

CENTURY Textiles and Industries Limited

REGD. OFFICE : "CENTURY BHAVAN", DR. ANNIE BESANT ROAD, WORLI, MUMBAI-400 030. INDIA.
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E-Mail: centextho@centurytext.com Website: www.centurytextind.com
CIN-L17120MH1897PLC000163

OUR REF. : SH/XII/ 414/ 2017

12.12.2017

1. BSE Limited
Phiroz Jeebhoy Towers
Dalal Street
Mumbai – 400 001
2. National Stock Exchange of India Limited
"Exchange Plaza", 5th floor
Bandra-Kurla Complex
Bandra (East),
Mumbai – 400 051

Fax.91-22-22723121/2037/2039/
2041/ 2061/3719

Fax: 022-26598237/38

Dear Sir,

Re:Disclosure under Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("**Listing Regulations**") on the grant, by the Company to Grasim Industries Limited ("**GIL**"), of the right to manage and operate the Company's viscose filament yarn business

We wish to inform you that the Board of Directors of the Company, at its meeting held today, i.e. 12th December, 2017, has with a view to raise funds to delever and optimize the returns from the Company's VFY Business (*as defined herein below*) and without transferring its underlying immovable and movable assets (other than current assets)), considered and approved entering into an agreement ("**Agreement**") with GIL, pursuant to which GIL would be granted the right and responsibility to manage, operate, use and control the Company's viscose filament yarn business *viz.*, manufacturing and sale of viscose filament yarn (including pot spun yarn and continuous spun yarn), rayon tyre cord and chemicals including caustic soda, sodium sulphide, sulphuric acid, carbon-disulphide, liquid chlorine, hydrochloric acid and compressed hydrogen M3 ("**VFY Business**") for a duration of 15 (fifteen) years and for a commuted royalty of INR 600,00,00,000 (Indian Rupees Six Hundred Crores) to be paid by GIL to the Company ("**Right to Manage and Operate**"). GIL shall also provide the Company INR 200,00,00,000 (Indian Rupees Two Hundred Crores) as an interest-free, refundable, security deposit and pay to the Company consideration for the transfer of the Company's working capital to GIL at actuals.

As a part of the Right to Manage and Operate the VFY Business, the Company shall grant GIL the right to use its manufacturing operations situated at Murbad Road, Shahad – 421 103 Dist. Thane, Maharashtra India, having installed capacity of 25,000 TPA and the underlying lands. The Company shall continue to remain the owner thereof. Post completion of the tenure of the Agreement, the Company shall resume operations of the VFY Business. The risks and rewards, and the profits and losses emanating from the operation of the VFY Business shall be to GIL's account for the duration of the Agreement.

Contd..2/-



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The grant of the Right to Manage and Operate the VFY Business is subject to fulfillment of certain conditions, including approval of lenders. The grant of the Right to Manage and Operate the VFY Business to GIL will enable the Company to reduce its debt obligations and high operating costs.

As a direct consequence of the grant of Right to Manage and Operate the VFY Business to GIL, the Company shall be deemed to have suspended operations of the VFY Business during the subsistence of the Agreement. The date of effectiveness of the proposed suspension is expected to be on or before 12th February, 2018, subject to fulfilment of certain conditions, and in any event not later than 12 (twelve) months from the date of execution of the Agreement. The VFY Business contributed INR 961,71,00,000¹ (Indian Rupees Nine Hundred and Sixty One Crores and Seventy One Lakhs) to the turnover of the Company i.e. 12.17% (twelve point one seven per cent.) of the total turnover of the Company, and INR 309,49,00,000 (Indian Rupees Three Hundred and Nine Crores and Forty Nine Lakhs) to the net worth of the Company during the financial year ended March 31, 2017.

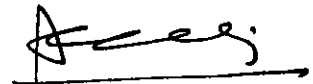
The Company and GIL are not related parties and accordingly, this is not a related party transaction.

The meeting commenced at 5.00 pm and concluded at 5.35 pm.

Please take the above on record and oblige.

Thanking you,

Yours faithfully,
For Century Textiles and Industries Ltd.



Vice President (Legal) &
Company Secretary



¹ The turnover is revenue from operations and is net of excise duty