

CENTURY ENKA LIMITED



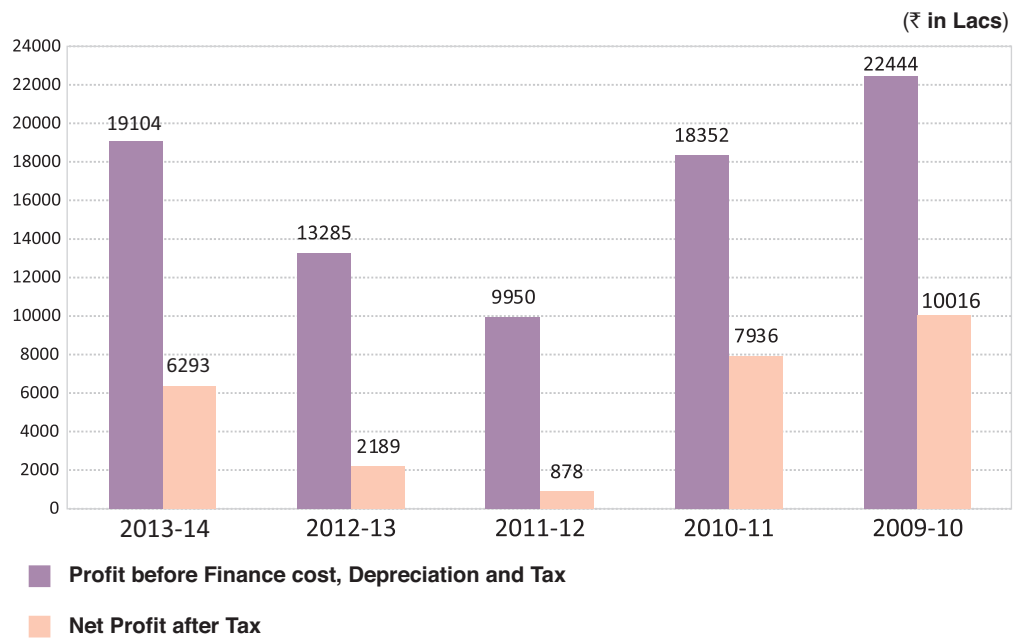
48th Annual Report 2013-2014

QUALITY driven!



Mr. B.K. Birla - Chairman

PROFIT





Forty Eighth Annual Report 2013-14 CENTURY ENKA LIMITED

BOARD OF DIRECTORS

Mr. B. K. Birla (Chairman)
Mrs. Saraladevi Birla
Mr. R. A. Shah
Mr. B. S. Mehta
Mr. S. K. Jain
Mr. G. M. Singhvi (Whole-time Director)

SECRETARY

Mr. C. B. Gagrani

AUDITORS

Messrs. Price Waterhouse

SOLICITORS

Messrs. Crawford Bayley & Co.

BANKERS

Bank of Maharashtra	HDFC Bank
State Bank of India	The Royal Bank of Scotland N.V.
Axis Bank	

HEAD OFFICE

'Bakhtawar', 7th Floor
Nariman Point
Mumbai-400 021.
Tel. No. 022-4321 5300 / 2202 7375
Fax No. 022-4321 5353 / 2287 3952

REGISTERED OFFICE

Century Arcade, 2nd Floor
Narangi Baug Road
Pune - 411 001.
Tel. No. 020-2616 6511
Fax No. 020-2616 6511

KOLKATA OFFICE

Birla Building, 8th Floor
9/1, R. N. Mukherjee Road,
Kolkata-700 001.
Tel. No. 033-2243 6003

FACTORIES

Bhosari, Pune-411 026
Tel. No. 020-66127300 / 27120423
Fax No. 020-27120113

Raigad Processors
(Not in Operation)
Plot No. C-61, Part-A, MIDC Area,
Mahad-402 309, Dist.: Raigad
Tel. No. 02145-232136

Rajashree Polyfil
Rajashree Nagar, Post: Umalla-393120
Dist.: Bharuch
Tel. No. 02640-308555
Fax No. 02640-308510

Konkan Synthetic Fibres
(Not in Operation)
Plot No. C-61, Part-B, MIDC Area
Mahad-402 309, Dist.: Raigad
Tel. No. 02145-232137

SHARE TRANSFER AGENT

LINK INTIME INDIA PRIVATE LIMITED

C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (West), Mumbai-400 078
Tel. No.: 022-2594 6970; Fax No.: 022-2594 6969

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DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH, 2014

Dear Shareholders,

Your Directors present the 48th Annual Report and Audited Statements of Accounts of the Company for the year ended 31st March, 2014.

The overall performance of the Company was quite satisfactory inspite of lower production and sales resulting on account of suspension of Continuous Process Plant (Polyester) at Bharuch site in November 2013 which was incurring financial losses. In addition to this, saving in energy cost, production of high value added products, better product mix and general improvement in operational efficiency also helped in improving the financial results for the year.

FINANCIAL RESULTS

	(₹ / Lacs)	
	This Year	Previous Year
Net Sales / Income from Operations (Less Excise Duty)	146679	155217
Profit before Depreciation, Finance Cost, Exceptional Items and Tax	19324	14788
Add / (Less) :		
Depreciation	(7071)	(7191)
Finance Cost	(2452)	(2946)
Exceptional Items	(220)	(1503)
Taxation (Net)	(3288)	(959)
Net Profit	6293	2189
Add : Balance brought forward from previous year	23346	22921
Profit available for appropriation	29639	25110
Less : Dividend	1311	1311
Tax on Dividend	228	233
General Reserve	630	220
Balance carried forward to next year	27470	23346

DIVIDEND

We recommend a dividend at the rate of 60% (i.e. ₹ 6/- per Equity Share of ₹ 10/- each) for the year ended 31st March, 2014 (Previous year at the rate of 60% i.e. ₹ 6/- per Equity Share of ₹ 10/- each).

COURSE OF BUSINESS AND OUTLOOK

The Management's Discussion and Analysis Report, as required under Corporate Governance, is forming a part of this report and gives a reflection of the current state of business. As indicated in the said report, re-engineering and modification work in making a part of the Continuous Process Plant into Non-continuous Process Plant has been satisfactory. Your Company has been able to produce value added products of different polymers with good quality. In view of this accomplishment, in the current year, your Company is concentrating on enlarged area of restructuring its operations by re-engineering and modification work of the remaining part of Continuous Process Plant. The Management is hopeful of converting the said plant into a better versatile plant capable of producing different

polymers with increased operational efficiency at lower cost.

The commissioning of additional dipping capacity will help the Company to satisfy tyre companies with the increased supply of dipped fabric in place of greige fabric.

EXCISE DEMAND

With reference to the observation of the Statutory Auditors in their report on the order of the Excise Department raising a demand of ₹ 229.27 Crs. alongwith an equal amount of penalty and interest thereon, your Company has been advised by the legal experts that it has a strong case. The Company has filed an Appeal before the Central Excise and Service Tax Appellate Tribunal (CESTAT) Mumbai and expects a favourable outcome and accordingly no provision has been made in the accounts for the year.

EXPANSION AND MODERNISATION

The study of the Consultant on Polyester products particularly Partially Oriented Yarn (POY) and Chips suggests that the existing capacity will continue to remain surplus for another 2-3 years with thin to negative margins. Your Directors will take a cautious approach before committing any new investment in this area. The Company is exploring the possibilities of entry into polyester tyre cord fabric and other polymers used in non-tyre application.

SAFETY AND ENVIRONMENT

The report on Management's Discussion and Analysis includes observations on safety and environment.

Considerable emphasis is given by your Company on conservation and preservation of water, reducing the effluent as well as better management of effluent to keep the surrounding area clean and healthy.

All Plant sites of the Company are environment regulations compliant.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

Particulars in respect of conservation of energy, technology absorption and foreign exchange earnings and outgo, as required by the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 are set out in a separate statement attached hereto and forming part of the report.

CORPORATE GOVERNANCE

Your Company reaffirms its commitment to Corporate Governance and is fully compliant with the conditions of Corporate Governance stipulated in clause 49 of the Listing Agreement with Stock Exchanges. A separate section on compliance with the conditions of Corporate Governance and a Certificate from the firm of practicing Company Secretaries dated 5th May, 2014 in this regard is annexed hereto and forms a part of the Report.



DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirements of Section 217(2AA) of the Companies Act, 1956 and on the basis of explanation and compliance certificate given by the executives of the Company, and subject to disclosures in the Annual Accounts and also on the basis of discussions with the Statutory Auditors of the Company from time to time, we state as under :

- (i) that in the preparation of the annual accounts, the applicable accounting standards had been followed;
- (ii) that the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;
- (iii) that the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- (iv) that the directors had prepared the annual accounts on a going concern basis.

DIRECTORS

Mr. B. K. Birla, who will retire by rotation and being eligible offers himself for re-appointment

Mrs. Saraladevi Birla has been appointed as an Additional Director of the Company w.e.f. 5th May, 2014. Mrs. Saraladevi Birla will hold the office upto the date of ensuing Annual General Meeting. Notices have been received under Section 160 of the Companies Act, 2013 from members of the Company signifying the candidature of Mrs. Saraladevi Birla for the office of Director liable to retire by rotation.

Mr. R. A. Shah, Mr. B. S. Mehta and Mr. S. K. Jain, the Independent Directors of the Company are seeking their appointments under Section 149 of the Companies Act, 2013 for a term of five years upto 31st March, 2019.

ANNEXURE TO THE DIRECTORS' REPORT

(Additional information given in terms of Notification G.S.R. No.1029 of 31.12.1988 issued by the Department of Company affairs)

(A) CONSERVATION OF ENERGY

The Company is engaged in the continuous process of energy conservation through improved operational and maintenance practices:

a) Energy Conservation measures taken :

1. Replacement of winder cooling fans with PVC fans.
2. Utilisation of process heat to generate chilled water through vapor absorption chiller.
3. Relocation of after treatment machines to reduce energy for hall conditioning.

Notices under Section 160 of the Companies Act, 2013 from members of the Company signifying their candidatures for the office of the Directors have been received.

AUDITORS

Messrs. Price Waterhouse, the Auditors of the Company will retire from the office of the Auditors and being eligible offer themselves for re-appointment. Their remuneration for the current year is to be fixed by you.

COST AUDITORS

The Cost Audit Reports for the products Polyester and Nylon for the financial year ended 31st March, 2013 signed by M/s. N.I. Mehta & Co., Cost Auditors were filed within due date with the Ministry of Corporate Affairs.

Your Company has also appointed M/s. N.I. Mehta & Co., Cost Auditors for conducting the cost account records for the products Polyester and Nylon for the financial year ended 31st March, 2014.

PARTICULARS OF EMPLOYEES

Pursuant to the provisions of Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 as amended, the names and other particulars of employees are set out in the Annexure to the Directors' Report. However, as per the provisions of Section 219(1)(b)(iv) of the said Act, the Annual Report excluding the aforesaid information is being sent to all members of the Company. Any member, who is interested in obtaining such particulars about employees may write to the Company Secretary at the Registered Office of the Company.

For and on behalf of the Board of Directors

Place : Mumbai
Date : May 5, 2014

B. S. MEHTA
G. M. SINGHVI
(Directors)

4. Installation of partitions in winding hall and after treatment hall.
5. Replacement of old motors with energy efficient motors.
6. Installation of air drying system on air booster line for FDY spinning machines.
7. Installation of tangling air solenoid valve.
8. Provision of insulation at uninsulated points of steam lines.
9. Replacement of old pumps with energy efficient pumps.
10. Installation of mist condenser in place of steam ejector with vacuum pump system.
11. Use of motorised yarn stripping system in place of compressed air.
12. Combining old and new AHU of loom section.

**b) Additional Investment and Proposals, if any, being implemented / under study for conservation of energy:**

1. Installation of biomass fired boiler.
2. Use of dowtherm heating in place of steam heating for polymer melt.
3. Replacement of LP compressor with oil free screw compressor.
4. Installation of harmonic filter for power boards.
5. Steam economy improvement in IY Poly evaporation unit.
6. Installation of capacitance bank on 11KV bus to improve power factor.

c) Impact of Measures at (a) and (b) above for reduction of energy consumption and on the cost of production of goods :

The above measures have resulted in :

1. Reduction in consumption of electricity and fuel oils with consequent reduction in cost of production.
2. Reduction in steam consumption.
3. Increase use of cleaner / renewable fuel to replace furnace oil.

d) Total energy consumption and energy consumption per unit of production as per prescribed Form - A given hereafter.**(iv) Expenditure on R & D :**

(₹ / Lacs)

	2013-14	2012-13
1. Capital	(See Note Below)	
2. Recurring	324	223
3. Total	324	223
4. Total R & D expenditure as a percentage of total income from operation (Net)	0.22%	0.14%

Note: The Company has spent ₹ 41 Lacs (Previous year ₹ 36 Lacs) and shown as normal Capital Expenditure, although it is also used for R & D activities.

b) Technology Absorption, Adaptation & Innovation**(i) Efforts in brief, made towards technology absorption, adaptation & innovation :**

1. Installation of pilot machine.
2. Installation of mist type combo vacuum condenser for vacuum system for Lactam recovery.
3. Upgradation in draw warper to enhance productivity.
4. Furnace oil based boiler converted to gas based boiler.

(ii) Benefits derived as a result of above efforts :

1. New product developments trials.
2. Improvement in operating performance.

(iii) Future Plan of Action :

1. Upgradation of IY poly DCS system.

(iv) Information regarding imported technology :

[Imported during the last 5 years (from the beginning of the financial year)]

1. Technology Imported : NIL
2. Year of Import : Not applicable
3. Has the technology been fully absorbed : Not applicable

(B) TECHNOLOGY ABSORPTION**Efforts made in Technology absorption as per Form - B****a) Research & Development (R & D)****(i) Specific areas in which R & D is carried out by the company :**

1. Modification in spinning machines for conversion from Polyester to Nylon Yarn.
2. Modifications in spinning machines to improve quality of products.
3. Replacement of catalyst for improvement in polymer quality.
4. Installation of creep speed interlock PLC/SCADA system for spinning machines.
5. Installation of PLC & SCADA for Boilers and N2 plants.
6. Use of recycled waste for polymer trials.

(ii) Benefits derived as a result of the above R & D :

1. Flexibility for product mix.
2. Reduction in operating and maintenance cost.
3. Improvement in quality, customer satisfaction and enlargement of market base.
4. Import substitution.

(iii) Future Plan of Action :

1. Modification in spinning lines for FDY production.
2. Development of speciality products.

(C) FOREIGN EXCHANGE EARNINGS AND OUTGO

1. Activities relating to exports, initiatives taken to increase exports, development of new export markets for products and services and export plans:

Your company has successfully created a market in USA for its 'Green' Polymer chips.

Your company has also successfully developed markets for product of non tyre application in USA and Partially Oriented Yarns in Europe. Your company is making constant efforts to expand to other new markets in Europe, South America and Iran by developing special products.

In the year 2013-14, your company received a 'Certificate of Recognition' as an Export House.

During the year 2013-14, Company's exports increased to ₹ 2644 Lacs as against ₹ 845 Lacs in previous year. The Company has also sold Nylon Textile Yarn to domestic 100% EOU and SEZ units worth ₹ 523 Lacs during the year (previous year ₹ 57 Lacs).

2. Total foreign exchange used and earned is contained in Note 42(c), (d), (e) and (f) to the Financial Statement.



(PURSUANT TO SECTION 217 (1) (e) OF THE COMPANIES ACT, 1956)

FORM - A (SEE RULE 2)

FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY

	Current Year 2013-14	Previous Year 2012-13		Current Year 2013-14	Previous Year 2012-13
A. POWER AND FUEL CONSUMPTION					
POWER			(iii) Purchased		
1. ELECTRICITY			Units (Ton)	73605	66445
(a) Purchased			Total Amount (₹ in Lacs)	1304.35	1186.19
Units (KWH)	148178807	100757194	Cost per unit (₹)	1772	1785
Total Amount (₹ in Lacs)	8239.83	5784.78	4. FURNACE OIL CONSUMPTION (For Steam)		
Rate per Unit (₹)	5.56	5.74	Quantity (Kgs)	2949342	1432538
(b) Own Generation Through Co-Generation Power Plants			Total Amount (₹ in Lacs)	1191.48	594.99
(i) Furnace Oil Based			Rate/Unit (₹)	40.40	41.53
Units (KWH)	4598700	11581104	5. OTHER FUEL (Used for process heating)		
Units per Litre of fuel oil	4.31	4.35	(i) Furnace Oil		
Cost per unit (₹)	9.95	9.65	Quantity (Kgs)	2468721	5228702
(ii) Natural Gas Based			Total Amount (₹ in Lacs)	1027.21	2161.16
Units (KWH)	27044783	73899368	Rate/Unit (₹)	41.61	41.33
Units per SCM of Natural Gas	4.28	4.23	(ii) Natural Gas		
Cost per unit (₹)	8.31	7.41	Quantity (SM3)	2419913	1517070
2. FUEL CONSUMPTION (For Own generation- Electricity)			Total Amount (₹ in Lacs)	1019	506.23
(i) Furnace Oil			Rate/Unit (₹)	42.12	33.37
Quantity (Kgs)	1065790	2661916	(iii) Heat Purchase		
Total Amount (₹ in Lacs)	457.35	1117.68	Units (K.Cal in Lacs)	179471	154571
Rate/Unit (₹)	42.91	41.99	Total Amount (₹ in Lacs)	549.38	475.10
(ii) Natural Gas Consumption			Cost per unit (₹)	306.11	307.37
Quantity (SCM)	6324950	17486095	B. ENERGY CONSUMPTION PER UNIT OF PRODUCTION		
Total Amount (₹ in Lacs)	2248.45	5472.69	PRODUCTS (With Details) UNIT		
Rate/Unit (₹)	35.55	31.30	1. ELECTRICITY (Kwh/Ton of Product)		
3. STEAM			(i) Nylon Yarn	5234	6536
Steam Generation			(ii) Polyester Yarn	1049	969
(i) Own Generation Through Boiler			(iii) Industrial Yarn / Fabric(Including Dipping)	3207	3170
Units (Ton)	35856	18717	2. STEAM (Tons / Ton of Product)		
Units per Ton of fuel	12.16	13.07	(i) Nylon Yarn	8.3	9.1
Cost per unit (₹)	3323	3179	(ii) Polyester Yarn	0.3	0.3
(ii) Own Generation Through Waste Heat recovery from Co-Generation Power Plants			(iii) Industrial Yarn / Fabric(Including Dipping)	2.2	2.2
Units (Ton)	21872	58556			

Note: Figures for previous year have been regrouped wherever necessary.



MANAGEMENT'S DISCUSSION AND ANALYSIS

1. OVERALL REVIEW

The year under review was an eventful year. Among the major things happened during the year; closing down of Mahad site, transfer of part of the plant and machinery from Mahad to other sites of the Company and sale of a major part of the remaining machineries, suspension of Continuous Polymer Operation (Polyester) at Bharuch site in November 2013 which continued till the year end, re-engineering & modification work in Continuous Polyester Plant at Bharuch on large scale by making a part of it as non continuous plant, taking effective steps in implementing the project of doubling the dipping plant capacity, receipt of an order from Central Excise Department raising a demand of ₹ 229.27 Crs. along with equal amount of penalty and interest thereon (Refer Note 31(b) of the Financial Statements) were the important events.

In addition to this, the Company concentrated on energy saving, higher production of dipped tyre cord fabric, change in product mix with an eye on high value added products and prioritising various activities in the plant to improve the overall operational efficiency. The combined outcome of the above events and the initiatives taken by the Management as stated above, the financial performance of the Company improved with a net profit of ₹ 62.93 Crs. for the year 2013-14 as against net profit of ₹ 21.89 Crs. in the previous year.

2. INDUSTRY STRUCTURE, DEVELOPMENT, THREATS, OPPORTUNITIES & OUTLOOK

(a) Industry Status

After global financial crisis of 2008, the Government of India gave stimulus package to the Indian economy through reduced excise duty, additional export incentives and financial support with liberal terms. Synthetic Fibre Industry was one of the major beneficiaries. Indian economy recovered very fast and registered substantial growth. These stimuli coupled with lower crude oil & raw material prices helped the industry to make good profits in 2009-10 & 2010-11. The high cotton prices also stimulated the demand of Synthetic Fibre. Consequently, substantial investments in Synthetic Fibre Industry were committed by the existing as well as new players.

Expansions by existing players and the new plants started getting commissioned in 2011-12 & 2012-13. By this time, the global economy went through a severe recession. The Euro Zone crisis in particular and the slow recovery of developed economies had its impact on exports from China and India. Exports of textiles from China and India to the developed countries were badly hit. New capacities that came up across the value chain of synthetic fibres in both the countries became hugely surplus.

The slowdown of the Indian economy, double digit inflation, falling demand for textiles, zooming imports of Chinese textiles and surplus domestic capacity severely affected the synthetic fiber industry. The situation was further aggravated because of the cut-throat competition

and a very aggressive pricing policy followed by the new players to establish themselves in the market.

Even though the raw material was surplus in the international market, a stable to firm crude oil prices helped maintain raw material prices in a comparative narrow band in the international market. On the other hand, for Indian consumers raw material prices were volatile because of a fluctuating Dollar-Rupee exchange rate.

In a volatile raw material prices scenario, the end-consumers defer procurement decisions and the burden of carrying inventory falls on the supplier industry. These adverse developments changed the market economy and the behaviour. The net result was eroding margins and tremendous pressures on capacity utilisation.

The Government of India has given substantial import duty concessions to Association of South East Asian Nations (ASEAN) countries under the Free Trade Agreement (FTA). Under FTA, Most Favoured Nation (MFN) tariff rates for imports will be Zero on Nylon Tyre Cord Fabric (NTCF) in January 2017.

Anti Dumping Duty on Nylon Tyre Cord Fabric (NTCF) imports from China is valid upto April 2014. The Designated Authority, Ministry of Commerce has accepted the industry application, initiated preliminary investigation against China and extended the earlier dumping duty rates pending final investigation. If the Anti Dumping Duty on China is not extended or the dumping duty rates are reduced, it will be a big threat to the Nylon Tyre Cord Fabric domestic industry.

(b) Company Status

In November 2013, the Continuous Process Plant (Polyester) operation at Bharuch site was stopped for scheduled preventive maintenance. During this period, some modifications were carried out by making a part of the said plant into a non continuous plant, to improve flexibility in product mix and yarn lustre. The trial runs were satisfactory. Encouraged by the result of the trial runs and the market feed-back on the quality of the products, the Company stepped up production in a phased manner. Production of several new value added products and lustres including those which were hitherto produced at Mahad, was undertaken on regular basis. This is helping the Company to recapture the market which was lost due to closure of Mahad site operations. In addition to that, in view of the financial losses in Polyester operation, the Company engaged a reputed firm of management consultants to evaluate business prospects and advise on future course of action. As per the study of the consultants, Polyester POY & Chips capacity will continue to remain surplus for another 2-3 years and margins would be thin to negative due to substantial surplus capacity and lower than anticipated growth in demand. Taking a prudent view, the Company has decided to defer start-up of continuous process plant for another 4-6 months.

The project of doubling the existing capacity of Dipping Plant is expected to be commissioned towards end of



August 2014. With this, the Company would be able to supply about 80% of the total fabric production in the form of dipped fabric. So far as demand of Nylon Tyre Cord Fabric (NTCF) is concerned, it is expected to remain stable in the near future.

Introduction of Value Added Tax (VAT) @5% on NTCF in Maharashtra and increase in Local Body Tax (LBT) @2.4% on all inputs including the main raw material as compared to Octroi rate of 1.55% for Pune plant is affecting profit margin. This has put the Pune site at a great disadvantage vis-à-vis its competitors in other states where they have their presence.

In spite of all threats and concerns, the outlook in near term as well as long term is cautiously positive. India growth story with higher GDP rate is intact. Rising population and lower per capita consumption, strongly back-up high growth rate.

3. RISK MANAGEMENT

During the year, the Company, under its well defined Risk Management Policy gave special attention to the following risk areas:

(a) Technological Business Risk

At present, the Company has about 20 - 22% of total tyre cord capacity on conventional lines involving two step processing. This is cost inefficient. The tyre companies are increasingly demanding dipped fabric made out of single step on spindraw technology. The Company is evaluating feasibility of upgrading this capacity on the basis of latest technology.

(b) Foreign Exchange Risk & Financial Leverage

The Company continued to follow a conservative policy of regularly hedging foreign currency exposure and also followed a very safe debt equity and high interest coverage ratio. In the year 2013-14, the interest coverage including foreign currency hedging cost has improved to 8 times as against 5 times in the Financial Year 2012-13.

(c) Risk involved with Critical Plant Processes

During the year, the Company stopped producing gas and furnace oil based power because of the high prices and started purchasing power from open market and the State Electricity Boards. Consequently, being a Continuous Process Plant, the risk associated with voltage fluctuation, power cuts and breakdowns of the transmission line etc. increased. The Company has identified critical equipment and has provided safeguards by installing battery backups or small size of generating sets to mitigate the risk.

The Board of Directors is apprised of the developments in Risk Management in periodical meetings where the quarterly results are approved.

4. SAFETY, HEALTH AND ENVIRONMENT

The Company, as a matter of policy lays great importance to Safety, Health and Environment and also ensures compliance with applicable legislative requirements.

The Company is increasing the capacity of biomass based steam generation by installing a new biomass fired boiler. This will reduce Furnace Oil consumption and lead to reduction of green house gas emissions and saving in the energy cost.

The Company has a state of art Effluent Treatment Plant (ETP) that ensures zero discharge. The water recycled in the ETP is used for gardening, toilets, etc.

The Company has a well laid out plan for Fire Safety. Fire drills are conducted at regular intervals. In case of any emergency, Company's Fire Tender provides service to nearby localities.

Safety Audits are periodically undertaken through external professional agencies. Gujarat Safety Council has awarded 'Certificate of Honour' for safe working to Bharuch Plant. National Safety Week as well as World Environment Day is regularly celebrated at plant sites to increase awareness on safety matters.

The Company conducts programme for First Aid Training to employees.

5. HUMAN RESOURCE AND INDUSTRIAL RELATIONS

The Company recognises the importance of Human Resource (HR) in achieving its objectives & strategies. Human Resource plays an important part in the success & growth of the Company. To further the cause of participative management and improve operational efficiency, incentive-linked suggestion scheme was given renewed thrust. The response was quite encouraging. The Company felicitates the winning workmen & staff on special occasions.

The Company gives priority in honing and utilising their skills through various training programmes and practical guidance on the shop floor. With the closing down of factories at Mahad, suspending Continuous Process Plant (Polyester) at Bharuch site and in re-engineering and modification work of machines at Bharuch, several steps have been taken to optimise Human Resource.

The workers 3 years wage agreement of Pune site has expired on 30th April 2014. The management has received a charter of demand from the workmen's union and has started negotiations with the union. The industrial relations at both Pune and Bharuch sites are cordial.

The strength of permanent employees was 1472 Nos. on 31st March, 2014 as against 1496 Nos. as on 31st March, 2013.

6. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Management Information System (MIS) is the backbone of the internal control mechanism through which all operating parameters are monitored and controlled regularly. Systems & procedures are reviewed periodically and thereby management ensures that all assets of the Company are safeguarded against losses and that all transactions are properly accounted for and meet with legal compliance.



The Company has engaged two professional firms of Chartered Accountants to conduct internal audit as required under law. These internal auditors also review the control procedures adopted by the Company and suggest improvements. Their observations and suggestions are thoroughly examined by the management. The Auditors have expressed their satisfaction that the internal control systems and procedures are adequate and commensurate with the size and the nature of business of the Company.

The Audit Committee of Directors takes keen interest in the presentations made by the auditors and gives their suggestions for improvement. This further enhances the level and the quality of control systems within the organisation.

7. INFORMATION TECHNOLOGY(IT)

The Company continues to leverage Information Technology (IT) as a key enabler of its strategy, business growth and competitiveness. The Company wide Enterprise Resource Planning (ERP) platform, the backbone of IT, encompasses all core business processes of the Company. ERP on 'cloud' is used to collaborate with the suppliers and customers.

The Company strengthened the usage of IT in manufacturing, supply chain, quality processes, cost analysis and treasury functions to improve the effectiveness of its IT services.

The Company is focussing on upgrading the present ERP system to leverage the latest functionality and technology enhancements to deliver business efficiencies.

A Disaster Recovery Plan has been put in place for the Company's IT systems to prevent disruptions and minimise losses. IT security, software integrity and adequate data protection is given high priority and regularly monitored.

8. DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

Highlights

(₹ / Lacs)

	2013-14	2012-13
Net Sales / Income from Operations	146679	155217
Profit Before Depreciation, Financial Cost, Exceptional Items and Tax	19324	14788
Depreciation	(7071)	(7191)
Finance Cost	(2452)	(2946)
Exceptional Items	(220)	(1503)
Taxation (Net)	(3288)	(959)
Net Profit After Tax	6293	2189
Earnings Per Share (in ₹)	28.80	10.02
Cash Earnings Per Share (in ₹)	61.16	42.93

Sales:

Due to suspension of Continuous Process Plant (Polyester) at Bharuch site, the sales volume was down by 22% whereas the reflection of the same in net sales was only 6%. The fall in volume was compensated by change in the ratio of value added products. In addition to this, sale of dipped Nylon Tyrecord Fabric was higher than the previous year.

Profit before depreciation, finance cost, exceptional items and tax (PBDFT):

PBDFT was higher as compared to last year because of the proactive steps taken by the Company namely, closing down of Mahad site, stoppage of non-profitable operations at Bharuch, production of high value added products, better product mix, reduction in energy cost and general improvement in operational efficiency etc.

9. CORPORATE SOCIAL RESPONSIBILITY

During the year, the Company organised medical camps including camps for Orphanage Home Children and eye check-up in the neighbouring villages and distributed medicines, study books, stationery items etc. in several areas and schools. Safety Training workshops are organised for employees of other factories located in the vicinity.

The Ministry of Corporate Affairs has recently issued a set of rules on Corporate Social Responsibility, which has been made mandatory with effect from 01.04.2014.

The Company is in the process of prioritising its activities and will draw appropriate action plan in the current year.

10. CAUTIONARY STATEMENT

The report contains forward looking statements describing expectations, estimates, plans or words with similar meaning. The Company's actual results may differ from those projected, important factors that could make the difference to the Company operations include prices of raw material, energy and finished goods, changes in government regulations, economic developments globally and within india and labour negotiations. The Company cannot guarantee that the assumptions and estimates in the 'forward looking statements' are accurate or will be realized.



CORPORATE GOVERNANCE REPORT

Company's Philosophy on Corporate Governance

Good Governance is an integral part of the Company's business practices based on the philosophy of Trusteeship. The core value of the Company's business practices are derived from the four pillars of Trusteeship, i.e. **transparency**, adequate **disclosure**, **fairness** to all and **independent monitoring and supervision**. The strong internal control systems and procedures, risk assessment and mitigation procedures and code of conduct for observance by the Company's directors and employees are conducive in achieving good Corporate Governance practices in the Company.

A detailed disclosures on the Board of Directors, Shareholders and Stock Performance are given herebelow :

1. Board of Directors

The Board currently comprises of five Directors out of which four Directors are Non-Executive Directors and one Director is Whole-time Director who is responsible for the day-to-day management of the Company subject to the supervision, direction and control of the Board of Directors. The Company has a Non-Executive Chairman and out of four Non-Executive Directors, three are Independent Directors comprises more than half the total strength of the Board. The non-executive directors are eminent and experienced persons in their respective fields of industry, finance and law.

Directorship held by Directors of Century Enka Limited :

Name of the Director	Executive/Non-Executive / Independent/ Promoter	No. of shares held in the Company	No. of outside Directorship in Public Limited Companies *	Membership held in Committee of Directors #	Chairmanship held in Committee of Directors #
Mr. B. K. Birla	Non-Executive and Promoter	22,360	4	-	-
Mr. R. A. Shah	Non-Executive and Independent	250	13	8	4
Mr. B. S. Mehta	Non-Executive and Independent	8,540	13	9	4
Mr. S. K. Jain	Non-Executive and Independent	125	-	-	-
Mr. G. M. Singhvi	Executive - Whole-time Director	-	-	-	-

* This excludes directorship held in Private Companies, Foreign Companies, Companies formed under section 25 of the Companies Act, 1956, directorship held as an alternate director and in Century Enka Limited.

Membership/Chairmanship in Committee of Directors include Audit Committee and Shareholders/ Investors Grievance Committee of Directors only. This does not include Membership/Chairmanship in Committee of Directors of Century Enka Limited.

2. Number of Board Meetings and Attendance Record of Directors

The Board meets at least once in a quarter to consider amongst other business the performance of the Company and financial results. The particulars of Board Meetings held during 2013-14 as well as attendance of Directors at the Board Meetings and the last AGM are given herebelow :

Details of Board Meetings :

Number of Board Meetings held during 2013-14 : 6			
Sr.No.	Date of Board Meeting	Sr.No.	Date of Board Meeting
1	15.05.2013	4	16.09.2013
2	13.07.2013	5	31.10.2013
3	24.07.2013	6	29.01.2014

Attendance Record of Directors :

Name of the Director	Number of Board Meetings held	Number of Board Meetings Attended	Whether attended last AGM held on 13.07.2013
Mr. B. K. Birla	6	4	No
Mr. R. A. Shah	6	6	Yes
Mr. B. S. Mehta	6	6	Yes
Mr. S. K. Jain	6	5	Yes
Mr. G. M. Singhvi	6	6	Yes



3. Directors' Remuneration

(i) Non-Executive Directors:

The Directors of the Company excluding Whole-time Director have been paid sitting fee for attending meetings of the Board of Directors and Committees of Directors. The sitting fee for attending the meeting of the Board of Directors has been paid to each Director at the rate of ₹ 10,000/- per meeting. The sitting fee for attending meetings of Audit Committee of Directors and Remuneration Committee of Directors has been paid to each Director at the rate of ₹ 5,000/- per meeting and for attending the meeting of Shareholders/Investors Grievance Committee of Directors and Share Transfer Committee of Directors has been paid at the rate of ₹ 2,500/- per meeting to each Director. Besides sitting fee, commission of ₹ 5 lacs will be paid to each Director except Whole-time Director for the financial year 2013-14. Criteria for payment of commission is based on the period. Payment of commission to directors is pursuant to a special resolution passed by shareholders in the Annual General Meeting held on 13th July, 2013. It is not a policy of the Company to give loans and advances to its directors.

(ii) Whole-time Director:

Remuneration of Mr. G. M. Singhvi, Whole-time Director for the financial year 2013-14 comprises of Salary and Allowances ₹ 109.50 lacs, Perquisites ₹ 6.58 lacs and Contribution to Provident Fund ₹ 4.43 lacs & Superannuation Fund ₹ 5.54 lacs. Monetary value of perquisites is calculated in accordance with existing provisions of the Income Tax Act. The above remuneration is exclusive of Contribution to approved Gratuity Fund which are based on actuarial valuation done on an overall company basis. The employment is on contractual basis and subject to termination by either party giving to other party three months notice.

4. Directors' Interest in the Company

Sometime, the Company do enter into contracts with companies in which some of the Directors of the Company are interested as director or member. However, these contracts are in the ordinary course of the Company's business without giving any specific weightage to them. Directors regularly make full disclosures to the Board of Directors regarding the nature of their interest in the companies in which they are directors or members. Full particulars of contracts entered with companies in which directors are directly or indirectly concerned or interested are entered in the Register of Contracts maintained under Section 301 of the Companies Act, 1956 and the same is placed in every Board Meeting for the noting of the Directors.

The Company does engage M/s. Crawford Bayley & Co., firm of Solicitors in which Mr. R. A. Shah is a Partner. The services provided by the firm are purely of professional nature. The professional fees paid during the year to M/s.Crawford Bayley & Co. is not considered material enough to affect the independence of Mr. R. A. Shah.

The parties listed in Note No.41 to the financial statements are not related parties as per the requirements of Accounting Standard AS-18. However, as a matter of abundant caution, they are being included for making the financial statements more transparent.

5. Audit Committee

The Board of Directors has constituted an Audit Committee of Directors to exercise powers and discharge functions as stipulated in Section 292A of the Companies Act, 1956, Clause 49 of the Listing Agreement with Stock Exchanges and other relevant statutory / regulatory provisions. The Committee, in addition to other business reviews the quarterly (unaudited) financial results, annual accounts and cost audit reports before submitting to the Board of Directors. During the year 2013-14, the committee met five times (i.e. on 15.05.2013, 24.07.2013, 16.09.2013, 31.10.2013 and 29.01.2014). The Audit Committee consists of three independent Directors and the attendance of each Committee member is as under:

Name of Committee Member	No. of meetings held	No. of meetings attended
Mr. S. K. Jain (Chairman) Non-Executive and Independent Director	5	4
Mr. R. A. Shah (Member) Non-Executive and Independent Director	5	5
Mr. B. S. Mehta (Member) Non-Executive and Independent Director	5	5

Mr. B. S. Mehta is a Chartered Accountant by profession. The Company Secretary of the Company acts as the Secretary to the Committee.

Besides the Committee members, Whole-time Director, President, Executive President (Pune Plant), and partners/other representatives of the firms of Statutory Auditors, Cost Auditors and Internal Auditors were also present at the meetings to answer the queries raised by the Committee members.



6. Shareholders / Investors Grievance Committee

A Shareholders / Investors Grievance Committee has been constituted by the Board of Directors to monitor the redressal of the shareholders / investors grievances. The Committee consists of two Directors and the attendance of each committee member is as under:

Name of the Committee Member	No. of meetings held	No. of meetings attended
Mr. S. K. Jain (Chairman) Non-Executive and Independent Director	2	2
Mr. G. M. Singhvi (Member) Executive and Non-Independent Director	2	2

The Committee reviews the status of complaints received from shareholders / investors and redressal thereof. A status report of shareholders complaints and redressal thereof is prepared and placed before the Shareholders / Investors Grievance Committee. The shareholders/investors can send shares/debentures related complaints, if any, to the e-mail investor@centuryenka.com designated exclusively for the purpose.

7. Share Transfer Committee of Directors

A Share Transfer Committee of Directors has been constituted by the Board. The Board has delegated the power of share transfer to officers of the Company. The delegated authorities attend to share transfer formalities at least thrice in a month. Transfer of shares are processed and registered within the stipulated time, provided all the documents are valid and complete in all respect. The Board of Directors has appointed the Company Secretary as Compliance Officer of the Company to monitor the share transfer process. Share transfers approved by the delegated authorities are placed before Share Transfer Committee for review and at the Board Meeting. As on 31.03.2014, no shares were pending for transfer for more than 15 days.

The Committee consists of two Directors and the attendance of each Committee member is as under:

Name of the Committee Members	No. of meetings held	No. of meetings attended
Mr. B. S. Mehta - (Chairman) Non-Executive and Independent Director	4	4
Mr. R. A. Shah (Member) Non-Executive and Independent Director	4	4

The Company has appointed M/s Link Intime India Pvt. Ltd. as its Registrar and Share Transfer Agent for both physical and demat segment of equity shares.

8. Remuneration Committee

A Remuneration Committee of Directors has been constituted for approving from time to time the remuneration payable to Whole-time Director and to discharge such functions as may be specified under the law or by the Board of Directors. The Remuneration Committee consists of three Independent Directors and the attendance of each Committee member is as under:

Name of Committee Member	No. of meetings held	No. of meetings attended
Mr. R. A. Shah (Chairman) Non-Executive and Independent Director	1	1
Mr. B. S. Mehta (Member) Non-Executive and Independent Director	1	1
Mr. S. K. Jain (Member) Non-Executive and Independent Director	1	1

9. General Body Meeting

i) Information about last three Annual General Meetings:

Year	Date	Time	Location
2011	01.07.2011	11:30 AM	Pudumjee Hall, Mahratta Chamber of Commerce, Industries and Agriculture, Tilak Road, Pune-411002.
2012	02.07.2012	12:30 PM	Pudumjee Hall, Mahratta Chamber of Commerce, Industries and Agriculture, Tilak Road, Pune-411002.
2013	13.07.2013	12:30 PM	Pudumjee Hall, Mahratta Chamber of Commerce, Industries and Agriculture, Tilak Road, Pune-411002.

- ii) There was no special resolution passed in the 45th Annual General Meeting held on 01.07.2011.
- iii) In the 46th Annual General Meeting held on 02.07.2012, one special resolution was passed for approval of payment of remuneration to Mr. G. M. Singhvi, Whole-time Director for the financial year 2011-12.
- iv) In the 47th Annual General Meeting held on 13.07.2013 following two special resolutions were passed :
- payment of commission to directors other than the Directors in the whole-time employment of the Company in respect of each of the five financial years commencing from the 1st April, 2013.
 - re-appointment of Mr. G. M. Singhvi as Whole-time Director for a period of 3 (three) years with effect from 16.05.2013.



- v) There was no special resolution passed in the financial year 2013-14 by postal ballot. As of date there is no proposal to pass any resolution by postal ballot.

10. Any Non-compliance, Penalties or Strictures Imposed

There has been no non-compliance by the Company nor were any penalties or strictures imposed on the Company by the Stock Exchange, SEBI or any other statutory authority on any matter related to capital market in the last three years.

11. Means of Communication

The unaudited financial results of the Company for each quarter is placed before the Board of Directors within stipulated time. The quarterly financial results of the Company are published in Business Standard (all edition) & Loksatta (Pune edition).

Financial results and other useful information on the Company are also available on the Company's website www.centuryenka.com.

The Company has not made any presentation to institutional investors or analysts.

12. Management's Discussion and Analysis Report forms a part of the Annual Report

13. Shareholders Information

Annual General Meeting

Day and Date : Saturday, the 13th September, 2014 Time : 12.30 P.M.

Venue : Pudumjee Hall, Mahratta Chamber of Commerce, Industries and Agriculture, Tilak Road, Pune-411 002.

Financial Calendar

Financial reporting for the quarter ending 30th June, 2014	:	On or before 14th August, 2014
Financial reporting for the quarter ending 30th September, 2014	:	On or before 14th November, 2014
Financial reporting for the quarter ending 31st December, 2014	:	On or before 14th February, 2015
Financial reporting for the quarter ending 31st March, 2015	:	On or before 30th May, 2015

Book Closure : The Register of Members and Share Transfer Register will remain closed from Tuesday, the 2nd September, 2014 to Tuesday, the 9th September, 2014 (both days inclusive) for the purpose of payment of dividend.

Dividend Payment Date : On or after 17th September, 2014

Registered Office : Century Arcade, 2nd Floor Narangi Baug Road, Pune - 411 001.
Tel. No. (020) 2616 6511 Fax No. (020) 2616 6511
E-mail : investor@centuryenka.com

Company's Website : www.centuryenka.com

Registrar & Transfer Agents : Link Intime India Private Limited
C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (West),
Mumbai - 400 078.
Tel. : 022-25946970 Fax : 022-25946969
E-mail : rnt.helpdesk@linkintime.co.in

Listing at Stock Exchanges : The Company's Equity Shares are listed at the following Stock Exchanges :
i) The Bombay Stock Exchange Ltd., Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400001.
ii) The National Stock Exchange of India Ltd., "Exchange Plaza", Bandra-Kurla Complex, Bandra (East), Mumbai - 400051.
The Annual Listing fees for the year 2014-15 have been paid.

Stock Code : Bombay Stock Exchange : 500280
National Stock Exchange : CENTENKA

ISIN allotted to Equity Shares : INE485A01015



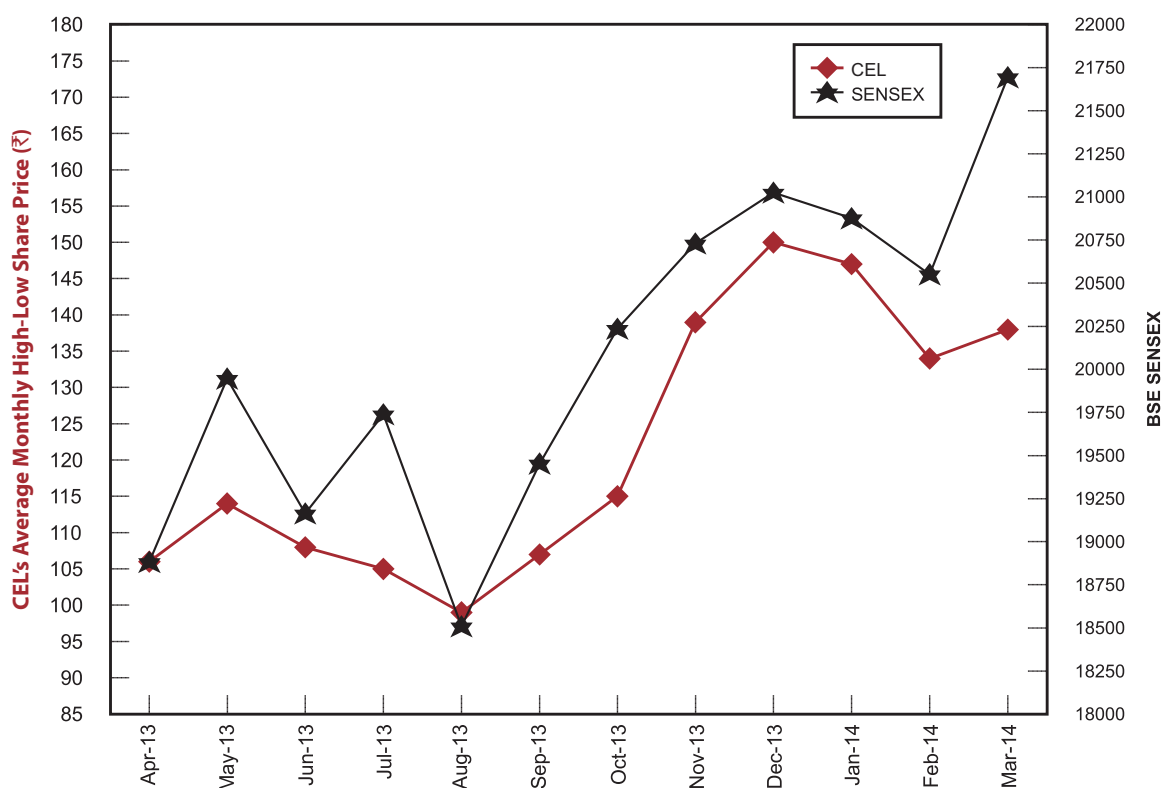
Stock Market Data

Monthly high and low prices of equity shares of the Company quoted at Bombay Stock Exchange and National Stock Exchange during the year 2013-14 : (Amount in ₹)*

Month	Bombay Stock Exchange		National Stock Exchange	
	High	Low	High	Low
April,2013	113	99	113	99
May	119	110	123	107
June	114	101	116	101
July	112	98	112	98
August	106	92	106	92
September	115	98	115	99
October	126	105	126	105
November	152	126	152	126
December	164	137	164	137
January,2014	162	131	163	132
February	139	130	139	130
March	145	132	145	132

(*) Rounded-off to nearest Rupee

Stock Performance Index :



Status of Shareholders'/Investors' Complaints for the period 01.04.2013 to 31.03.2014

Nature of complaint	No. of complaints received	No. of complaints resolved	No. of pending complaints
Redemption of Debentures	1	1	-
Exchange of Share Certificates	5	5	-
Dividend	1	1	-
Other	4	4	-
Total	11	11	-

**Distribution of Shareholding as on 31st March, 2014**

No. of equity shares held	No. of shareholders	% of shareholders	No. of shares held	% of shareholding
1 to 10	14126	28.66	82654	0.38
11 to 50	18686	37.91	545254	2.50
51 to 100	5861	11.89	524688	2.40
101 to 500	7700	15.62	1891211	8.65
501 to 1000	1476	2.99	1137494	5.21
1001 to 5000	1151	2.34	2518318	11.52
5001 and above	293	0.59	15150970	69.34
Total	49293	100.00	21850589	100.00

Categories of Shareholding as on 31st March, 2014

Category	No. of shareholders	% of shareholders	No. of shares held	% of shareholding
Individuals	47678	96.72	10047541	45.98
Bodies Corporate	1139	2.31	8168958	37.39
Non Resident Bodies Corporate	3	0.01	1150000	5.26
FII's	23	0.05	209357	0.96
NRI's/OCBs	354	0.72	540288	2.47
Mutual Funds	37	0.07	8902	0.04
Bank, Financial Institutions & Insurance Companies	59	0.12	1725543	7.90
Total	49293	100.00	21850589	100.00
Promoters	15	0.03	6858728	31.39
Non-Promoters	49278	99.97	14991861	68.61
Total	49293	100.00	21850589	100.00

Dematerialiation of Shares & Liquidity

: 89.73% of Equity Shares have been dematerialised as on 31st March, 2014.
Trading in shares of Century Enka Limited is available in dematerialized form.

Outstanding GDRs/ADRs/Warrants or any convertible instruments

: The Company has not issued any GDRs/ADRs/Warrants/Convertible Instruments.

Plant Location

: Pune, Rajashree Nagar (Bharuch) and Mahad (Not in operation)

Investor Correspondence

: Link Intime India Pvt. Limited (Unit : Century Enka Limited)
C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (West), Mumbai - 400 078.
Tel. : 022-25946970 Fax : 022-25946969
E-mail : rnt.helpdesk@linkintime.co.in

14. Code of Conduct

The Company has always encouraged and supported ethical business practices in personal and corporate behaviour by its directors and employees. The Company has framed a specific Code of Conduct for the members of the Board of Directors and Senior Management personnel of the Company. In addition to that a special Code of Conduct for dealing in equity shares and other listed securities of the Company is also in place.

15. Non Mandatory Requirements**i) The Board**

At present, there is no separate office in the Company for use of Chairman.

There is no policy in the Company for determining the tenure of independent directors.

ii) Shareholders Rights

Half yearly financial results including summary of the significant events are presently not being sent to shareholders of the Company.

iii) Audit qualifications

There is no audit qualification. Every endeavour is made to make the financial statements without qualification.

iv) Training of Board Members

Considering the nature and risk profile of the business of the Company vis-a-vis professional standing/business experience of the board members, they are eminently competent to discharge their duties.

v) Mechanism for evaluating non-executive Board Members

There is no policy framed for evaluation of non-executive Directors.

vi) Whistle Blower Policy:

The Board approved the Policy in its meeting held on 5th May, 2014.



COMPANY SECRETARIES' CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE UNDER CLAUSE 49 OF THE LISTING AGREEMENTS

To,
The Members of Century Enka Limited

We have examined the compliance of conditions of Corporate Governance by Century Enka Limited, for the year ended on 31st March, 2014, as stipulated in Clause 49 of the Listing Agreement of the said Company with relevant Stock Exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to a review of the procedures and implementation thereof, adopted by the Company for ensuring the compliance with the conditions of the Corporate Governance as stipulated in the said clause. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the Listing Agreement with relevant Stock Exchanges.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For SANJAY SANGANI & CO.
Company Secretaries
SANJAY H. SANGANI
Proprietor
Membership No.: FCS 4090

Place : Mumbai
Date : May 05, 2014

DECLARATION ON COMPLIANCE OF THE COMPANY'S CODE OF CONDUCT

All the members of the Board and Senior Management Personnel of the Company have affirmed due observance of the Code of Conduct, framed pursuant to Clause 49 of the Listing Agreement with Stock Exchanges, in so far as it is applicable to them and there is no non-compliance thereof during the year ended 31st March, 2014.

Place : Mumbai
Date : May 05, 2014

G.M. SINGHVI
Whole-time Director

Important Communication

Pursuant to Section 101 of the Companies Act, 2013 read with Rule 18(3)(i) of the Companies (Management & Administration) Rules, 2014 and Rule 11 of the Companies (Accounts) Rules, 2014 and "Green initiative in Corporate Governance" of the Ministry of Corporate Affairs, the Company is requesting for a positive consent from its members who hold shares in physical form or in dematerialized form, to receive Notices of General Meeting / Postal Ballot / Annual Report(s) and other shareholders communication(s) by electronic mode. This will enable the shareholders to receive such Notice(s) / Annual Report(s) / Document(s) / Communication(s) etc., promptly and without loss in postal transit.

Once we receive your positive consent, henceforth, Notice(s) of General Meetings / Postal Ballot / Annual Report(s) / Document(s) and other shareholders communication(s) will be sent electronically to your email address.

As and when there is change in your e-mail address, you are requested to update the same with the Company's Registrar M/s. Link Intime India Private Limited at rnt.helpdesk@linkintime.co.in or the Company at investor@centuryenka.com mentioning your name(s) and folio number.



BRIEF RESUME OF PERSONS PROPOSED TO BE APPOINTED/RE-APPOINTED AS DIRECTORS OF THE COMPANY AT THE ANNUAL GENERAL MEETING

Name	Mr. B. K. Birla	Mrs. Saraladevi Birla	Mr. S. K. Jain
Age	93 Years	90 Years	64 Years
Nature of expertise	Industrialist	Industrialist	Advocate
Name of the companies in which also holds directorship	1. Century Textiles & Industries Limited 2. Jay Shree Tea & Industries Limited 3. Kesoram Industries Limited 4. Pilani Investment & Industries Limited	1. Zenith Distributors & Agents Limited	—
Name of the companies in the committees of which also holds membership/ chairmanship	—	—	—
Other activities	Associated with charitable trusts & educational institutions.	Associated with various Educational and Cultural Institutions and Charitable Trusts.	Associated with educational institution.
No. of shares held in the Company	22,360	49,000	125

Name	Mr. R. A. Shah	Mr. B. S. Mehta
Age	82 Years	78 Years
Nature of expertise	Solicitor & Advocate	Chartered Accountant
Name of the companies in which also holds directorship	1. Abbott India Limited 2. Asian Paints Limited 3. Atul Limited 4. BASF India Limited 5. Clariant Chemicals (India) Limited 6. Colgate-Palmolive (India) Limited 7. Deepak Fertilisers and Petrochemicals Corporation Limited 8. Godfrey Phillips India Limited 9. Lupin Limited * 10. Modicare Limited 11. Pfizer Limited 12. Procter & Gamble Hygiene and Health Care Limited * 13. RPG Life Sciences Limited * 14. Schrader Duncan Limited 15. The Bombay Dyeing & Mfg. Co. Limited 16. Wockhardt Limited * 17. Uhde India Pvt. Ltd. 18. Jumbo World Holdings Limited (Foreign Company) 19. Bombay Chamber of Commerce & Industry 20. Indo German Chamber of Commerce 21. Society of Indian Law Firm * Alternate Director	1. Atul Limited 2. Bharat Bijlee Limited 3. Ceat Limited 4. Gillette India Limited 5. Housing Development Finance Corporation Limited 6. IL&FS Investment Managers Limited 7. J.B. Chemicals & Pharmaceuticals Limited 8. NSDL e-Governance Infrastructure Limited 9. Pidilite Industries Limited 10. Procter & Gamble Hygiene and Health Care Limited 11. Sasken Communication Technologies Limited 12. SBI Capital Markets Limited 13. Sudarshan Chemical Industries Limited * 14. Uhde India Pvt. Limited 15. Jumbo World Holdings Limited (BVI) (Foreign Company) * Alternate Director
Name of the companies in the committees of which also holds membership/ chairmanship	1. Abbott India Limited 2. BASF India Limited 3. Clariant Chemicals (India) Limited 4. Colgate-Palmolive (India) Limited 5. Pfizer Limited 6. Procter & Gamble Hygiene and Health Care Limited 7. The Bombay Dyeing & Mfg. Co. Limited 8. Wockhardt Limited	1. Atul Limited 2. Gillette India Limited 3. Housing Development Finance Corporation Limited 4. IL&FS Investment Managers Limited 5. Pidilite Industries Limited 6. Procter & Gamble Hygiene and Health Care Limited 7. Sasken Communication Technologies Limited 8. Sudarshan Chemical Industries Limited 9. NSDL e-Governance Infrastructure Limited
Other activities	—	—
No. of shares held in the Company	250	8540



INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CENTURY ENKA LIMITED

Report on the Financial Statements

1. We have audited the accompanying financial statements of Century Enka Limited (the "Company"), which comprise the Balance Sheet as at March 31, 2014, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information, which we have signed under reference to this report.

Management's Responsibility for the Financial Statements

2. The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards notified under the Companies Act, 1956 of India (the "Act") read with the General Circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

3. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence, about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Management, as well as evaluating the overall presentation of the financial statements.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

6. In our opinion, and to the best of our information and according to the explanations given to us, the accompanying financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
 - (b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and

- (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Emphasis of Matter

7. We draw your attention to Note 31(b) to the financial statements regarding the Company's appeal pending before CESTAT, Mumbai against the excise duty demand aggregating ₹ 22,927 lacs plus interest thereon and penalty of ₹ 22,927 lacs. Based on expert legal advice and merits of the case, no provision has been considered necessary by the Company. The final determination and cash outflow, if any, would depend upon the final decision of the appropriate authorities in the future. Our opinion is not qualified in respect of this matter.

Report on Other Legal and Regulatory Requirements

8. As required by 'the Companies (Auditor's Report) Order, 2003', as amended by 'the Companies (Auditor's Report) (Amendment) Order, 2004', issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act (hereinafter referred to as the "Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
9. As required by section 227(3) of the Act, we report that:
 - (a) We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - (c) The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this report comply with the Accounting Standards notified under the Companies Act, 1956 read with the General Circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013;
 - (e) On the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Act.

For Price Waterhouse
Firm Registration Number: 301112E
Chartered Accountants

Jeetendra Mirchandani
Partner
Membership Number 48125

Mumbai
May 5, 2014

**ANNEXURE TO INDEPENDENT AUDITORS' REPORT**

Referred to in paragraph 8 of the Independent Auditors' Report of even date to the members of Century Enka Limited on the financial statements as of and for the year ended March 31, 2014

- i. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets.
- (b) The fixed assets of the Company have been physically verified by the Management during the year and no material discrepancies have been noticed on such verification. In our opinion, the frequency of verification is reasonable.
- (c) In our opinion, and according to the information and explanations given to us, a substantial part of fixed assets has not been disposed off by the Company during the year.
- ii. (a) The inventory excluding stocks with third parties has been physically verified by the Management during the year. In respect of inventory lying with third parties, these have substantially been confirmed by them. In our opinion, the frequency of verification is reasonable.
- (b) In our opinion, the procedures of physical verification of inventory followed by the Management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) On the basis of our examination of the inventory records, in our opinion, the Company is maintaining proper records of inventory. The discrepancies noticed on physical verification of inventory as compared to book records were not material.
- iii. The Company has not granted/taken any loans, secured or unsecured, to/from companies, firms or other parties covered in the register maintained under Section 301 of the Act. Therefore, the provisions of Clause 4(iii) (b), (c), (d), (f) and (g) of the said Order are not applicable to the Company.
- iv. In our opinion, and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods. Further, on the basis of our examination of the books and records of the Company, and according to the information and explanations given to us, we have neither come across, nor have been informed of, any continuing failure to correct major weaknesses in the aforesaid internal control system.
- v. (a) According to the information and explanations given

to us, we are of the opinion that the particulars of all contracts or arrangements that need to be entered into the register maintained under section 301 of the Companies Act, 1956 have been so entered.

- (b) In our opinion, and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements and exceeding the value of Rupees Five Lakhs in respect of any party during the year have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- vi. In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of Sections 58A and 58AA or any other relevant provisions of the Act and the 'Companies (Acceptance of Deposits) Rules, 1975' with regard to the deposits accepted from the public. According to the information and explanations given to us, no order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal on the Company in respect of the aforesaid deposits.
- vii. In our opinion, the Company has an internal audit system commensurate with its size and the nature of its business.
- viii. We have broadly reviewed the books of account maintained by the Company in respect of products where, pursuant to the rules made by the Central Government of India, the maintenance of cost records has been prescribed under clause (d) of sub-section (1) of Section 209 of the Act, and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
- ix. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is regular in depositing the undisputed statutory dues, including provident fund, investor education and protection fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, customs duty, excise duty and other material statutory dues, as applicable, with the appropriate authorities.
- (b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of wealth-tax which have not been deposited on account of any dispute. The particulars of dues of income tax, sales tax, service tax, customs duty and excise duty as at March 31, 2014 which have not been deposited on account of a dispute, are as follows:

Name of the statute	Nature of dues	Amount (₹ lacs)	Amount paid under protest (₹ lacs)	Period to which the amount relates	Forum where the dispute is pending
The Income-tax Act, 1961	Income-tax, including interest and penalty, as applicable	108	-	AY 2002-03	Calcutta High Court
		118	-	AY 2004-05	
		454	454	AY 2008-09	Income-tax Appellate Tribunal
The Central Excise Act, 1944	Excise Duty, including interest and penalty as applicable	20	-	2000-01 and 2001-02	Customs, Excise and Service Tax Appellate Tribunal
		66	66	1993-94	
		248	-	2007-08 to 2010-11	Commissioner of Customs and Central Excise



Name of the statute	Nature of dues	Amount (₹ lacs)	Amount paid under protest (₹ lacs)	Period to which the amount relates	Forum where the dispute is pending
The Central Excise Act, 1944	Excise Duty (See Note 1 below)	22,927	-	April 2000 to March 2003	Customs, Excise and Service Tax Appellate Tribunal
	Penalty	22,927	-		
Finance Act, 1994	Penalty on Service-tax dues	7	-	January 2008 to November 2012	Commissioner of Customs and Central Excise (Appeals)
The Customs Act, 1962	Customs Duty including interest and penalty, as applicable	199	68	1994-95, 2001-02 and 2006-07	Customs, Excise, and Service Tax Appellate Tribunal
The Gujarat Sales-tax Act, 1969	Sales-tax including interest and penalty, as applicable	361	-	2000-01	The Supreme Court of India
		74	-	2000-01	Joint Commissioner of Commercial Tax
		207	78	2000-01	Joint Commissioner of Commercial Tax
The Gujarat Value Added Tax Act, 2006	Sales-tax	24	-	2007-08	Commissioner of Commercial Taxes
The Maharashtra Value Added Tax Act	Value Added Tax	32	-	2008-09	Commissioner of Sales-tax
		14	-	2012-13	

Note 1 - This does not include interest claimed by the Central excise authorities.

- x. The Company has no accumulated losses as at the end of the financial year and it has not incurred any cash losses in the financial year ended on that date or in the immediately preceding financial year.
- xi. According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of dues to any financial institution or bank or debenture holders as at the balance sheet date.
- xii. The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities. Therefore, the provisions of Clause 4(xii) of the Order are not applicable to the Company.
- xiii. As the provisions of any special statute applicable to chit fund/ nidhi/ mutual benefit fund/ societies are not applicable to the Company, the provisions of Clause 4(xiii) of the Order are not applicable to the Company.
- xiv. In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of Clause 4(xiv) of the Order are not applicable to the Company.
- xv. In our opinion, and according to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions during the year. Accordingly, the provisions of Clause 4(xv) of the Order are not applicable to the Company.
- xvi. In our opinion, and according to the information and explanations given to us, the term loans have been applied for the purposes for which they were obtained.
- xvii. According to the information and explanations given to us and on an overall examination of the balance sheet of the company, we report that no funds raised on short-term basis have been used for long-term investment.
- xviii. The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Act during the year. Accordingly, the provisions of Clause 4(xviii) of the Order are not applicable to the Company.
- xix. The Company has not issued any debentures during the year and does not have any debentures outstanding as at the beginning of the year and at the year end. Accordingly, the provisions of Clause 4(xix) of the Order are not applicable to the Company.
- xx. The Company has not raised any money by public issues during the year. Accordingly, the provisions of Clause 4(xx) of the Order are not applicable to the Company.
- xxi. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud on or by the Company, noticed or reported during the year, nor have we been informed of any such case by the Management.

For Price Waterhouse
Firm Registration Number: 301112E
Chartered Accountants

Jeetendra Mirchandani
Partner
Membership Number 48125

Mumbai
May 5, 2014



BALANCE SHEET AS AT 31ST MARCH, 2014

EQUITY AND LIABILITIES

SHAREHOLDERS' FUNDS

Share Capital
Reserves and Surplus

NON - CURRENT LIABILITIES

Long Term Borrowings
Deferred Tax Liabilities (Net)
Other Long Term Liabilities
Long Term Provisions

CURRENT LIABILITIES

Short Term Borrowings
Trade Payables
Other Current Liabilities
Short Term Provisions

TOTAL

ASSETS

NON - CURRENT ASSETS

Fixed Assets
Tangible Assets
Capital Work- in-Progress

Non Current Investments
Long Term Loans and Advances
Other Non Current Assets

CURRENT ASSETS

Inventories
Trade Receivables
Cash and Bank Balances
Short Term Loans and Advances
Other Current Assets

TOTAL

Note No	31st March, 2014 ₹/Lacs	31st March, 2013 ₹/Lacs
2	2185	2185
3	67928	63198
	70113	65383
4	4822	6713
5	9406	10298
6	278	379
7	788	870
	15294	18260
8	12768	12693
9	3714	2483
10	2928	10299
11	2183	1834
	21593	27309
	107000	110952
12	59576	66991
	2223	302
	61799	67293
13	852	319
14	1041	849
15	776	1
	64468	68462
16	21205	20730
17	19063	16990
18	611	485
19	1090	2708
20	563	1577
	42532	42490
	107000	110952

The accompanying notes are an integral part of these financial statements.

This is the Balance Sheet referred to in our Report of even date.

For and on behalf of the Board of Directors

For PRICE WATERHOUSE
Firm Registration No. 301112E
Chartered Accountants

Place: Mumbai
Date: May 5, 2014

JEETENDRA MIRCHANDANI
Partner
Membership No. 48125

C. B. GAGRANI
Secretary

Place: Mumbai
Date: May 5, 2014

B. S. MEHTA
G. M. SINGHVI
(Directors)



STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2014

REVENUE

Revenue from Operations (Net)

Note No.

2013-14
₹/ Lacs2012-13
₹/ Lacs

21

146679

155217

Other Income

22

1236

1215

TOTAL REVENUE

147915

156432

EXPENSES

Cost of Materials Consumed

23

94487

104232

Purchases of Stock-in-Trade

1415

54

Change in Inventories of Finished Goods, Stock-In-Process and

24

371

4699

Stock- in-Trade

Employee Benefits Expense

25

5579

5662

Power and Fuel

16442

17843

Finance Costs

26

2452

2946

Depreciation and Amortization Expense [Net of Transfer from
Revaluation Reserve ₹ 20 Lacs (Previous Year: ₹ 21 Lacs)]

12

7071

7191

Other Expenses

27

10297

9154

TOTAL EXPENSES

138114

151781

PROFIT BEFORE EXCEPTIONAL ITEMS AND TAXATION

9801

4651

Exceptional Items

39

220

1503

PROFIT BEFORE TAXATION

9581

3148

Tax Expense :

- Current Tax

(4195)

(1742)

- Excess/(Short) Provision of Tax relating to Earlier Years

15

360

- Deferred Tax

892

423

(3288)

(959)

NET PROFIT FOR THE YEAR

6293

2189

BASIC / DILUTED EARNINGS PER SHARE (Par Value of ₹ 10 Per Share)

28.80

10.02

The accompanying notes are an integral part of these financial statements.

This is the Statement of Profit & Loss referred to in our Report of even date.

For and on behalf of the Board of Directors

For PRICE WATERHOUSE
Firm Registration No. 301112E
Chartered Accountants

Place: Mumbai
Date: May 5, 2014

JEETENDRA MIRCHANDANI
Partner
Membership No. 48125

C. B. GAGRANI
Secretary

Place: Mumbai
Date: May 5, 2014

B. S. MEHTA
G. M. SINGHVI
(Directors)



CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2014

	2013-14 ₹/Lacs	2012-13 ₹/Lacs
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit Before Tax	9581	3148
Adjustment for:		
Depreciation	7071	7191
Finance cost	2452	2946
Mark to Market Losses on Derivatives	112	-
Interest Income	(187)	(311)
Dividend Income	(13)	(16)
Liabilities/Provisions no longer required written back [including exceptional items of liability written back of ₹ 548 lacs (Previous Year ₹ Nil)]	(726)	(96)
(Profit) / Loss on sale / write off of Fixed Assets (Net) [including exceptional item of Loss on write-off Fixed Asset of ₹ 768 lacs (Previous Year ₹ Nil)]	280	(130)
Profit on sale of Investments	(30)	(7)
Provision for doubtful receivable	622	-
Operating Profit Before Working Capital Changes	19162	12725
Adjustment for:		
Other Long Term Liabilities	(101)	2
Long Term Provisions	(82)	76
Trade Payables	1854	(4919)
Other Current Liabilities	(868)	775
Short Term Provisions	29	(137)
Long Term Loans and Advances	(3)	7
Other Non-Current Assets	1	308
Inventories	(475)	3732
Trade Receivables	(2073)	(653)
Short Term Loans and Advances	664	2310
Other Current Assets	352	(499)
Cash Generated From Operations	18460	13727
Direct Taxes Paid (net of refunds)	(2928)	(722)
Net Cash From Operating Activities	(A) 15532	13005
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets [including capitalised exchange loss of ₹ Nil (Previous year exchange loss of ₹ 3 Lacs)]	(3861)	(2413)
Sale of Fixed Assets	923	376
Purchase of Trade Investments	(533)	-
Interest Received [Includes ₹ 34 Lacs (Previous Year ₹ 591 Lacs) received from Income Tax Department]	227	812
Proceeds from Purchase and Sale of Current Investments (Net)	30	7
Dividends Received	13	16
Net Cash From Investing Activities	(B) (3201)	(1202)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Long Term Borrowings	0	500
Proceeds from Short Term Borrowings	2247	8350
Repayment of Long Term Borrowings	(8267)	(2491)
Repayment of Short Term Borrowings	(7470)	(4258)
Changes in Working Capital Loans (Net)	5298	(9674)
Interest paid	(1574)	(2309)
Equity Dividends paid (including Dividend Distribution Tax)	(1539)	(1250)
Exchange Loss on Foreign Currency Fluctuation (Net)	(908)	(600)
Net Cash From Financing Activities	(C) (12213)	(11732)
D. NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	(A)+(B)+(C) 118	71
Closing Balance of Cash and Cash Equivalents	486	368
Opening Balance of Cash and Cash Equivalents	368	297
Notes:		
1 The above Cash Flow Statement has been prepared under the " Indirect Method " set out in Accounting Standard (AS) - 3 on Cash Flow Statement issued by the Institute of Chartered Accountants of India.		
2 Figures in bracket indicate cash outflow.		
3 Previous year comparatives have been reclassified to conform with current year's presentation, wherever applicable.		
4 Cash and Cash equivalents comprises of:		
On hand [Including Cheques ₹ 213 Lacs (Previous Year ₹ 279 Lacs)]		
With Banks		
In Current Accounts		
In Deposit Accounts maturing within 3 months		
	As on 31st March, 2014 ₹/Lacs	As on 31st March, 2013 ₹/Lacs
	215	280
	254	62
	17	26
	486	368

This is the Cash Flow Statement referred to in our Report of even date.

For and on behalf of the Board of Directors

For PRICE WATERHOUSE
Firm Registration No. 301112E
Chartered Accountants

Place: Mumbai
Date: May 5, 2014

JEETENDRA MIRCHANDANI
Partner
Membership No. 48125

C. B. GAGRANI
Secretary

Place: Mumbai
Date: May 5, 2014

B. S. MEHTA
G. M. SINGHVI
(Directors)



NOTES TO THE FINANCIAL STATEMENTS

1. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Preparation

These financial statements have been prepared in accordance with the generally accepted accounting principles in India under the historical cost convention on an accrual basis, except for certain tangible assets which are being carried at revalued amounts. Pursuant to circular 15/2013 dated 13.09.2013 read with circular 08/2014 dated 04.04.2014, issued by the Ministry of Corporate Affairs till the Standards of Accounting or any addendum thereto are prescribed by Central Government in consultation with and recommendation by the National Financial Reporting Authority, the existing Accounting Standards notified under the Companies Act, 1956 shall continue to apply. Consequently, these financial statements have been prepared to comply in all material aspects with the accounting standards notified under Section 211(3C) [Companies (Accounting Standards) Rules, 2006, as amended] and the relevant provisions of the Companies Act, 1956.

All the assets and liabilities have been classified as current or non-current as per Company's normal operating cycle and other criteria set out in Schedule VI to the Companies Act, 1956. Based on the nature of products and the time between acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current and non-current classification of assets and liabilities.

(b) Revenue Recognition

Sale of goods: Revenue from sales is recognised when the substantial risks and rewards of ownership in the goods are transferred to the buyer as per the terms of the contract and are recognised net of returns, trade discounts, rebates, value added tax/sales tax and excise duties.

Other Income:

Interest: Interest income is recognised on time proportion basis taking into account the amount outstanding and the rate applicable.

Dividend: Dividend income is recognised when the right to receive dividend is established.

(c) Tangible Assets

1. Tangible Assets are stated at cost of acquisition or construction (net of Cenvat Credit / Value Added Tax) except in case of certain assets which have been revalued, at its revalued amount, less accumulated depreciation and amortization. All costs relating to the acquisition and installation of assets are capitalised and include borrowing costs directly attributable to their construction or acquisition, upto the date the respective asset is put to use.
2. Machine spares which are specific to a particular item of assets and whose use is expected to be irregular are capitalised.
3. Losses arising from the retirement of and gains or losses arising from disposal of assets which are carried at cost are recognised in the Statement of Profit and Loss.

(d) Depreciation

1. Depreciation has been provided as under:

a) On Plant and Machinery commissioned upto 31st March, 1997 (except revalued) and additions/extensions thereto	- On Written Down Value Method at the rates prescribed in Schedule XIV to the Companies Act, 1956.
b) On Plant and Machinery commissioned after 31st March, 1997	- On Straight Line Method at the rates prescribed in Schedule XIV to the Companies Act, 1956, except Computers and Air Conditioners, for which the useful life has been assessed as 5 years and the residual values are considered at Nil.
c) On Revalued Assets	<ol style="list-style-type: none"> 1. On Straight Line method at the rates considered applicable by the valuer as below: <ol style="list-style-type: none"> a) Leasehold Land amortized at the rate between 1% to 1.2% b) Building at the rate between 2% to 2.3% c) Plant and Machinery at the rate between 5% to 5.28% 2. The additional charge of depreciation on account of revaluation is withdrawn from Revaluation Reserve and credited to the Statement of Profit and Loss.
d) On Buildings and Vehicles	- On Straight Line method at the rates applicable at the time of additions as per Schedule XIV to the Companies Act, 1956.
e) On Furniture, Fittings and Office Equipments	- On Straight Line Method with the useful life assessed as under : <ol style="list-style-type: none"> (i) Furniture and Fittings - 10 Years (ii) Office Equipments - 5 Years Further, the residual values are considered at Nil, for all these assets .
2. Leasehold land is amortized over the period of lease.
3. Except for items for which 100% depreciation rates are applicable, depreciation on assets added/disposed off during the year has been provided on prorata basis with reference to the month of addition/disposal.

**(e) Foreign Currency Translations**

All transactions in foreign currency, are recorded at the rates of exchange prevailing on the dates when the relevant transactions take place. Monetary assets and liabilities in foreign currency, outstanding at the close of the year, are converted in Indian currency at the appropriate rates of exchange prevailing on the date of the Balance Sheet. Resultant gain or loss, except to the extent it relates to Long Term monetary items, is recognised in the Statement of Profit and Loss for the year. Gain or loss relating to Long Term foreign currency monetary items for financing acquisition of depreciable capital assets, is adjusted to the acquisition cost of such asset and depreciated over its remaining useful life.

At the reporting date, non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.

Forward Exchange Contracts:

The premium or discount arising at the inception of the forward exchange contracts entered into to hedge an existing asset / liability, is amortized as expense or income over the life of the contract. Exchange differences on such contracts are recognised in the statement of Profit and Loss in the reporting period in which the exchange rates change. Any profit or loss arising on cancellation or renewal of such forward exchange contracts is recognised as income or expense for the period.

Forward exchange contracts outstanding as at the year end on account of firm commitment / highly probable forecast transactions are marked to market and the losses, if any, are recognised in the Statement of Profit and Loss and gains, if any, are ignored in accordance with the announcement of the Institute of Chartered Accountants of India on 'Accounting for Derivatives'.

(f) Borrowing Costs

Borrowing costs that are directly attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of the assets, upto the date the assets are ready for their intended use. All other borrowing costs are recognised in the Statement of Profit and Loss in the year in which they are incurred.

(g) Inventories

Inventories are stated at lower of cost and net realisable value. Cost is determined using the weighted average method. The cost of finished goods and Stock-in-process comprises raw materials, direct labour, other direct costs and related production overheads upto the relevant stage of completion. Stock-in-trade are valued at cost of purchase. Byproducts and waste are valued at Net Realisable Value. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

(h) Investments

Investments that are readily realisable and are intended to be held for not more than one year from the date, on which such investments are made are classified as current investments. All the other investments are classified as Long Term investments. Current investments are carried at cost or fair value, whichever is lower. Long Term investments are carried at cost. However, provision for diminution is made to recognise a decline, other than temporary, in the value of the investments, such reduction being determined and made for each investment individually.

(i) Employee Benefits**Superannuation:**

The company has Defined Contribution Plan for Post Employment benefits in the form of Superannuation schemes for eligible employees. The scheme is administered through Life Insurance Corporation (LIC) and Trust which is administered by the Trustees. In respect of this scheme, the Company has no further obligation beyond its contributions.

Employee's Family Pension:

The Company has Defined Contribution Plan for Post Employment benefits in the form of family pension for eligible employees, which is administered by the Regional Provident Fund Commissioner. Company has no further obligation beyond its contributions.

Provident Fund:

Contribution towards provident fund for certain employees is made to the regulatory authorities, where the Company has no further obligations. Such benefits are classified as Defined Contribution Scheme as the Company does not carry any further obligations, apart from the contributions made on a monthly basis. In respect of certain employees, Provident Fund contributions are made to the Trust set up and administered by the Company. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of the year and any shortfall in the fund size maintained by the Trust set up by the Company is additionally provided for. Actuarial losses, if any, are recognised in the Statement of Profit and Loss in the year in which they arise.

Gratuity:

The Company provides for gratuity, a defined benefit plan (the Gratuity Plan) covering eligible employees in accordance with the Payment of Gratuity Act, 1972. The Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. Actuarial losses / gains are recognised in the Statement of Profit and Loss in the year in which they arise.

Compensated Absences:

Accumulated compensated absences, which are expected to be availed or encashed within 12 months from the end of the year are treated as short term employee benefits. The obligation towards the same is measured at the expected cost of accumulating compensated absences as the additional amount expected to be paid as a result of the unused entitlement as at the year end.

Accumulated compensated absences, which are expected to be availed or encashed beyond 12 months from the end of the year are treated as other Long Term employee benefits. The company's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year.

Actuarial losses/gains are recognised in the Statement of Profit and Loss in the year in which they arise.

**(j) Current and Deferred Tax**

Tax expense for the period, comprising Current Tax and Deferred Tax are included in the determination of the net profit or loss for the period.

Current tax is measured at the amount expected to be paid to the tax authorities in accordance with the taxation laws prevailing in India.

Deferred tax is recognised for all the timing differences, subject to the consideration of prudence in respect of deferred tax assets. Deferred tax assets are recognised and carried forward only to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised.

Deferred Tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date. At each Balance Sheet date, the company re-assesses unrecognised deferred tax assets, if any.

(k) Cash and Cash Equivalents

In the cash flow statement, cash and cash equivalents includes cash on hand, demand deposits with banks, other Short Term highly liquid investments with original maturities of three months or less.

(l) Research and Development

Revenue expenditure on research and development is charged as an expense in the year in which it is incurred under respective heads of accounts.

Expenditure which results in the creation of capital assets is capitalised and depreciation is provided on such assets as applicable.

(m) Impairment of Assets

Assessment is done at each Balance Sheet date as to whether there is any indication that a tangible asset may be impaired. For the purpose of assessing impairment, the smallest identifiable group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets, is considered as a cash generating unit. If any such indication exists, an estimate of the recoverable amount of the asset/cash generating unit is made.

Assets whose carrying value exceeds their recoverable amount are written down to the recoverable amount. Recoverable amount is higher of an asset's or cash generating unit's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. Assessment is also done at each Balance Sheet date as to whether there is any indication that an impairment loss recognised for an asset in prior accounting periods may no longer exist or may have decreased.

(n) Provisions and Contingent Liabilities**Provisions:**

Provisions are recognised when there is a present obligation as a result of a past event and it is probable that an outflow of benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation.

Contingent Liabilities:

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only on the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

(o) Earnings Per Share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for the events, such as bonus share, other than conversion of potential equity share, that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating, diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

2. SHARE CAPITAL

AUTHORISED

1,00,000	Redeemable Cumulative Preference Shares of ₹ 100 each (Previous Year 1,00,000)
3,30,00,000	Equity Shares of ₹ 10 each (Previous Year 3,30,00,000)
1,00,000	Unclassified Shares of ₹ 100 each (Previous Year 1,00,000)

ISSUED, SUBSCRIBED AND FULLY PAID- UP

2,18,50,589	Equity Shares of ₹ 10 each (Refer Notes below) (Previous Year 2,18,50,589)
-------------	---

31st March, 2014 ₹ / Lacs	31st March, 2013 ₹ / Lacs
100	100
3300	3300
100	100
3500	3500
2185	2185



(a) Reconciliation of the Number of Shares and amount outstanding :

Particulars	As at 31st March, 2014		As at 31st March, 2013	
	Number of Shares	Amount ₹ / Lacs	Number of Shares	Amount ₹ / Lacs
Balance at the beginning / end of the year	21850589	2185	21850589	2185

(b) The details of Shareholders holding more than 5% shares:

Sr. No.	Name of Shareholder	As at 31st March, 2014		As at 31st March, 2013	
		Number of Shares held	% of Shares held	Number of Shares held	% of Shares held
1	TGS Investment and Trade Pvt. Limited	3114970	14.26	3114970	14.26
2	Life Insurance Corporation of India	1515302	6.93	1515302	6.93
3	Kesoram Industries Limited	1340680	6.14	1340680	6.14
4	Century Textiles and Industries Limited	1266887	5.80	1266887	5.80

(c) Rights, Preferences and Restrictions attached to Equity Shares

The Company has one class of Equity Shares having a par value of ₹ 10 per share. Each Shareholder is eligible for one vote per share held. The dividend of ₹ 6.00 per share proposed by the Board of Directors is subject to the approval of the Shareholders in the ensuing Annual General Meeting.

(d) No bonus shares have been issued during five years immediately preceding 31st March 2014.

3 RESERVES AND SURPLUS

	31st March, 2014 ₹ / Lacs	31st March, 2013 ₹ / Lacs
Capital Reserve - Balance at the beginning and end of the year	48	48
Capital Redemption Reserve - Balance at the beginning and end of the year	186	186
Securities Premium - Balance at the beginning and end of the year	3225	3225
Revaluation Reserve (Refer Note 37)		
Balance at the beginning of the year	1061	1082
Less: Deductions / Adjustments during the year (Refer Note below)	24	21
Balance at the end of the year	1037	1061
General Reserve		
Balance at the beginning of the year	34582	34362
Add: Transferred from Surplus in the Statement of Profit and Loss	630	220
Balance at the end of the year	35212	34582
Contingency Reserve - Balance at the beginning and end of the year	750	750
Surplus in the Statement of Profit and Loss		
Balance at the beginning of the year	23346	22921
Add: Profit for the year	6293	2189
Amount available for Appropriations	29639	25110
Less: Appropriations		
Proposed Equity Dividend	1311	1311
Dividend Distribution Tax	228	233
Transfer to General Reserve	630	220
Total Appropriations	2169	1764
Balance at the end of the year	27470	23346
	67928	63198

Note: Includes ₹ 20 Lacs (Previous Year ₹ 21 lacs) being additional depreciation for the year on account of revaluation, transferred to the Statement of Profit and Loss and ₹ 4 lacs (Previous Year ₹ NIL) being deductions on disposal of certain tangible assets.

**4. LONG TERM BORROWINGS****Secured (Refer Note below)**

Term Loans from Banks:

Rupee Term Loans

Buyers' Import Credit - Capital Goods

31st March, 2014 ₹ / Lacs	31st March, 2013 ₹ / Lacs
4822	6037
-	676
4822	6713

Note: Terms of Borrowings

Nature of Security	Original Amount of Borrowing ₹ / Lacs	Tenor at inception (in Years)	Terms of Repayment	Month in which last Installment is due	Repayment Schedule installments ₹ / Lacs	Balance as on 31st March, 2014 ₹ / Lacs	Balance as on 31st March, 2013 ₹ / Lacs	Prevailing Interest Rate Per Annum
Secured								
Rupee Term Loans	650	10	Fully paid	June 2013	-	-	20	-
(Under Technology Upgradation Fund Scheme)	650	10	Fully paid	December 2013	-	-	60	-
Rupee Term Loans are secured by hypothecation of specific Plant and Machinery against which Loans have been taken.	1110	10	Fully paid	January 2014	-	-	106	-
	1230	10	Monthly	July 2014	13	59	213	14.00%
	3479	10	Quarterly	March 2016	108	773	1205	12.25%
	500	7	Monthly	February 2020	8	500	500	12.50%
	5791	10	Quarterly	December 2020	181	4705	5429	12.25%
Buyers Credit for Capital goods								
Buyers Credit for Capital goods have been secured by first pari passu charge on the Tangible Assets of Nylon Filament Project located at Pune and Nylon Tyre Fabric (including dipping) project located at Bharuch.		Various upto 3 years	Repayable in single installment at the end of the term			676	7447	Average Libor + 1.30%
Sub-Total						6713	14980	
Less: Current Maturities of Long Term Debt (Refer Note 10)						1891	8267	
Total						4822	6713	

5. DEFERRED TAX LIABILITIES (NET)**Deferred Tax Liabilities**

Difference between book and tax depreciation

Deferred Tax Assets

Voluntary Retirement Scheme compensation

Disallowance u/s 43B of Income Tax Act

Exchange Loss on MTM

31st March, 2014 ₹ / Lacs	31st March, 2013 ₹ / Lacs
9925	10847
66	81
440	468
13	-
9406	10298
278	379
-	94
334	321
454	455
788	870

6. OTHER LONG - TERM LIABILITIES

Deposits

7. LONG - TERM PROVISIONS**Provision for Employee Benefits**

Gratuity [Refer Note 28 (b)(iii)]

Compensated Absences [Refer Note 28 (c)]

Provision for disputed matters (Refer Note 40)

[Net of amounts paid under protest ₹ 78 Lacs (Previous Year ₹ 78 Lacs)]



8 SHORT TERM BORROWINGS

Secured [Refer Notes (a), (b) and (c) below]

From Banks :

Working Capital Borrowings Repayable on Demand	10765	2470
Rupee Term Loans	-	3000
Buyers Import Credit for Raw Materials	-	2291
	10765	7761

Unsecured [Refer Notes (b) and (d) below]

From Banks :

Buyers Import Credit for Raw Materials

From Others

Fixed Deposits from Employees

	1903	4835
	100	97
	2003	4932
	12768	12693

- Working Capital borrowings, Rupee Term Loans and Buyers Import Credit for Raw Materials are secured by way of hypothecation of Inventories, Book Debts and Receivables, both present and future.
- Working Capital borrowings, Rupee Term Loans carry an average interest rate of 10.10 % (Previous Year 10.12%) per annum and Buyers Import Credit for Raw Materials carry interest rate ranging from Libor + 0.48 % per annum to Libor + 0.65% per annum (Previous Year Libor + 0.05% per annum to Libor +1.45 % per annum).
- Working Capital Borrowings are renewed based on contract with bankers. Rupee term loans and Buyers Import Credit facility for Raw Material purchases carry 'maximum tenure of 30 days and 180 days respectively.
- Fixed Deposits from Employees carry interest rate of 10% per annum (Previous Year 10% per annum) and are repayable at the end of one year from the date of deposit.

9. TRADE PAYABLES

Total outstanding dues of Micro and Small Enterprises (Refer Note 29)

Total outstanding dues of creditors other than Micro and Small Enterprises

2	16
3712	2467
3714	2483

10 OTHER CURRENT LIABILITIES

Current Maturities of Long Term Debt (Refer Note 4)

Rupee Term Loan

Buyers Credit for Capital Goods

1215	1496
676	6771
1891	8267

Interest Accrued But Not Due on Borrowings

Unpaid Dividends*

Other Payables for :

Capital Goods

Excise Duty on Finished Stock (Net)

Statutory Liabilities

79	131
125	117
86	169
366	550
381	1065
833	1784
2928	10299

* There is no amount due and outstanding to be credited to Investors Education and Protection Fund.

11 SHORT TERM PROVISIONS

Provision for Employee Benefits

Gratuity [Refer Note 28 (b)(iii)]

Compensated Absences [Refer Note 28 (c)]

Provision for Tax

[Net of Advance Tax of ₹ 5445 Lacs (Previous Year ₹ 1583 Lacs)]

Proposed Equity Dividend (Refer Note below)

Dividend Distribution Tax

43	24
108	98
498	178
1311	1311
223	223
2183	1834

Note: The Board of Directors has recommended a dividend @ ₹ 6.00 per equity share of ₹ 10.00 each on 2,18,50,589 equity shares for the year ended 31st March, 2014 (Previous Year ₹ 6.00 per equity share of ₹ 10.00 each on 2,18,50,589 equity shares).

**12. TANGIBLE ASSETS (Refer Note 37)**

₹ / Lacs

	Cost/Book Value as at 1st April, 2013	Additions during the year	Deductions/ Adjustments during the year	Cost/Book Value as at 31st March, 2014	Accumulated Depreciation as at 1st April, 2013	Deductions/ Adjustments during the year	Depreciation for the year	Accumulated Depreciation as at 31st March, 2014	Balance as at 31st March, 2014	Balance as at 31st March, 2013
TANGIBLE ASSETS										
Land										
Leasehold	398		112	286	165	31	5	139	147	233
Freehold	211		-	211	-	-	-	-	211	211
	[Refer (a) below]			[Refer (a) below]						
Buildings	13624	152	1328	12448	4723	660	348	4411	8037	8901
	[Refer (b) below]									
Plant and Machinery	157044	1386	10012	148418	99575	8808	6695	97462	50956	57469
Furniture and Fittings	133	2	18	117	69	8	13	74	43	64
Office Equipments	50	11	8	53	32	9	11	34	19	18
Vehicles	167	117	79	205	72	49	19	42	163	95
Total	171627	1668	11557	161738	104636	9565	7091	102162	59576	66991
TANGIBLE WORK-IN-PROGRESS:										
Capital Work-in-Progress	302	3124	1203	2223	-	-	-	-	2223	302
Total	171929	4792	12760	163961	104636	9565	7091	102162	61799	67293
Previous Year	173452	6591	8114	171929	101249	3825	7212	104636	67293	

- a) Includes Land ₹ 2 Lacs after Revaluation and ₹ 500 being the cost of 5 shares in a co-operative housing society held in the name of a nominee of the Company.
- b) Includes ₹ 2000 being the cost of 40 shares in co-operative societies.

13. NON CURRENT INVESTMENTS**Traded Investments****(1) IN FULLY PAID-UP EQUITY SHARES - QUOTED**

	Numbers (Refer Note Below)	Face Value ₹	31st March, 2014 ₹ / Lacs	31st March, 2013 ₹ / Lacs
Kesoram Industries Limited	1403985	10	837	304
(on subscription to rights entitlements of 818991 shares during the year)	(584994)			
Kesoram Textile Mills Limited	584994	2	-	-
(Received during the year 1999-2000 without any consideration pursuant to Scheme of Arrangement of Kesoram Industries Limited)	(584994)			
			837	304
(2) IN FULLY PAID-UP EQUITY SHARES - UNQUOTED				
Bharuch Enviro Infrastructure Limited	10220	10	1	1
	(10220)			
Kesoram Insurance Broking Services Ltd	60000	10	1	1
	(60000)			
Vasavadatta Services Limited	9200	10	1	1
	(9200)			
MMA CETP Co-operative Society Limited	12895	100	12	12
	(12895)			
			15	15
			852	319
Aggregate Market Value of Quoted Investments			1021	502
Note : Figures in brackets represents previous year numbers				

14. LONG TERM LOANS AND ADVANCES**(Unsecured, Considered Good)**

Recoverable from Income Tax Department	549	549
Advances for Capital Goods	208	19
Security Deposits	150	147
Duty Recoverable from Customs / Excise Authorities (Paid Under Protest)	134	134
	1041	849

15. OTHER NON-CURRENT ASSETS**Other Assets**

Fixed Assets held for Disposal	776	-
Unamortised Premium on forward contract	-	1
	776	1



16 INVENTORIES

Raw Materials [Including in transit ₹ 363 Lacs (Previous Year ₹ 537 Lacs)]	8516	7256
Stock-in-Process	4430	4352
Finished Goods	6969	7515
Stock-in-Trade (Trading)	-	3
Stores, Spares and Packing Material [Including in transit ₹ 22 Lacs (Previous Year ₹ 25 Lacs)]	1290	1604
	21205	20730

17 TRADE RECEIVABLES

(Unsecured, Considered Good)

Outstanding for a period exceeding six months from the date they are due for payment	-	-
Others	19063	16990
	19063	16990

18 CASH AND BANK BALANCES

Cash and Cash Equivalents

Cash on Hand	2	1
Cheques on Hand	213	279

Bank Balance:

In Current Accounts	254	62
In Deposit Accounts maturing within 3 months	17	26
	486	368

Other Bank Balances

Unpaid Dividend Accounts	125	117
	611	485

19 SHORT TERM LOANS AND ADVANCES

(Unsecured, Considered Good)

CENVAT Credit Receivable	226	35
VAT Credit Receivable	159	655
Advances to Suppliers	581	949
Advance Payment of Tax	-	872
[Net of Provision of ₹ Nil (Previous Year ₹ 4037 Lacs)]		
Recoverable from Income Tax Department	75	157
Other Loans and Advances	49	40
	1090	2708

20 OTHER CURRENT ASSETS

(Unsecured, Considered Good, unless otherwise stated)

Subsidy Receivable under Technology Upgradation Fund Scheme

Considered good	26	686
Considered doubtful	622	-
Less: Provision for doubtful receivable	(622)	-
	26	686

Refund Receivable from State Electricity Board	258	260
Unamortised Premium on Forward Contracts	28	402
Fixed Assets held for Disposal	-	14
Others	251	215
	563	1577

21 REVENUE FROM OPERATIONS

Sale of Products (Refer Note below)

Finished Goods	162939	174086
Traded Goods	1290	71
	164229	174157

Other Operating Revenue

Scrap Sales	636	549
Others	-	8

Revenue from Operations (Gross)	164865	174714
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Less: Excise Duty	18186	19497
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Revenue from Operations (Net)	146679	155217
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Note : Details of Sales of Products

Polyester Filament Yarn	39587	53050
Nylon Filament Yarn	25164	22622
Nylon Tyre Cord Fabric	93079	84102
Polyester Chips	1884	9152
Others	4515	5231
	164229	174157

Total



	31st March, 2014 ₹ / Lacs	31st March, 2013 ₹ / Lacs
22 OTHER INCOME		
Interest Income		
On Income Tax / Sales Tax refund	63	71
From Customers	101	163
Others	23	77
	<u>187</u>	<u>311</u>
Dividends received on Non Current Investments (Trade)	13	16
Profit on Sale of Assets	539	332
Profit on Sale of Current Investments (Other Than Trade)	30	7
Liabilities / Provisions no longer required written back	178	96
Miscellaneous Income	289	453
	<u>1236</u>	<u>1215</u>
23 COST OF MATERIALS CONSUMED		
RAW MATERIALS CONSUMED		
Opening Stock	7256	5485
Add: Purchases	95747	106003
	<u>103003</u>	<u>111488</u>
Less: Closing Stock	8516	7256
Cost of Raw Materials Consumed	<u>94487</u>	<u>104232</u>
24 CHANGE IN INVENTORIES OF FINISHED GOODS, STOCK-IN-PROCESS AND STOCK-IN-TRADE		
Opening Stock		
Finished Goods	7515	10432
Stock-in-Process	4352	6402
Stock-in-Trade	3	17
	<u>11870</u>	<u>16851</u>
Less: Closing Stock		
Finished Goods	6969	7515
Stock-in-Process	4430	4352
Stock-in-Trade	-	3
	<u>11399</u>	<u>11870</u>
Less: (Increase) / Decrease in Excise Duty on Stocks	100	282
(Increase) / Decrease in Stocks	<u>371</u>	<u>4699</u>
25 EMPLOYEE BENEFITS EXPENSE		
Salaries, Wages and Bonus	4859	4828
Contribution to Provident and other funds [Refer Note 28(a) and 28(b)(iv)]	287	428
Workers and Staff Welfare Expenses	433	406
	<u>5579</u>	<u>5662</u>
26 FINANCE COSTS		
Interest Expense (Refer Note below)	1539	2309
Other Borrowing Costs	5	40
	<u>1544</u>	<u>2349</u>
Less: Borrowing Cost Capitalised	-	3
	<u>1544</u>	<u>2436</u>
Net Loss on Foreign Currency Transactions and Translation	908	600
	<u>2452</u>	<u>2946</u>
Note: Net of Subsidy of ₹ 63 Lacs (Previous Year ₹ 393 Lacs) under the Technology Upgradation Fund Scheme of the Government of India.		
27 OTHER EXPENSES		
Stores, Spare Parts and Packing Material Consumed	4680	4639
Processing Charges	210	73
Repairs and Maintenance		
Building	127	73
Machinery	1284	896
Rent	29	33
Rates and taxes	118	114
Insurance	98	99
Directors' Sitting Fees	3	4
Directors' Commission	20	20
Payment to Auditors		
As Auditors		



OTHER EXPENSES (Contd.)

	31st March, 2014 ₹ / Lacs	31st March, 2013 ₹ / Lacs
For Statutory Audit	33	30
For Limited Reviews	10	9
For Tax Audit	3	3
For Other Services	4	3
For Reimbursement of Expenses	1	1
Loss on Assets Sold / Written off	51	202
Commission on Sales	494	488
Transport and Handling	790	938
Mark to Market Losses on Derivatives	112	-
Provision for doubtful receivable	622	-
Miscellaneous Expenses	1608	1529
	10297	9154

28 DISCLOSURES IN ACCORDANCE WITH REVISED AS-15 ON "EMPLOYEE BENEFITS".

a) Defined Contribution Plans - The Company has recognised the following amounts in the Statement of Profit and Loss for the year:

Particulars	2013-14 ₹ / Lacs	2012-13 ₹ / Lacs
Employer's Contribution to Provident Fund	33	42
Employer's Contribution to Superannuation Fund	49	50
Employer's Contribution to Employee's State Insurance	7	6
Employer's Contribution to Employee's Pension Scheme, 1995	100	103
Total	189	201

b) Defined Benefit Plans - Gratuity and Provident Fund

Gratuity: The Company operates a gratuity plan which is administered through Life Insurance Corporation and a trust which is administered through trustees. Every employee is entitled to a minimum benefit equivalent to 15 days salary last drawn for each completed year of service in line with Payment of Gratuity Act, 1972. However, certain employees are entitled to benefit higher than the benefit prescribed under Payment of Gratuity Act, 1972. The same is payable at the time of separation from the Company or retirement, whichever is earlier or death in service.

Provident Fund: Provident fund for certain eligible employees is managed by the Company through trust, in line with the Provident Fund and Miscellaneous Provisions Act, 1952. The plan guarantees interest at the rate notified by the Provident Fund Authorities. The contribution by the employer and employee together with the interest accumulated thereon are payable to employees at the time of their separation from the company or retirement, whichever is earlier.

The benefits vest immediately on rendering of the services by the employee.

i) A reconciliation of opening and closing balances of the present value of the defined benefit obligation (DBO):

Particulars	Gratuity 2013-14 ₹ / Lacs	Gratuity 2012-13 ₹ / Lacs	Provident Fund 2013-14 ₹ / Lacs	Provident Fund 2012-13 ₹ / Lacs
Opening Balance	1999	1945	5373	4877
Current Service Cost	94	93	149	134
Interest Cost	151	154	416	401
Actuarial (Gains)/Losses	(123)	12	(67)	(85)
Employees Contribution	N.A.	N.A.	365	348
Transfer In/Out (Net)	-	-	48	-
Benefits Paid	(143)	(205)	(513)	(302)
Closing DBO	1978	1999	5771	5373

ii) A reconciliation of the opening and closing balances of the fair value of plan assets:

Particulars	Gratuity 2013-14 ₹ / Lacs	Gratuity 2012-13 ₹ / Lacs	Provident Fund 2013-14 ₹ / Lacs	Provident Fund 2012-13 ₹ / Lacs
Opening Fair Value of Plan Assets	1881	1784	5373	4877
Expected Returns on Plan Assets	133	127	461	446
Actuarial Gains / (Losses)	40	40	(112)	(130)
Contribution by the Employer	24	135	149	134
Employees Contribution	N.A.	N.A.	365	348
Transfer In/Out (Net)	-	-	48	-
Benefits Paid	(143)	(205)	(513)	(302)
Closing Fair Value of Plan Assets	1935	1881	5771	5373

Fair value of Plan Assets for gratuity represents the amount as confirmed by the insurer managed funds.



- iii) Amount recognised in Balance Sheet including a reconciliation of the present value of the defined benefit obligation in b (i) and the fair value of the plan assets in b (ii) to the assets and liabilities recognised in the balance sheet:

₹ / Lacs				
Particulars	Gratuity As on 31st March, 2014	Gratuity As on 31st March, 2013	Provident Fund As on 31st March, 2014	Provident Fund As on 31st March, 2013
Present value of Defined Benefit Obligation	1978	1999	5771	5373
Fair value of Plan Assets	(1935)	(1881)	(5771)	(5373)
Net Liability recognised in the Balance Sheet	43	118	-	-
Long Term Provisions	-	94	-	-
Short Term Provisions	43	24	-	-

- iv) The total expense recognised in the Statement of Profit and Loss:

₹ / Lacs				
Particulars	Gratuity 2013-14	Gratuity 2012-13	Provident Fund 2013-14	Provident Fund 2012-13
Current Service Cost	94	93	149	134
Interest Cost	151	154	416	401
Expected Return on Plan Assets	(133)	(126)	(461)	(446)
Actuarial (Gains)/Losses	(163)	(28)	45	45
Total	(51)	93	149	134

- v) For each major category of plan assets, following is the percentage that each major category constitutes of the fair value of the plan assets:

Particulars	Gratuity As on 31st March, 2014		Gratuity As on 31st March, 2013		Provident Fund As on 31st March, 2014		Provident Fund As on 31st March, 2013	
	Amount ₹ / Lacs	Rate %	Amount ₹ / Lacs	Rate %	Amount ₹ / Lacs	Rate %	Amount ₹ / Lacs	Rate %
Government of India Securities	-	-	-	-	2068	35%	1807	34%
Corporate Bonds	-	-	-	-	1995	35%	1850	34%
Special Deposit Scheme	-	-	-	-	1304	23%	1304	24%
Equity Shares of Listed Companies	-	-	-	-	-	-	-	-
Property	-	-	-	-	-	-	-	-
Insurer Managed Funds	1935	100%	1881	100%	-	-	-	-
Others	-	-	-	-	404	7%	412	8%
Total	1935	100%	1881	100%	5771	100%	5373	100%

- vi) The overall expected rate of return on assets is based on the expectation of the average long term rate of return expected on investments of the fund during the estimated term of the obligations.

- vii) The Actual Return on Plan Assets is as follows:

₹ / Lacs				
Particulars	Gratuity 2013-14	Gratuity 2012-13	Provident Fund 2013-14	Provident Fund 2012-13
Actual Return on Plan Assets	173	167	349	316

- viii) Following are the Principal Actuarial Assumptions used as at the balance sheet date.

Particulars	Gratuity 2013-14		Provident Fund 2013-14	
	Gratuity 2012-13	Rate (%)	Provident Fund 2012-13	Rate (%)
Discount Rate	8.95%	7.90%	8.95%	7.90%
Expected rate of return on Plan Assets	7.50%	7.50%	8.24%	8.58%
Salary Escalation Rate	7.00%	7.00%	N.A.	N.A.
Attrition Rate	10.00%	10.00%	N.A.	N.A.
Discount Rate for the remaining term to maturity of the Investment Portfolio	N.A.	N.A.	9.29%	7.94%
Average Historic Yield on the Investment Portfolio	N.A.	N.A.	8.58%	8.62%
Guaranteed Rate of Return	N.A.	N.A.	8.75%	8.50%

- ix) Amounts recognised in current year and previous four years for Gratuity:

₹ / Lacs					
Particulars	2013-14	2012-13	2011-12	2010-11	2009-10
Defined Benefit Obligation	1978	1999	1945	1658	1417
Plan Assets	1935	1881	1784	1487	1173
Surplus / (Deficit)	(43)	(118)	(161)	(171)	(244)
Experience Adjustment on Plan Liabilities	(11)	(25)	183	4	42
Experience Adjustment on Plan Assets	40	40	113	31	19

- x) Expected Contribution to the Funds in the next year:

₹ / Lacs	
Particulars	2013-14
Gratuity	43
Provident Fund	724



- xi) The estimates of future salary increases considered in actuarial valuation takes into account inflation, seniority, promotion and other relevant factors.
- xii) The above disclosures for Provident Fund are limited to the extent of disclosures provided by the actuary.
- c) Para 132 of AS 15 (revised 2005) does not require any specific disclosures except where the expense resulting from compensated absence is of such size, nature or incidence that its disclosure is relevant under AS 5 or AS 18 and accordingly, the expense resulting from compensated absence is not significant and hence no disclosures are prepared under various paragraphs of AS 15 (revised 2005).

29 Disclosure under the Micro, Small and Medium Enterprises Development Act, 2006:

Amounts due to Micro and Small Enterprises disclosed on the basis of information available with the Company regarding status of the suppliers are as follows:

Sr. Particulars No.	2013-14		2012-13	
	Principal	Interest	Principal	Interest
1. Principal Amount and Interest due thereon, remaining unpaid as at the end of the year	2	-	16	-
2. Amount paid during the year	16	(₹ 25749)	18	(₹ 31298)
3. Amount due and payable (on the amounts which have been paid beyond the appointed date during the year)	NIL	NIL	NIL	NIL
4. Amount remaining accrued and unpaid at the end of the year	NIL	NIL	NIL	NIL
5. Amount due of the previous year	NIL	NIL	NIL	NIL

30 Capital Commitments: Estimated amount of Contracts remaining to be executed on Capital Account and not provided for ₹ 1976 Lacs (Previous Year ₹ 242 Lacs) against which advances have been paid ₹ 208 Lacs (Previous Year ₹ 19 Lacs).

31 Contingent Liability:

		₹ / Lacs	
		31st March, 2014	31st March, 2013
Claims against the company not acknowledged as debts (to the extent not provided for) (Refer Note below)			
a) 1) Income-Tax Matters		674	674
2) Sales-Tax Matters		534	534
3) Excise and Customs Matters		360	336
4) Others		75	75
Total		1643	1619

b) Excise Department has issued an order dated 31st December, 2013 denying the applicability of Notification No. 6/2000 dated 1st March, 2000 which allowed payment of duty at specific rate instead of advalorem basis and consequently raising a demand of ₹ 22927 Lacs plus interest thereon and penalty of ₹ 22,927 lacs against which the Company has filed an appeal with the Customs Excise and Service Tax Appellate Tribunal (CESTAT). The Company has been advised by legal experts that it has a strong case and accordingly no provision has been made in the accounts.

Note : It is not practicable for the Company to estimate the timings of cash outflows, if any, in respect of the above pending disputed matters till these are resolved.

32 Other Commitments: The Company has entered into non cancellable agreement with Gas Utility Company on 22nd July, 2010 for purchase of LNG. Under this agreement, the Company is committed to purchase certain annual minimum quantity of LNG upto 30th April, 2017 failing which, it will pay the seller for any shortfall in offtake of LNG based on an agreed formula. The cost of the minimum committed quantity as at 31st March, 2014 for the remaining period of the contract at current market prices approximates ₹ 4138 Lacs (Previous Year ₹ 8789 Lacs). The Company expects to maintain the offtake of minimum committed quantity.

33 Derivative Instruments and Unhedged Foreign Currency Exposures

The Company enters into forward exchange contracts being derivative instruments, which are not intended for trading or speculative purposes, but for hedge purposes.

- i. (a) Hedging commitments against outstanding for loan taken

As on 31.03.2014				As on 31.03.2013			
Currency	Amount hedged In Lacs	Cross Currency	Amount Available In Lacs	Currency	Amount hedged In Lacs	Cross Currency	Amount Available In Lacs
USD	42	INR	2579	USD	270	INR	14574

- (b) Hedging commitments against outstanding liabilities

As on 31.03.2014				As on 31.03.2013			
Currency	Amount hedged In Lacs	Cross Currency	Amount Available In Lacs	Currency	Amount hedged In Lacs	Cross Currency	Amount Available In Lacs
USD	22	INR	1405	USD	3	INR	183

- ii Mark-To-Market Losses provided for ₹ 112 Lacs (Previous Year ₹ Nil).

- iii The year end foreign currency exposures that have not been hedged by a derivative instrument or otherwise are given below.

Particulars	As on 31.03.2014		As on 31.03.2013	
	Currency	In Lacs	Currency	In Lacs
(a) Interest Payable	USD	-	USD	1
(b) Amount Receivable	USD	2	USD	1

34 Revenue expenditure incurred on Research and Development during the year is ₹ 324 Lacs (Previous Year ₹ 223 Lacs).



- 35 From November 2013, Polyester operations at Bharuch were partially shutdown (Continuous Process Plant only) on account of preventive maintenance. While doing so, the Company also decided to carryout some modifications in the plant so as to increase flexibility in product mix and improve margins. This work is expected to continue for another 4 to 6 months. The partial stoppage of operations is not likely to have an adverse material impact on the profitability of the Company.

36 Earnings per Share

	2013-14	2012-13
(a) Net profit after tax available for equity shareholders (₹ /Lacs)	6293	2189
(b) Weighted average number of Basic / Diluted Equity shares of ₹ 10.00 each outstanding during the year (No. of shares)	21850589	21850589
(c) Basic / Diluted Earnings per Share (₹) (a/b)	28.80	10.02

Note : The Company does not have any outstanding dilutive potential equity shares.

- 37 The Gross Block of Fixed Assets was written up by ₹ 8301 Lacs on revaluations carried out in the year 1983 and 1989.

38 Segment Reporting

- a) Primary Segment (by Business Segment):

Based on the guiding principles given in the Accounting Standards on Segment Reporting (AS - 17), the Company is primarily in the business of manufacture and sale of Synthetic Yarn and Tyre Cord Fabric which mainly have similar risks and returns. The Company's business activity falls within a single geographical and business segment (Synthetic Yarn), hence it has no other primary reportable segments.

- b) Secondary Segment (by Geographical demarcation):

i) The secondary segment is based on geographical demarcation i.e. in India and outside India.

ii) Information about Secondary Segments is as follows:

₹ / Lacs

Particulars	2013-14			2012-13		
	In India	Outside India	Total	In India	Outside India	Total
Segment Revenue (Gross)	161585	2644	164229	173312	845	174157

iii) All segment assets of the Company are predominantly located in India.

39 Exceptional items of:

- (a) ₹ 220 Lacs for the year ended 31st March 2014 represents loss on account of disposal/ write off due to non usability of certain fixed assets consequent to closure of operations at Mahad and is net of write back of provision which was created as of 31st March 2013 consequent to finalisation of the liability.
- (b) ₹ 1503 Lacs for the year ended 31st March 2013, represents (i) Expenses on account of suspension of operation at Mahad including retrenchment compensation to workmen and (ii) Compensation paid under Voluntary Retirement Scheme to employees at Pune.

40 DETAILS OF PROVISION FOR DISPUTED MATTERS:

₹ / Lacs

Particulars	2013-14	2012-13
Balance at the beginning of the year	455	446
Add: Provided during the year	91	109
Less: Paid / Adjusted during the year	92	100
Balance at the end of the year	454	455

- (a) The above provision represents claims against the Company not acknowledged as debt.
- (b) It is not practicable for the Company to estimate the timings of cash outflows, if any, in respect of the above pending disputed matters till these are resolved.

41 Related Party Disclosures (As identified by the Management and where transactions exist)

- (i) Related Party Relationships

- (a) Key Management Personnel
- (b) Other Related Parties

Mr. G. M. Singhvi (Whole-time Director)
Mr. B. K. Birla
Century Textiles and Industries Limited
Kesoram Industries Limited
Jay Shree Tea and Industries Limited
Parvati Tea Co. Ltd

Note: The parties listed under (b) above are not "related parties" as per the requirements of Accounting Standard AS-18. However, as a matter of abundant caution, they are being included for making the Financial Statements more transparent.

- (ii) Transactions with Related Parties carried out in the ordinary course of business:

(₹ / Lacs)

Type of related party	Description and nature of the transaction	2013-14			2012-13		
		Volume of transactions	Outstanding as on 31.03.2014		Volume of transactions	Outstanding as on 31.03.2013	
			Receivable	Payable		Receivable	Payable
Key Management Personnel	Managerial Remuneration paid	126	-	-	110	-	-
Other related Parties	Director's fees, commission and expenses	6	-	5	6	-	5
	Sale of goods (Kesoram Industries Ltd)	11726	3391	-	15946	3625	-
	Dividend Received (Kesoram Industries Ltd)	13	-	-	6	-	-
	Purchase of Cement (Kesoram Industries Ltd)	3	-	-	1	-	-
	Subscription to Right Issue (Kesoram Industries Ltd.)	533	-	-	-	-	-
	Dividend Paid (Kesoram Industries Ltd, Century Textiles and Industries Ltd and Parvati Tea Co. Ltd a wholly subsidiary of Jay Shree Tea and Industries Ltd)	162	-	-	135	-	-
	Expenditure on rent and other services (Century Textiles and Industries Ltd and Kesoram Industries Ltd)	12	-	-	13	-	-
	Security deposit (Century Textiles and Ind Ltd)	-	12	-	12	-	-



42 ADDITIONAL INFORMATION PURSUANT TO THE PROVISIONS OF PARAGRAPHS 3 AND 4 OF PART II OF SCHEDULE VI OF THE COMPANIES ACT, 1956

(a) Raw Materials Consumed		Value (₹ / Lacs)				
		2013-14	2012-13			
Caprolactam		45935	45546			
Nylon Chips		14486	5399			
Glycol		6758	12237			
PTA		18555	33460			
Others		8753	7590			
Total		94487	104232			
(b) Value of Materials consumed and Percentage thereof :						
		Consumption (₹ / Lacs)				
	Total Value of Consumption	Imported		Indigenous		
	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13
Raw Materials	94487	104232	29323	10778	65164	93454
Stores, Spare Parts and Packing Material	4680	4639	316	537	4364	4102
	99167	108871	29639	11315	69528	97556
Percentage to Total Consumption						
Raw Materials			31.03%	10.34%	68.97%	89.66%
Stores, Spare Parts and Packing Material			6.75%	11.58%	93.25%	88.42%
(c) CIF Value of Imports:						
		2013-14	2012-13			
	₹ / Lacs	₹ / Lacs	₹ / Lacs			
Raw Materials		31306	11544			
Stores and Spare Parts (Including Components)		388	592			
Capital Goods		2393	752			
		34087	12888			
(d) Expenditure in Foreign Currency:						
(Including amounts provided but yet to be remitted)						
(i) Interest and Finance Charges		138	185			
(ii) Others		37	77			
		175	262			
(e) Remittance on account of Dividend to Non-Resident Shareholders:						
(i) Remitted in Foreign Currency						
		2013-14	2012-13			
Year to which Dividend relates		Year ended 31st March, 2013	Year ended 31st March, 2012			
Net Amount of Dividend remitted (₹ / Lacs)		85	71			
Number of Shareholders		5	5			
Number of Shares held		1419470	1419470			
(ii) Remitted to their Banks in India						
		2013-14	2012-13			
Year to which Dividend relates		Year ended 31st March, 2013	Year ended 31st March, 2012			
Net Amount of Dividend remitted (₹ / Lacs)		25	20			
Number of Shareholders		366	381			
Number of Shares held		413775	403664			
(f) Earnings in Foreign Exchange:						
		2013-14	2012-13			
	₹ / Lacs	₹ / Lacs	₹ / Lacs			
F.O.B. Value of Export Sales		2474	845			
Recovery of Freight and other charges		170	-			
Sale on Commission Basis		34	30			
		2678	875			

43 Previous Year's figures have been regrouped / rearranged, wherever necessary.

For PRICE WATERHOUSE
Firm Registration No. 301112E
Chartered Accountants

For and on behalf of the Board of Directors

Place: Mumbai
Date: May 15, 2014

JEETENDRA MIRCHANDANI
Partner
Membership No. 48125

C. B. GAGRANI
Secretary

Place: Mumbai
Date: May 15, 2014

B. S. MEHTA
G. M. SINGHVI
(Directors)

CENTURY ENKA LIMITED

(Factory : Bhosari, Pune 411 026)

Phone : 66127300
Gram : CENENKA
Telefax : (91) 020-27120113




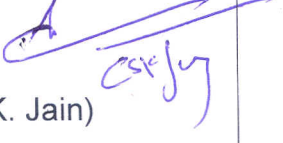


Communicate at :
Post. Box No. 17,
Bhosari,
Pune - 411 026.

CIN : L24304PN1965PLC139075

FORM A

Format of covering letter of the annual audit report to be filed with the Stock Exchange

1.	Name of the Company	Century Enka Limited
2.	Annual financial statements for the year ended	31st March, 2014
3.	Type of Audit observation	Un-qualified. One matter of emphasis.
4.	Frequency of observation	Appeared first time
5.	To be signed by-	
	<ul style="list-style-type: none">• Whole Time Director	 (G.M. Singhvi)
	<ul style="list-style-type: none">• CFO	 (D.B. Roonghta)
	<ul style="list-style-type: none">• Auditor of the Company	 (Jeetendra Mirchandani) M.No.48125 Partner Price Waterhouse Chartered Accountants Firm Regn.No.301112E
	<ul style="list-style-type: none">• Audit Committee Chairman	 (S.K. Jain)



FINANCIAL HIGHLIGHTS

OPERATING RESULTS

(₹ in Lacs)

FINANCIAL YEAR	2013-14	2012-13	2011-12	2010-11	2009-10
INCOME					
Revenue from Operations (Net of returns and Sales Tax)	164865	174714	182129	148940	133175
Less : Excise Duty	18186	19497	17178	14032	9616
	146679	155217	164951	134908	123559
Other Income	1236	1215	1823	1048	876
	147915	156432	166774	135956	124435
EXPENDITURE					
Materials & Overheads (+ / - Stock Adj.)	128811	143147	156824	117604	101991
PROFIT BEFORE FINANCE COST, DEPRECIATION AND TAX	19104	13285	9950	18352	22444
Less : Finance Cost	2452	2946	3172	1618	1084
PROFIT BEFORE DEPRECIATION AND TAX	16652	10339	6778	16734	21360
Less : Current Depreciation (Net)	7071	7191	6743	6115	6106
Less : Tax (Net) - Including Deferred Tax	3288	959	(843)	2683	5238
NET PROFIT	6293	2189	878	7936	10016
DIVIDEND (%)	60%	60%	50%	65%	60%
EARNINGS PER SHARE (₹)	28.80	10.02	4.02	* 36.47	* 49.61
CASH EARNINGS PER SHARE (₹)	61.16	42.93	34.88	* 64.57	* 79.85
BOOK VALUE PER SHARE (₹)	316.14	294.37	291.42	* 294.43	* 276.81

* Calculated on Weighted average of shares outstanding during the year.

STATEMENT OF ASSETS AND LIABILITIES

(₹ in Lacs)

	As on 31.03.2014	As on 31.03.2013	As on 31.03.2012	As on 31.03.2011	As on 31.03.2010
A. EQUITY AND LIABILITIES					
Shareholders' Funds					
Share Capital	2185	2185	2185	2185	2085
Equity Share Warrants	-	-	-	-	473
Reserves & Surplus (including Revaluation)	67928	63198	62574	62987	54931
	70113	65383	64759	65172	57489
Non - Current Liabilities					
Long Term Borrowings	4822	6713	14502	14951	6096
Deferred Tax Liabilities (Net)	9406	10298	10721	10979	11853
Long Term Liabilities and Provisions	1066	1249	1147	1040	961
	15294	18260	26370	26970	18910
Current Liabilities					
Short Term Borrowings	12768	12693	18270	22874	11832
Trade Payables, Liabilities and Provisions	8825	14616	12999	11812	9986
	21593	27309	31269	34686	21818
(A)	107000	110952	122398	126828	98217
B. ASSETS					
Fixed Assets (Net)	61799	67293	72203	74635	61010
Non-Current Investment	852	319	319	319	319
Long Term Loans and Advances	1041	849	1278	884	956
Other Non Current Assets	776	1	309	685	434
Current Assets	42532	42490	48289	50305	35498
(B)	107000	110952	122398	126828	98217

BOOK POST



2nd Nylon Tyre Cord Dipping Plant, Bharuch Site

If undelivered, please return to: CENTURY ENKA LIMITED, Bhosari, Pune - 411026



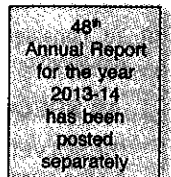
CENTURY ENKA LIMITED

Registered Office: Century Arcade, 2nd Floor, Narangi Baug Road, Pune-411 001

CIN: L24304PN1965PLC139075

Phone No. 020-26166511, Fax No. 020-26166511

Website: www.centuryenka.com, Email: investor@centuryenka.com



NOTICE TO THE SHAREHOLDERS

NOTICE is hereby given that the 48th Annual General Meeting of the Shareholders of CENTURY ENKA LIMITED will be held at Pudumjee Hall, Mahratta Chamber of Commerce, Industries and Agriculture, Tilak Road, Pune-411 002 on Saturday, the 13th September, 2014 at 12.30 P.M. to transact the following business:

ORDINARY BUSINESS

1. To consider the Reports of the Auditors and Directors and to receive, consider and adopt the audited financial statements for the year ended 31st March, 2014.
2. To declare dividend on Equity Shares for the year ended 31st March, 2014.
3. To appoint a Director in place of Mr. B. K. Birla (holding DIN 00055856) who retires by rotation and being eligible offers himself for reappointment.
4. To appoint M/s. Price Waterhouse, Chartered Accountants (Firm Registration No. 301112E) as Auditors of the Company and to authorise the Board of Directors to fix their remuneration.

SPECIAL BUSINESS

5. To consider and, if thought fit, to pass with or without modification the following resolution:

AS ORDINARY RESOLUTION

"RESOLVED THAT Mrs. Saraladevi Birla (holding DIN 01625592) who was appointed as an Additional Director of the Company by the Board of Directors with effect from 5th May, 2014 in terms of Section 161 of the Companies Act, 2013 and whose term of office expires at the Annual General Meeting and in respect of whom the Company has received notices in writing from members proposing her candidature for the office of Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation."

6. To consider and, if thought fit, to pass with or without modification the following resolution:

AS ORDINARY RESOLUTION

"RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013, the rules made thereunder and Schedule IV to the Companies Act, 2013 (including any statutory modification, amendment, substitution or re-enactment thereof for the time being in force), Mr. R. A. Shah (holding DIN 00009851), Director of the Company, whose period of office is liable to determination by retirement by rotation at the Annual General Meeting and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years for a term upto 31st March, 2019."

7. To consider and, if thought fit, to pass with or without modification the following resolution:

AS ORDINARY RESOLUTION

"RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013, the rules made thereunder and Schedule IV to the Companies Act, 2013 (including any statutory modification, amendment, substitution or re-enactment thereof for the time being in force), Mr. B. S. Mehta (holding DIN 00035019) Director of the Company, whose period of office is liable to determination by retirement by rotation at the Annual General Meeting and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years for a term upto 31st March, 2019."

8. To consider and, if thought fit, to pass with or without modification the following resolution:

AS ORDINARY RESOLUTION

"RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013, the rules made thereunder and Schedule IV to the Companies Act 2013 (including any statutory modification, amendment, substitution or re-enactment thereof for the time being in force), Mr. S. K. Jain (holding DIN 02843676), Director of the Company, who retires by rotation at the Annual General Meeting and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years for a term upto 31st March, 2019."

9. To consider and, if thought fit, to pass with or without modification the following resolution:

AS SPECIAL RESOLUTION

"RESOLVED THAT in supersession of the resolution passed by the members of the Company at the 32nd Annual General Meeting held on 10th August, 1998, the consent of the Company, pursuant to Section 180(1)(c) and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification, amendment, substitution or re-enactment thereof for the time being in force) be and is hereby accorded to the Board of Directors of the Company to borrow such sum or sums of money or monies from time to time, notwithstanding that the money or monies to be borrowed together with money or monies already borrowed by the Company and outstanding, (apart from temporary loans obtained or to be obtained from the Company's bankers in the ordinary course of business) may exceed the aggregate of the paid up share capital of the Company and its free reserves, provided that the total amount to be borrowed together with the total amount already borrowed and outstanding at any point of time shall not exceed ₹ 300 crores (Rupees three hundred crores) over and above the paid up share capital and free reserves of the Company."

10. To consider, and if thought fit, to pass with or without modification the following resolution:

AS SPECIAL RESOLUTION

"RESOLVED THAT in supersession of the resolution passed by the members of the Company at the 32nd Annual General Meeting held on 10th August, 1998, the consent of the Company be and is hereby accorded in terms of Section 180(1)(a) and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification, amendment, substitution or re-enactment thereof for the time being in force) to mortgaging and/or charging by the Board of Directors of the Company of any of the immovable and movable properties and assets of the Company and/or whole or substantially the whole of the Undertaking(s) of the Company, present and future, in favour of Financial Institutions/Banks/other persons for borrowing any Rupee Term Loans and/or Foreign Currency Term Loans and/or other loans sanctioned or to be sanctioned, from time to time and/or in favour of Agents and Trustees for the holders of debentures/bonds/other instruments issued or to be issued from time to time, to secure the repayment of Rupee Term Loans and/or Foreign Currency Term Loans and/or other loans and/or debentures/bonds/other instruments, provided that the amount of borrowing by way of Rupee Term Loans and/or Foreign Currency Term Loans and/or other loans and/or amount by issue of debentures/bonds/other instruments, together with the amounts already borrowed by way of loans and/or raised by way of issue of debentures/bonds/other instruments together with interest thereon, additional interest, liquidated damages, commitment charges, premium on prepayment or on redemption, costs, charges, expenses, fees payable to Agents & Trustees for the holders of debentures/bonds/other instruments and such other monies as may be payable by the Company and as may be approved by the Board of Directors, shall at no time, exceed ₹ 300 crores (Rupees three hundred crores) over and above the aggregate of the paid up share capital of the Company and its free reserves."

"RESOLVED FURTHER THAT the aforesaid mortgages and/or charges may rank prior/pari passu/subservient with/to the mortgages and/or charges already created and/or to be created for the amounts raised/to be raised by way of Rupee Term Loans and/or Foreign Currency Term Loans and/or other loans and/or by issue of debentures/bonds/other instruments."

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised, in addition to securing the amount by mortgaging and/or charging any of the immovable and movable properties and assets of the Company and/or whole or substantially the whole of the undertaking(s) of the Company, to agree to reserve a right in favour of the Financial Institutions/Banks/other persons/ Agents and Trustees for holders of debentures/bonds/other instruments to take over the management of the Company's plants, undertaking(s) and/or new undertaking(s) that may come into existence."

"RESOLVED FURTHER THAT the Board of Directors of the Company, be and is hereby authorised to finalise with the Financial Institutions/Banks/other persons/the Agents and Trustees for holders of debentures/bonds/other instruments, such documents for creating the mortgages and/or charges and for preserving the aforesaid rights and to do all such acts and things as may be necessary, for giving effect to the above resolution and to resolve any question or doubt which may arise in relation thereto or otherwise considered by the Board of Directors to be in the best interest of the Company."

11. To consider and, if thought fit, to pass with or without modification the following resolution:

AS SPECIAL RESOLUTION

"RESOLVED THAT pursuant to the provisions of Section 42 and other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification, amendment, substitution or re-enactment thereof for the time being in force), the approval of the Company be and is hereby accorded for making offer(s) or invitation(s) to subscribe to Non-Convertible Debentures ("NCD")/ bonds/other instruments on a private placement basis, in one or more tranches during a period of one year from the date of passing of this resolution, provided the outstanding amount at any time during the period shall not exceed ₹ 150 crores (Rupees one hundred fifty crores), within the overall borrowing limits of the Company, as approved by the members from time to time."

"RESOLVED FURTHER THAT the Board of Directors of the Company (including any Committee thereof), be and is hereby authorised to do all such acts, deeds and things and give such directions as may be deemed necessary or expedient to give effect to the above resolution, including determining the terms and conditions of NCDs/bonds/other instruments."

12. To consider, and if thought fit, to pass with or without modification the following Resolution:

AS SPECIAL RESOLUTION

"RESOLVED THAT in supersession of resolution passed by the members of the Company at the 47th Annual General Meeting of the Company held on 13th July 2013 and pursuant to the provisions of Section 197 and any other applicable provisions of the Companies Act, 2013, the rules made thereunder (including any statutory modification, amendment, substitution or re-enactment thereof for the time being in force) and the Articles of Association of the Company, the consent of the Company be and is hereby accorded to pay remuneration by way of commission to its Directors, other than the Directors in the whole-time employment of the Company, at a rate not exceeding one percent of the net profits of the Company in each year, computed in accordance with the provisions of Sections 197 and 198 of the Companies Act, 2013 and other relevant provisions of the said Act and other applicable laws, subject however to such ceiling if any, as the Board of Directors may, from time to time fix within the limit of one percent for each year and the same be divided amongst them in such manner as the Board of Directors may, from time to time fix in that behalf for each year."

"RESOLVED FURTHER THAT this resolution shall become effective for a period of five years from 1st April, 2014 to 31st March, 2019."

"RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board of Directors be and is hereby authorised to take all such actions, and to do all such acts, deeds, matters and things as it may in its absolute discretion deem necessary, proper or desirable and to resolve any question, difficulty or doubt that may arise in this regard."

By Order of the Board

Place : Mumbai
Date : 24th July, 2014

C. B. GAGRANI
Secretary

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ABOVE MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXIES 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 fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company (For more details you may refer Section 105 of the Companies Act, 2013).
2. The Register of Members and Share Transfer Register of the Company will remain closed from Tuesday, the 2nd September, 2014 to Tuesday, the 9th September, 2014 both days inclusive on account of Dividend payment.
3. The payment of dividend, if declared at the said meeting, will be made to those shareholders whose names shall appear on the Company's Register of Members on 9th September, 2014 or to their nominees. In respect of shareholding in dematerialised form, dividend will be paid to the beneficial owners as per details to be furnished by the Depositories for the purpose. Dividend Warrants will be dispatched or credit will be given under National Electronic Clearing Services (NECS)/Electronic Clearing Services (ECS) as the case may be on or after 17th September, 2014.
4. Members desirous of getting any information about the accounts and operations of the Company are requested to address their query to the Secretary at the Registered Office address well in advance so that the same may reach him at least 10 days before the date of the meeting to enable the Management to keep the required information readily available at the meeting.
5. (i) The unclaimed dividend upto financial years 1994-95 have been transferred to the General Revenue Account of the Central Government in terms of the provisions of Section 205A of the Companies Act, 1956. Those shareholders who have so far not claimed their dividend for the financial years upto 1994-95 may claim their dividend from the Registrar of Companies, Maharashtra, Pune by submitting an application in the prescribed form.
(ii) Those members who have not encashed dividend warrant for the financial years 2006-07 to 2012-13 may return the time barred dividend warrant or write to the Company's Share Transfer Agent, M/s. Link Intime India Private Limited, C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (West), Mumbai - 400 078 for issue of duplicate dividend warrant.
(iii) Pursuant to the provisions of Section 205A of the Companies Act, 1956, as amended, dividend for the financial year 2006-07 and thereafter which remain unclaimed for a period of 7 (seven) years will be transferred to the Investor Education and Protection Fund (the Fund) constituted by the Central Government under Section 205C of the Companies Act, 1956. Unclaimed Equity Dividend for the financial year 2006-07 will fall due for transfer to the said Fund on 31st July, 2014.
As regards unclaimed dividend for the financial years 1995-96 to 2005-06, the same have already been transferred to the said Fund.
6. Dividend in respect of shares held in dematerialized form shall be credited to the beneficial owner's bank account directly through NECS/ECS wherever NECS/ECS facility is available subject to availability of bank account details/core banking account number and 9 digits code number. In case the said details have not been provided to the concerned Depository Participant or there is any change, the same may please be intimated to the concerned Depository Participant immediately.
Shareholders holding shares in physical form and desirous of availing NECS/ECS facility, should provide the bank details/core banking account number and 9 digits code number in NECS/ECS Mandate Proforma. Shareholders who have already given their Bank details to avail NECS/ECS facility should furnish the same only if there is any change.
The NECS/ECS Mandate Proforma can be obtained from the Company's Share Transfer Agent, M/s. Link Intime India Private Limited at the address mentioned hereinbelow in Note 8 or can be downloaded from the Company's website www.centuryenka.com.

7. Details under Clause 49 of the Listing Agreement with the Stock Exchanges in respect of the Directors seeking appointment/re-appointment at the Annual General Meeting and given under Corporate Governance Report, a part of 48th Annual Report, forms part of the notice. The Directors have furnished the requisite declarations for their appointment/re-appointment.
8. In terms of provisions of Section 72 of the Companies Act, 2013, nomination facility is available to individual shareholders. The shareholders who are holding shares in physical form and are desirous of availing this facility may kindly write to the Company's **Share Transfer Agent, M/s. Link Intime India Private Limited, C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (West), Mumbai - 400 078** for nomination form quoting their folio number. Shareholders holding shares in dematerialised form, should write to their Depository Participant for the purpose.
9. Members who are holding shares in identical order of names in more than one folio, are requested to write to the Company's Share Transfer Agent at the address mentioned hereinabove in Note 8 to consolidate their holding in one folio.
10. Members who are holding shares in physical form are requested to notify change in address, if any, to the Company's Share Transfer Agent at the address mentioned hereinabove in Note 8 quoting their folio number. Shareholders holding shares in dematerialized form, should intimate change of their address, if any, to their Depository Participant.

11. Procedure for voting through Electronic Means

In compliance with the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of 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 instructions for members for voting electronically are as under:-**

In case of members receiving e-mail:

- (i) Log on to the e-voting website www.evotingindia.com
- (ii) Click on "Shareholders" tab.
- (iii) Now, select the "CENTURY ENKA LIMITED" from the drop down menu and click on "SUBMIT"
- (iv) Now Enter your User ID
 - (a) For CDSL: 16 digits beneficiary ID,
 - (b) For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - (c) Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN*	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> Members who have not updated their PAN with the Company/ Depository Participant are requested to use the first two letters of their name and the last 8 digits of the demat account/folio number in the PAN field. In case the folio number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with folio number 100 then enter RA00000100 in the PAN field.
DOB#	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details#	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.

- # Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or Company, please enter the member id/folio number in the Dividend Bank details field.

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions 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.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the relevant CENTURY ENKA LIMITED on which you choose to vote.
- (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) 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.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the voting page.
- (xvii) If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporates.
- They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to helpdesk.evoting@cdslindia.com.
- After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.

- The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.

In case of members receiving the physical copy:

- A. Please follow all steps from sl. no. (i) to sl. no. (xvii) above to cast vote.
- B. The voting period begins on 7th September 2014, 9.00 A.M. and ends on 9th September 2014, 6.00 P.M. 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 8th August 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.
- C. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.co.in under help section or write an email to helpdesk.evoting@cdslindia.com.
- I. 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 (record date) of 8th August, 2014.
- II. A copy of this notice has been placed on the website of the Company and the website of CDSL.
- III. Mr. Chetan Maru, (Membership No. 104522) Chartered Accountants and Partner of Mantri Maru & Co. Chartered Accountants, has been appointed as the Scrutinizer for conducting the e-voting process in a fair and transparent manner.
- IV. 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.
- V. The Results shall be declared on or after the AGM of the Company. The Results declared alongwith the Scrutinizer's Report shall be placed on the Company's website www.centuryenka.com and on the website of CDSL within two (2) days of passing of the resolutions at the AGM of the Company and communicated to BSE Limited and National Stock Exchange of India Limited.

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

Item No.5

Mrs. Saraladevi Birla has been appointed as an Additional Director of your Company by the Board of Directors on 5th May, 2014 and will hold the office upto the Annual General Meeting of the Company.

Notices have been received from the members alongwith deposits of ₹ 1,00,000/- (Rupees one lac) each under Section 160 of the Companies Act, 2013 signifying their intention to propose Mrs. Saraladevi Birla as a candidate for the office of the Director of the Company, liable to retire by rotation.

Mrs. Saraladevi Birla, is an industrialist and one of the Promoters of the Company. She is also a philanthropist and closely associated with various Charitable Trusts and Educational and Cultural Institutions to guide social upliftment and welfare of the needy and weaker sections of the society.

Particulars of Mrs. Saraladevi Birla's directorship and her shareholding are given in Corporate Governance Report forming part of the 48th Annual Report.

The Board of Directors, therefore, commends this item of the accompanying notice for approval of the members.

None of the Directors and Key Managerial Personnel and their relatives, except Mr. B. K. Birla, who is her husband, is concerned or interested, financial or otherwise, in the resolution set out at Item No.5.

This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the Stock Exchanges.

Item No.6

Mr. R. A. Shah is a Non-Executive Independent Director of the Company. He is an Advocate and Solicitor by profession and senior partner of M/s. Crawford Bayley & Co, firm of Advocates and Solicitors. He has joined the Board of Directors of the Company in June 2007. Particulars of Mr. R. A. Shah's directorship, committee membership in various companies as well as in the Company and his shareholding are given in Corporate Governance Report forming part of 48th Annual Report.

Mr. R. A. Shah is a Director whose period of office is liable to determination by retirement by rotation under the erstwhile applicable

provisions of the Companies Act, 1956. There is a change under the Companies Act, 2013. Section 149 of the Companies Act, 2013 deals with appointment of Independent Director for a term of five years. Mr. R. A. Shah being eligible and offering himself for appointment as an Independent Director for a term of five consecutive years upto 31st March, 2019. A notice has been received from a member alongwith a deposit of ₹ 1,00,000/- (Rupees one lac) proposing Mr. R. A. Shah as a candidate for the office of a Director of the Company.

In the opinion of the Board of Directors, Mr. R. A. Shah fulfils the conditions specified in the Companies Act, 2013 and rules made thereunder for his appointment as an Independent Director of the Company and is independent of the management.

The Board of Directors considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Mr. R. A. Shah as an Independent Director. Accordingly, the Board of Directors recommends the resolution in relation to appointment of Mr. R. A. Shah as an Independent Director, for the approval by the members of the Company.

Except Mr. R. A. Shah, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 6. This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the Stock Exchanges.

Item No.7

Mr. B. S. Mehta is a Non-Executive Independent Director of the Company. He is by profession a Chartered Accountant and past President of The Institute of Chartered Accountants of India. He has joined the Board of Directors of the Company in February 1978. Particulars of Mr. B. S. Mehta's directorship, committee membership in various companies as well as in the Company and his shareholding are given in Corporate Governance Report forming part of 48th Annual Report.

Mr. B. S. Mehta is a Director whose period of office is liable to determination by retirement by rotation under the erstwhile applicable provisions of the Companies Act, 1956. There is a change under the Companies Act, 2013. Section 149 of the Companies Act, 2013 deals with appointment of Independent Director for a term of five years. Mr. B. S. Mehta being eligible and offering himself for appointment as an Independent Director for a term of five consecutive years upto 31st March, 2019. A notice has been received from a member alongwith a deposit of ₹ 1,00,000/- (Rupees one lac) proposing Mr. B. S. Mehta as a candidate for the office of a Director of the Company.

In the opinion of the Board of Directors, Mr. B. S. Mehta fulfils the conditions specified in the Companies Act, 2013 and rules made thereunder for his appointment as an Independent Director of the Company and is independent of the management.

The Board of Directors considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Mr. B. S. Mehta as an Independent Director. Accordingly, the Board of Directors recommends the resolution in relation to appointment of Mr. B. S. Mehta as an Independent Director, for the approval by the members of the Company.

Except Mr. B. S. Mehta, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 7. This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the Stock Exchanges.

Item No.8

Mr. S. K. Jain is a Non-Executive Independent Director of the company. He is by profession an Advocate and also associated with educational institution. He has joined the Board of Directors of the Company in November 2009. Particulars of Mr. S. K. Jain's shareholding is given in Corporate Governance Report forming part of 48th Annual Report.

Mr. S. K. Jain is a Director who retires by rotation at the annual general meeting under the erstwhile applicable provisions of the Companies

Act, 1956. There is a change under the Companies Act, 2013. Section 149 of the Companies Act, 2013 deals with appointment of Independent Director for a term of five years. Mr. S. K. Jain being eligible and offering himself for appointment as an Independent Director for a term of five consecutive years upto 31st March, 2019. A notice has been received from a member alongwith deposit of ₹ 1,00,000/- (Rupees one lac) proposing Mr. S. K. Jain as a candidate for the office of a Director of the Company.

In the opinion of the Board of Directors, Mr. S. K. Jain fulfils the conditions specified in the Companies Act, 2013 and rules made thereunder for his appointment as an Independent Director of the Company and is independent of the management.

The Board of Directors considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Mr. S. K. Jain as an Independent Director. Accordingly, the Board of Directors recommends the resolution in relation to appointment of Mr. S. K. Jain as an Independent Director, for the approval by the members of the Company.

Except Mr. S. K. Jain, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 8. This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the Stock Exchanges.

Item 9:

The resolution set out at Item No. 9 has become necessary to revalidate the existing limit of borrowings passed by way of an ordinary resolution by the members of the Company under Section 293(1)(d) of the Companies Act, 1956 at the 32nd Annual General Meeting of the Company held on 10th August, 1998 for borrowings from time to time, to meet its capital expenditure and/or working capital requirements by raising funds by borrowing Rupee Term Loans and/or Foreign Currency Term Loans and/or other loans from financial institutions, banks and other persons and/or by issue of debentures/bonds/other instruments (apart from temporary loans obtained by the Company's bankers in the ordinary course of business) upto an amount of ₹ 300 crores (Rupees three hundred crores) over and above the paid-up share capital and free reserves of the Company.

As Section 293(1)(d) of the Companies Act, 1956 has been repealed and Section 180(1)(c) of the Companies Act, 2013 has come into effect from 12th September, 2013, which requires the consent of the Company in General Meeting by way of special resolution for authorising the Board of Directors to borrow money (apart from the temporary loans obtained from the Company's bankers in the ordinary course of the business) if it exceeds the aggregate of the paid-up share capital and its free reserves. The approval of the members is therefore sought by way of a special resolution to borrow money upto ₹ 300 crores (Rupees three hundred crores) over and above the paid-up share capital and free reserves.

There is no change in the overall limit of the borrowings.

The Board of Directors therefore, recommends the members approval of this item of the accompanying notice.

None of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise in passing of this resolution.

Item 10 :

The resolution set out at Item No. 10 has become necessary to revalidate the authorisation to the Board of Directors to create security by way of mortgage or charge on the assets/undertakings of the Company. Section 293(1)(a) of the Companies Act, 1956 has been repealed and Section 180(1)(a) of the Companies Act, 2013 has come into effect from 12th September, 2013 which requires the consent of the Company by way of special resolution to the Board of Directors of the Company.

The Section 180(1)(a) of the Companies Act, 2013 provides that the Board of Directors shall not without the consent of the Company in general meeting sell, lease or otherwise dispose of the whole or

substantially the whole of the undertaking(s) of the Company. The Company is to borrow monies from time to time for the purpose of the business of the Company by way of Rupee Term Loans and/or Foreign Currency Term Loans and/or other loans and/or by way of issue of debentures/bonds/other instruments and generally requires to secure such loans/debentures/bonds/other instruments by mortgaging and/or charging the properties of the Company. For creating such security, the Company has to wait till the next Annual General Meeting or call an Extraordinary General Meeting to obtain the consent of the Company u/s 180(1)(a) of the Companies Act, 2013. As the members are aware, calling an Extraordinary General Meeting is a time consuming proposition.

The borrowings by way of Rupee Term Loans and/or Foreign Currency Term Loans and/or other loans and/or issue of debentures/bonds/other instruments also requires creating of security within a stipulated time. Non creation of security in time may make the Company liable for penal interest.

In order to enable the Board of Directors to create security within a stipulated time in favour of Financial Institutions/Banks/other persons/ Agents and Trustees for holders of debentures/bonds/other instruments, it is necessary that an authorisation u/s 180(1)(a) of the Companies Act, 2013 be given to the Board of Directors with a power to dispose of the whole or substantially the whole of the undertaking(s) of the Company and other assets of the Company. Authorisation is also sought to the Board of Directors agreeing to Financial Institutions/Banks/other persons/Agents and Trustees for holders of debentures/bonds/other instruments retaining the power to take over the management of the business and concern of the Company in certain events. It is therefore, necessary for the members to pass a resolution under Section 180(1) (a) of the Companies Act, 2013.

Authorisation is sought in the said resolution securing loans/debentures/ bonds/other instruments upto an amount, not exceeding ₹ 300 crores (Rupees three hundred crores) over and above the paid-up share capital and free reserves of the Company.

The Board of Directors therefore, recommend the members approval of this item of the accompanying notice.

None of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in passing of this resolution.

Item 11 :

As per the provisions of Section 42 of the Companies Act, 2013 and the Companies (Prospectus and Allotment of Securities) Rules, 2014, a company offering or making an invitation to subscribe to Non Convertible Debentures ("NCD")/bonds/other instruments on a private placement basis, is required to obtain the prior approval of the Shareholders by way of a special resolution, which can be obtained once a year for all the offers and invitations for such NCDs/bonds/other instruments during the year.

NCDs/bonds/other instruments including Commercial Paper, issued on private placement basis is one of the important and cost effective source of borrowings for the Company.

The approval of the Members is being sought by way of a special resolution under Sections 42 and other applicable provisions of the Companies Act, 2013 read with the rules made thereunder, to enable the Company to offer or invite subscriptions for NCDs/bonds/other instruments on a private placement basis, in one or more tranches, during a period of one year from the date of passing of this resolution provided the outstanding at any time during the period shall not exceed ₹ 150 crores (Rupees one hundred fifty crores), within the overall borrowing limits of the Company, as approved by the members from time to time, with authority to the Board of Directors to determine the

terms and conditions, including the issue price of the NCDs/bonds/ other instruments.

The Directors commend the resolution at Item No. 11 of the accompanying notice, for the approval of the members of the Company.

None of the Directors of the Company or their relatives or Key Managerial Personnel of the Company or their relatives are concerned or interested, financial or otherwise, in the passing of the resolution at Item No. 11, except to the extent of NCDs/bonds/other instruments that may be subscribed to by them, their relatives or companies/firms in which they are interested.

Item 12 :

A special resolution was passed for payment of commission to Directors at the 47th Annual General Meeting of the Company held on 13th July, 2013. Under the said resolution, commission to Directors other than the Directors in the whole time employment of the Company could be paid upto ₹ 20 lacs (Rupees twenty lacs) for each of the five financial years commenced from 1st April, 2013, subject to overall ceiling of 1% of the net profits of the Company computed in accordance with the provisions of Section 198 of the Companies Act, 1956 whichever is lower for a financial year.

The ceiling of ₹ 20 lacs (Rupees twenty lacs) was fixed in the year commenced from 1st April, 2008 and continued till 31st March, 2014.

The Board Members of the Company comprises of outstanding professionals and industrialists and the Company is being benefited by their expert advice/guidance from time to time.

The Board of Directors, exercises appropriate control and provides strategic guidance to business of the Company. The Board of Directors has constituted various Committees of Directors, such as Audit Committee covering wide and varied functions of the Company including review of quarterly financial results with Statutory Auditors, review of internal audit reports and programme with Internal Auditors, effectiveness of internal control procedures and systems and their adequacy, risk management, follow-up of the outstanding issues and similar important issues. There are also Committees of Directors, such as, Nomination and Remuneration Committee, Corporate Social Responsibility Committee, Stakeholders Relationship/Grievance Committee and Share Transfer Committee so that there is better compliance of corporate governance and monitoring of various functions by the Committees. Beside these, there are various compliances of SEBI/Stock Exchange Rules and Regulations, Code of Conducts, provisions of the Companies Act and other laws. The new Companies Act, 2013 also enhances the role of the Board of Directors. All these activities need involvement and high degree of monitoring and supervision by the Directors.

Section 197 of the Companies Act, 2013 permits payment of commission to Directors upto 1% of net profits of the Company computed in accordance with the provisions of Section 198 of the Companies Act, 2013. Within the permissible limit of 1% of net profits, the Board of Directors is seeking your consent for payment of commission for each financial year with discretion to the Board of Directors to decide the amount to be disbursed in each financial year and its allocation among the eligible Directors. Section 197 of the Companies Act, 2013 and Articles of Association of the Company permit payment of such commission with the consent of the members accorded by a special resolution.

The Board of Directors, therefore, recommend this item of accompanying notice for approval of the members as a special resolution.

All the Directors of the Company except Whole-time Director and Key Managerial Personnel, may be considered as interested or concerned in the resolution.

**CENTURY ENKA LIMITED**

Registered Office : Century Arcade, 2nd Floor, Narangi Baug Road, Pune-411 001

CIN: L24304PN1965PLC139075

ATTENDANCE SLIP

Only Shareholders or the Proxies will be allowed to attend the meeting

D. P. ID*	
Client ID*	

L. F. No.	
No. of Shares held	

I/We hereby record my/our presence at the 48th Annual General Meeting of the Company being held on Saturday, the 13th September, 2014 at 12.30 P.M. at Pudumjee Hall, Mahratta Chamber of Commerce, Industries and Agriculture, Tilak Road, Pune-411 002.

Name of the Shareholder(s) 1. 2. 3.

Signature of Shareholder(s) 1. 2. 3.

Signature of Proxyholder

* Applicable for investors holding shares in electronic form.

Note: Member/Proxy attending the Meeting must fill-in this Attendance Slip and hand it over at the entrance of the venue of the Meeting.

**CENTURY ENKA LIMITED**

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

FORM NO. MGT-11

PROXY FORM

CIN : L24304PN1965PLC139075

Name of the Company : CENTURY ENKA LIMITED

Registered Office : Century Arcade, 2nd Floor, Narangi Baug Road, Pune-411 001

Name of the member(s)	
Registered Address	
Email ID	
Folio No./Client ID	
DP ID	

I/We, being the member(s) of shares of the above named company, hereby appoint:

(1) Name Address
E-mail Id Signature or failing him;

(2) Name Address
E-mail Id Signature or failing him;

(3) Name Address
E-mail Id Signature

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 48th Annual General Meeting of the Company to

P.T.O.

be held on Saturday, the 13th September, 2014 at 12.30 P.M. at Pudumjee Hall, Maharashtra Chamber of Commerce, Industries and Agriculture, Tilak Road, Pune-411 002 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Resolutions	Optional *	
		For	Against
1	Consider and adopt the Reports of Auditors, Directors and Audited Financial Statements for the year ended 31 st March, 2014.		
2	Declaration of Dividend on Equity Shares.		
3	Re-appointment of Mr. B. K. Birla, who retires by rotation.		
4	Appointment of Messrs Price Waterhouse, Chartered Accountants as Auditors and authorise the Board of Directors to fix their remuneration.		
5	Appointment of Mrs. Saraladevi Birla as a Director of the Company, liable to retire by rotation.		
6	Appointment of Mr. R. A. Shah as an Independent Director.		
7	Appointment of Mr. B. S. Mehta as an Independent Director.		
8	Appointment of Mr. S. K. Jain as an Independent Director.		
9	Special resolution under Section 180(1)(c) of the Companies Act, 2013 for borrowing money upto ₹ 300 crores over and above the aggregate of the paid-up share capital and free reserves of the Company.		
10	Special resolution under Section 180(1)(a) of the Companies Act, 2013 for creation of security.		
11	Special resolution for offer or invitation to subscribe to Non-Convertible Debentures on private placement upto ₹ 150 crores.		
12	Commission to Directors, other than Whole-time Directors at a rate not exceeding 1% of the net profits of the Company.		

Signed this day of 2014.

Signature of shareholder(s) :

Signature of Proxy holder(s) :

Affix
15 Paise
Revenue
Stamp

Notes:

- (1) This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the meeting.
- (2) For the Resolutions, Explanatory Statement and Notes, please refer to the Notice of the 48th Annual General Meeting.
- *(3) It is optional to put a 'X' in the appropriate column against the Resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all Resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.
- (4) Please complete all details including details of member(s) in above box before submission.

CERTIFIED TO BE TRUE
For CENTURY ENKA LIMITED

C. S. Gogaw

Secretary.

CENTURY ENKA LIMITED

(Factory : Bhosari, Pune 411 026)

Phone : 66127300
Gram : CENENKA
Telefax : (91) 020-27120113



Communicate at:
Post. Box No. 17,
Bhosari,
Pune - 411 026.

CIN : L24304PN1965PLC139075

FORM A

Format of covering letter of the annual audit report to be filed with the Stock Exchange

1.	Name of the Company	Century Enka Limited
2.	Annual financial statements for the year ended	31st March, 2014
3.	Type of Audit observation	Un-qualified. One matter of emphasis.
4.	Frequency of observation	Appeared first time
5.	To be signed by-	
	<ul style="list-style-type: none">• Whole Time Director	<i>G.M. Singhvi</i> (G.M. Singhvi)
	<ul style="list-style-type: none">• CFO	<i>D.B. Roonghta</i> (D.B. Roonghta)
	<ul style="list-style-type: none">• Auditor of the Company	<i>Jeetendra Mirchandani</i> (Jeetendra Mirchandani) M.No.48125 Partner Price Waterhouse Chartered Accountants Firm Regn.No.301112E
	<ul style="list-style-type: none">• Audit Committee Chairman	<i>S.K. Jain</i> (S.K. Jain)

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