entitling the holder of each warrant, from time to time to apply for and obtain allotment of one equity share of the face value of ₹ 10/- each fully paid-up against such Warrant (hereinafter referred to as the "Warrants"), in one or more tranches, in such manner, at such price and on such terms and conditions as may be determined by the Board in accordance with SEBI ICDR Regulations, 2009 or other provisions of the law as may be prevailing at the time; provided that the minimum price of the Warrants so issued shall not be less than the price arrived at in accordance with provisions of Chapter VII of SEBI ICDR Regulations, 2009.

RESOLVED FURTHER that without prejudice to the generality of the above, the aforesaid issue of the Warrants shall be on the following terms:

1. In accordance with Chapter VII of SEBI ICDR Regulations, 2009, 25% of the consideration payable for the Warrants (and the equity shares into which they are converted), shall be paid by the proposed allottees to the Company upon issue and allotment of the Warrants.
2. The holders of each Warrant will be entitled to apply for and obtain allotment of one equity share of the face value of ₹ 10/- each of the Company against each Warrant at any time after the date of allotment but on or before the expiry of eighteen months from the date of allotment, in one or more tranches. At the time of exercise of entitlement, the Warrant holder(s) shall pay the balance 75% of the consideration payable in respect of the Warrants being so exercised to the Company simultaneously with the allotment of equity shares by the Company pursuant to such exercise. The amount so paid will be adjusted/set-off against the issue price of the resultant equity shares.

3. If the entitlement against the Warrants to apply for the equity shares is not exercised within the aforesaid period, the entitlement of the Warrant holders to apply for equity shares of the Company along with the rights attached thereto shall expire and any amount paid on such Warrant shall stand forfeited.
4. Upon receipt of the requisite payment of the remaining 75% of the consideration payable in respect of the Warrants, as above, the Board (or a Committee thereof) shall allot one equity share per Warrant by appropriating ₹ 10/- towards equity share capital and the balance amount paid against each Warrant, towards the securities premium. The allotment shall only be made in the dematerialized form.
5. In the event of the Company making a bonus issue by way of capitalization of its reserves, prior to allotment of equity shares resulting from the exercise of the option under the Warrants, the number of shares to be allotted against such Warrants shall stand augmented in the same proportion in which the equity share capital increases as a consequence of such bonus issue and the premium shall stand reduced pro tanto.
6. In the event of the Company making a rights offer by way of issue of new equity shares prior to allotment of equity shares resulting from the exercise of the option under the Warrants, the entitlement of the equity shares under the Warrants shall stand increased in the same proportion in the rights offer and such additional equity shares will be offered to the Warrant holder(s) at the same price at which the existing shareholders are offered equity shares.
7. The Warrant(s) by itself until exercised and equity shares allotted, does not give to the holder(s) thereof any rights with respect to that of a shareholder of the Company except as specified above.

RESOLVED FURTHER that the Board be and is hereby authorized to issue and allot such number of Equity Shares as may be required to be issued and allotted upon exercise of option by Warrant holder(s) or as may be necessary in accordance with the terms of the offer.

RESOLVED FURTHER that without prejudice to the generality of the above, the relevant date as per SEBI ICDR Regulations, 2009, for determination of price of the Equity Shares to be issued and allotted upon exercise of the right attached to the Warrants referred to above, is 30 days prior to this Extra Ordinary General Meeting i.e. 5th May, 2014.

RESOLVED FURTHER that the equity shares allotted on exercise of warrants in terms of this resolution shall rank pari passu in all respects including as to dividend, with the existing fully paid up equity shares of face value of ₹ 10/- each of the Company, subject to the relevant provisions contained in the Articles of Association of the Company.

RESOLVED FURTHER that for the purpose of giving effect to the above, the Board be and is hereby authorized on behalf of the Company to take all actions and do all such deeds, matters and things as it may, in its absolute discretion deem necessary, desirable, incidental or expedient to the issue or allotment of the aforesaid Warrants and listing of the Equity Shares on exercise with the Stock Exchange(s) as appropriate and to clarify, resolve and settle all questions and difficulties that may arise in relation to the proposed issue, offer and allotment of any of the said Warrants, the utilization of the issue proceeds and to do all acts, deeds and things in connection therewith and incidental thereto as the Board in its absolute discretion may deem fit, without being required to seek any further consent or approval of the members or otherwise to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this resolution.

RESOLVED FURTHER that the Board be and is hereby authorized to delegate all or any of the powers conferred by this resolution on it, to any Committee of Directors, any other Director(s) or officer(s) of the Company to give effect to the aforesaid resolution."

By Order of the Board,

For Century Textiles and Industries Ltd.

Place : Mumbai,
Date : 5th May, 2014

D.K. Agrawal
Secretary

NOTES:

1. Explanatory Statement as required under Section 102(1) of the Companies Act, 2013 is annexed hereto.
2. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER.** A person can act as proxy on behalf of members not exceeding 50 (fifty) and holding in the aggregate not more than 10 (ten) percent of the total share capital of the Company.

The instruments of proxy in order to be effective, should be deposited at the registered office of the Company, duly completed and signed, not less than 48 hours before the commencement of the meeting. A proxy form is sent herewith. Proxies submitted on behalf of the Companies, Societies etc., must be supported by an appropriate resolution/authority, as applicable.

3. All documents referred to in the Notice or in the accompanying Explanatory Statement are available for inspection by members on all working days, except Saturdays, Sundays and public holidays, between 10.00 A.M. to 1.00 P.M. prior to the date of the Extraordinary General Meeting and will also be available for inspection at the meeting.
4. Members are requested to send all their documents and communications pertaining to shares to **Link Intime India Pvt. Ltd. (Formerly known as Intime Spectrum Registry Limited), Share Transfer Agent of the Company at their address** at C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (West), Mumbai - 400 078, (Maharashtra) Telephone No. 022 - 2596 3838, Fax No. 022 - 2594 6969 for both physical and demat segments of Equity Shares. Please quote on all such correspondence - "Unit - Century Textiles and Industries Limited." **For Shareholders queries - Telephone No. 022-2594 6970 Email ID - rnt.helpdesk@linkintime.co.in**
5. **Voting through electronic means**

- I. In compliance with provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to offer e-voting facility as an alternative mode of voting which will enable the Members to cast their votes electronically. Necessary arrangements have been made by the Company with Central Depository Services (India) Limited (CDSL) to facilitate e-voting.

The process and instructions for e-voting are as under :

- i) Open your web browser during the voting period and log on to the e-voting website www.evotingindia.com
- ii) Now click on "Shareholders" to cast your votes
- iii) Now, select the Electronic Voting Sequence Number - "EVSN" along with "CENTURY TEXTILES AND INDUSTRIES LIMITED" from the drop down menu and click on 'SUBMIT'
- iv) Now, fill up the following details in the appropriate boxes:

User-ID	For Members holding shares in Demat Form:- a) For NSDL :- 8 Characters DP ID followed by 8 Digits Client ID b) For CDSL :- 16 digits beneficiary ID For Members holding shares in Physical Form:- • Folio Number registered with the Company
Password	Your Unique password is printed on the Attendance/Proxy form annexed to this Notice
PAN*	Enter your 10 digit alphanumeric PAN No. issued by Income Tax Department.

* Members who have not updated their PAN with the Company/Depository Participant are requested to use default number "CTLEV1234Z" in the PAN field.

- v) After entering these details appropriately, click on "SUBMIT" tab.
- vi) Members holding shares in Physical form will then reach directly to the voting screen.

- vii) Members holding shares in Demat form will now reach Password Change menu wherein they are required to mandatorily change their login password in the new password field. The new password has to be minimum eight characters consisting of atleast one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character (@,#,\$,etc). Kindly note that this password is to be also used by the Demat holders for voting for resolution of any other Company on which they are eligible to vote, provided that Company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
 - viii) You can also update your mobile number and e-mail ID in the user profile details of the folio which may be used for sending communication(s) regarding CDSL e-voting system in future. The same may be used in case the Member forgets the password and the same needs to be reset.
 - ix) If you are holding shares in Demat form and had logged on to www.evotingindia.com and casted your vote earlier for EVSN of any company, then your existing login id and password are to be used.
 - x) For members holding shares in physical form, the password and default number can be used only for e-voting on the resolutions contained in this Notice.
 - xi) On the voting page, you will see Resolution Description and against the same the option 'YES/NO' for voting. Enter the number of shares (which represents number of votes) under YES/NO or alternatively you may partially enter any number in YES and partially in NO, but the total number in YES and NO taken together should not exceed your total shareholding.
 - xii) Click on the Resolution File Link if you wish to view the entire Notice.
 - xiii) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
 - xiv) Once you 'CONFIRM' your vote on the resolution, you will not be allowed to modify your vote.
 - xv) Corporate/Institutional members (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution / Authority letter etc. together with attested specimen signature(s) of the duly authorized signatory/(ies) who are authorized to vote, to the Scrutinizer at email ID : gagrani.gagan@rediffmail.com with a copy marked to helpdesk.evoting@cdslindia.com. The scanned copy image of the above mentioned documents should be in the naming format "Corporate Name-EVSN."
- II. The e-voting period commences on 29th May, 2014 (9:00 am) and ends on 31st May, 2014 (6:00 pm). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 6th May, 2014, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently. In case you have any queries or issues regarding e-voting, please contact helpdesk.evoting@cdslindia.com.
- III. The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date (record date) of 6th May, 2014.
- IV. A copy of this notice has been placed on the website of the Company and the website of CDSL.
- V. Gagan B. Gagrani, Practising Company Secretary (Certificate of Practice Number 1388) has been appointed as the Scrutinizer for conducting the e-voting process in a fair and transparent manner.
- VI. The Scrutinizer shall within a period not exceeding three (3) working days from the conclusion of the e-voting period unblock the votes in the presence of at least two (2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman.
- VII. The Results declared alongwith the Scrutinizer's Report shall be placed on the Company's website www.centurytextind.com and on the website of CDSL within two (2) days of passing of the resolutions at the EGM of the Company and communicated to the BSE Limited and National Stock Exchange Limited.

ANNEXURE TO NOTICE

EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013

In terms of Section 102(1) of the Companies Act, 2013, the following Explanatory Statement sets out all the material facts relating to abovesaid Special Resolution.

The Company intends to raise long term funds by way of equity to reduce its borrowings and thereby augment the long term financial resources of the Company. The Company has been exploring various options for raising funds. One of the options considered appropriate under the current circumstances by the Board of Directors of the Company, at its meeting held on 5th May, 2014 subject to necessary approval(s), is the issuance of upto 1,86,50,000 (One crore eighty six lac fifty thousand only) Warrants through a preferential offer to Promoter / Promoter Group / Person Acting in Concert.

The price at which such Warrants may be exercised over a period of eighteen months from the date of allotment shall be the price determined as per Regulation 76 of the SEBI ICDR Regulations, 2009. Currently, the SEBI ICDR Regulations, 2009 provide that the issue of shares on a preferential basis can be made at a price not less than the higher of the following:

The average of the weekly high and low of the closing prices of the related equity shares quoted on a recognised Stock Exchange during the 26 weeks preceding the relevant date; OR the average of the weekly high and low of the closing prices of the related equity shares quoted on a recognised Stock Exchange during the two weeks preceding the relevant date. 'Stock Exchange' for this purpose shall mean any of the recognised stock exchanges and on which the highest trading volume in respect of the shares of the Company has been traded during the preceding six months prior to the relevant date.

The details of the issue and other particulars as required in terms of the Chapter VII of the SEBI ICDR Regulations, 2009 in relation to the abovesaid Special Resolution are given as under:

i. The Objects of the issue through preferential offer:

The proceeds of the preferential offer are proposed to be used for reducing debts of the Company and to augment the long term financial resources of the Company.

ii. The intention of the promoters/directors/key management persons to subscribe to the offer:

The preferential issue is being made to Promoter/Promoter Group/Person acting in concert viz. Aditya Marketing & Manufacturing Limited, Essel Mining and Industries Limited, IGH Holdings Private Limited and Padmavati Investment Limited.

iii. Securities to be issued:

The resolution set out in the accompanying Notice authorizes the Board to issue to Aditya Marketing & Manufacturing Limited, Essel Mining and Industries Limited, IGH Holdings Private Limited and Padmavati Investment Limited, 1,86,50,000 Warrants, entitling the holder of each Warrant to apply for and obtain allotment of one equity share of the face value of ₹ 10/- each fully paid-up against each Warrant within eighteen months of its allotment, in such manner and on such price, terms and conditions as may be determined by the Board in accordance with the provisions of Chapter VII of SEBI ICDR Regulations, 2009.

iv. Relevant Date:

The Relevant Date for the purpose of determining the price of the shares arising out of the Warrants, in accordance with the pricing method given in Chapter VII of SEBI ICDR Regulations, 2009 is 5th May, 2014 i.e 30 days before the date of the Extraordinary General Meeting.

v. Terms of issue of Warrants to Promoter and/or Promoter Group and/or Person acting in concert:

1. The proposed allottees of Warrants shall, on the date of allotment, pay an amount equivalent to atleast 25% of the price fixed per Warrant in terms of the Chapter VII of SEBI ICDR Regulations, 2009.

2. The holders of each Warrant will be entitled to apply for and obtain allotment of one equity share of the face value of ₹ 10/- each of the Company against each Warrant at any time after the date of allotment but on or before the expiry of eighteen months from the date of allotment, in one or more tranches. At the time of exercise of entitlement, the Warrant holder(s) shall pay the balance 75% of the consideration payable in respect of the Warrants being so exercised to the Company simultaneously with the allotment of equity shares by the Company pursuant to such exercise. The amount so paid will be adjusted/set-off against the issue price of the resultant equity shares.
3. If the entitlement against the Warrants to apply for the equity shares is not exercised within the aforesaid period, the entitlement of the Warrant holders to apply for equity shares of the Company along with the rights attached thereto shall expire and any amount paid on such Warrant shall stand forfeited.
4. Upon receipt of the requisite payment of the remaining 75% of the consideration payable in respect of the Warrants as above, the Board (or a Committee thereof) shall allot one equity share per Warrant by appropriating ₹ 10/- towards equity share capital and the balance amount paid against each Warrant, towards the securities premium. The allotment shall only be made in the dematerialized form.
5. In the event of the Company making a bonus issue by way of capitalization of its reserves, prior to allotment of equity shares resulting from the exercise of the option under the Warrants, the number of shares to be allotted against such Warrants shall stand augmented in the same proportion in which the equity share capital increases as a consequence of such bonus issue and the premium shall stand reduced pro tanto.
6. In the event of the Company making a rights offer by way of issue of new equity shares prior to allotment of equity shares resulting from the exercise of the option under the Warrants, the entitlement of the equity shares under the Warrants shall stand increased in the same proportion in the rights offer and such additional equity shares will be offered to the Warrant holder(s) at the same price at which the existing shareholders are offered equity shares.
7. The Warrant(s) by itself until exercised and equity shares allotted, does not give to the holder(s) thereof any rights with respect to that of a shareholder of the Company except as specified above.
8. The equity shares issued as above shall rank pari passu in all respects including with respect to dividend, with the then fully paid up equity shares of the Company, subject however to the provisions of the Memorandum and Articles of Association of the Company.
9. The Company hereby undertakes that –
 - a) It would recompute the price of the securities specified above in terms of the provisions of the SEBI ICDR Regulations, 2009 where it is required to do so.
 - b) If the amount payable on account of the re-computation of the price is not paid within the time stipulated in the SEBI ICDR Regulations, 2009, the above specified securities shall continue to be locked in till the time such amount is paid by the allottee.

vi. Lock-in period:

The equity shares arising out of the exercise of the right attached to the Warrants allotted on a preferential basis to the proposed allottees shall be subject to lock-in for a period of three years from the date of trading approval granted for such shares, as specified under Chapter VII of the SEBI ICDR Regulations, 2009 relating to preferential issues.

vii. Particulars of subscribers to Warrants:

The Promoter/Promoter Group/Person acting in concert viz. Aditya Marketing & Manufacturing Limited, Essel Mining and Industries Limited, IGH Holdings Private Limited and Padmavati Investment Limited, Intend to subscribe to an aggregate of upto 1,86,50,000 Warrants under the Preferential Issue.

viii. Under subscription, if any:

Any of the Warrants issued as above, that may remain unsubscribed for any reason whatsoever, may be offered and allotted by the Board in its absolute discretion to any person/entity/investor controlled by the Promoters and/or Promoter Group, on the same terms and conditions.

ix. Shareholding Pattern pre and post Preferential Offer:

The shareholding pattern giving the present position as also considering full allotment of warrants to Promoters / Promoter Group / Persons Acting in Concert and equity shares arising out of the conversion thereof, as per the Resolution set out in the accompanying Notice are given below:

Category of shareholders	Pre-Allotment Holding		Post-Allotment Holding #	
	Total Number of Shares	%age of Total Voting Rights	Total Number of Shares	%age of Total Voting Rights
Promoter and Promoter Group	37436140	40.23	56086140	50.21
Mutual Funds/UTI	6546324	7.04	6546324	5.86
Financial Institution / Banks	3695336	3.97	3695336	3.31
Foreign Institutional Investors	9846831	10.58	9846831	8.82
Non Resident Individual/OCB	882476	0.95	882476	0.79
Resident Individual/Other	34341373	36.91	34341373	30.74
GDRs	297200	0.32	297200	0.27
Total	93045680	100.00	111695680	100.00

Assuming full conversion of all warrants being issued.

The percentage of post preferential issue capital that may be held by the proposed allottee(s) is as follows:

Name of the proposed allottee(s)	Pre-Allotment holding		Post-Allotment holding	
	Number of Shares	% of holding	Number of Shares	% of holding
Adjtya Marketing & Manufacturing Limited	77,600	0.08%	187,27,600	16.77%
Essel Mining And Industries Limited				
IGH Holdings Private Limited				
Padmavati Investment Limited				

There will be no change of control of the Company pursuant to the preferential allotment.

- x. The identity of the natural persons who are the ultimate beneficial owners of the shares proposed to be allotted and/or who ultimately control the proposed allottees is as follows:

Name of the proposed allottee	Ultimate Beneficial Owner
Aditya Marketing & Manufacturing Limited	Shri Basant Kumar Birla, Shri Kumar Mangalam Birla and family are the ultimate beneficial owners and / or who ultimately control the proposed allottees.
Essel Mining And Industries Limited	
IGH Holdings Private Limited	
Padmavati Investment Limited	

xi. Proposed time within which the allotment shall be completed:

As required under Chapter VII of SEBI ICDR Regulations, 2009 the Company shall complete the allotment of Warrants as aforesaid on or before the expiry of 15 days from the date of passing of the resolution at the Extra-Ordinary General Meeting or in the event the allotment of Warrants would require any approval(s) from any regulatory authority or the Central Government, within 15 (fifteen) days from the date of such approval(s), as the case may be.

xii. Others:

The certificate of the Statutory Auditors to the effect that the present preferential offer is being made in accordance with the requirements contained in Chapter VII of the SEBI ICDR Regulations, 2009 will be placed before the shareholders at the meeting and will also be open for inspection at the Registered Office of the Company from 10.00 A.M. to 1.00 P.M. on any working day up to the date of the meeting.

As it is proposed to issue the Warrants on a preferential basis to persons other than the holders of the equity shares of the Company, entitling the holder to apply for and obtain allotment of one equity share of ₹ 10/- each against such warrant, a special resolution is required to be approved by the members pursuant to the provisions of Section 62(1) (c) of the Companies Act, 2013 and Chapter VII of SEBI ICDR Regulations, 2009. The Listing Agreements executed by the Company with the Stock Exchanges also provide that the Company shall, in the first instance, offer all securities for subscription pro rata to the shareholders unless the shareholders in a general meeting decide otherwise. Your Directors therefore recommend the resolution for your approval.

None of the Directors or key managerial personnel or their relatives is in any way concerned or interested in the above referred Resolution except Shri B.K. Birla, Smt. Sarala Birla and Shri Kumar Mangalam Birla being associated with the Promoter and/or Promoter Group Companies.

By Order of the Board,

For Century Textiles and Industries Ltd.

Place : Mumbai,
Date : 5th May, 2014

D.K. Agrawal
Secretary