

# CENTURY ENKA LIMITED

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**MUMBAI OFFICE :**  
INDUSTRY HOUSE, 3RD FLOOR,  
159, CHURCHGATE RECLAMATION  
MUMBAI - 400 020.

August 10, 2017

**Bombay Stock Exchange Limited**  
Phiroze Jeejeebhoy Towers  
Dalal Street,  
Mumbai - 400 001.

Ref : **Scrip Code : 500280**

Dear Sirs,

Pursuant to Regulation 34 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, enclosed herewith please find copy of Annual Report of the Company for the financial year ended 31st March, 2017 containing audited financial statements, cash flow statement and reports, duly approved and adopted by the shareholders of the company in the Annual General Meeting held on 5th August, 2017.

Thanking you,

Yours faithfully,  
**For CENTURY ENKA LIMITED**

**(C.B. Gagrani)**  
Company Secretary

Encl : as above

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Regd. Off. : Plot No.72 & 72-A, MIDC, Bhosari, Pune - 411 026.  
Factory : Bhosari, Pune - 411 026.  
Tel. : +91-20-6612 7300, 2712 0423 ▪ Fax : +91-20-2712 0113  
CIN : L24304PN1965PLC139075



# CENTURY ENKA LIMITED



## 51<sup>st</sup> Annual Report 2016-2017

QUALITY driven!

# Chairman's Message



Dear Shareholders,

The passage of constitutional amendment paved the way for introduction of GST and is expected to have positive impact on organized sector and the Indian economy as a whole. With GDP growth projection of 7.4% for the year 2017-18, there is good prospects for economic growth.

Your Company witnessed optimum utilization of existing capacities in the year 2016-17. Profit has been good, despite pressure on margins, on the back of inventory gains due to steep rise in Caprolactam prices. The prices are now on declining trend and thus the year 2017-18 could witness reversal of inventory gains. In the long run stable Caprolactam prices would auger well for the business.

Nylon tyre cord demand is expected to remain stagnant or witness marginal decline. Your company is therefore evaluating diversification into polyester tyre cord and other reinforcement materials for tyre as a future growth plan.

It is a matter of satisfaction that your company has been able to maintain its leadership in nylon yarn for textiles and will further consolidate its position.

Last year, the Company had declared a dividend at the rate of 75% (which included a special dividend at the rate of 15% to commemorate our Golden Jubilee). For this year, we have proposed a dividend at the rate of 70%.

I would like to add that since the Company is in a commodity business, it is of utmost importance to have a strong balance sheet to withstand price volatility and minimising dependence on borrowings.

I should assure the shareholders that a stable dividend policy is our goal and commitment.

I would like to extend my gratitude to all our stakeholders, including shareholders, customers, lenders and our loyal, hard working and committed employees, for their continued support and faith in the Company.

**B.K. Birla**  
Chairman



## Fifty First Annual Report 2016-17

### CENTURY ENKA LIMITED

#### BOARD OF DIRECTORS

Mr. B. K. Birla (Chairman)  
Mrs. Rajashree Birla (Vice Chairperson)  
Mr. B. S. Mehta  
Mr. S. K. Jain  
Mr. K. S. Thar

Mr. O. R. Chitlange (Managing Director) w.e.f. 16.05.2017  
Mr. G. M. Singhvi (Whole-time Director) upto 15.05.2017

#### KEY MANAGERIAL PERSONNEL

Mr. K. G. Ladsaria - Chief Financial Officer (w.e.f.13.02.2017)  
Mr. D. B. Roonghta - Chief Financial Officer (upto12.02.2017)  
Mr. C. B. Gagrani - Company Secretary

#### AUDITORS

Messrs. Khimji Kunverji & Co.

#### BANKERS

Bank of Maharashtra	HDFC Bank
State Bank of India	Axis Bank

#### REGISTERED OFFICE

Plot No. 72 & 72-A,  
MIDC, Bhosari,  
Pune - 411 026.  
Tel. No. 020-66127300 / 27120423  
Fax No. 020-27120113

#### MUMBAI OFFICE

Industry House, 3rd Floor  
159, Churchgate Reclamation,  
Mumbai - 400 020.  
Tel. No. 022-4321 5300 / 2202 7375  
Fax No. 022-4321 5353 / 2287 3952

#### FACTORIES

Bhosari, Pune-411 026 Tel. No. 020-66127300 / 27120423 Fax No. 020-27120113	Rajashree Polyfil Rajashree Nagar, Post: Umalla-393120 Dist.: Bharuch Tel. No. 02640-308555 Fax No. 02640-308510
Raigad Processors (Not in Production) Plot No. C-61, Part-A, MIDC Area, Mahad-402 309, Dist.: Raigad Tel. No. 02145-232136	Konkan Synthetic Fibres (Not in Production) 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-101, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai - 400 083.  
Tel. : 022-49186270 Fax : 022-49186060

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**DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH, 2017****Dear Shareholders,**

Your Directors present the 51st Annual Report and Audited Financial Statements of the Company for the year ended 31st March, 2017.

Profit after Finance Cost but Before Tax has increased by 58% during the year. This was due to overall improvement in plant operations, higher sales both in quantitative term as well as value and lower finance cost.

**FINANCIAL RESULTS**

	₹ / Lacs	
	<b>This Year</b>	Previous Year
Net Revenue from Operations (Net of Excise Duty)	<b>118531</b>	114848
Profit before Depreciation, Finance Cost, Exceptional Items and Tax	<b>19736</b>	14624
Add / (Less) :		
Depreciation	<b>(4237)</b>	(4094)
Finance Cost	<b>(562)</b>	(956)
Exceptional Item (Note 1)	<b>(958)</b>	(754)
Taxation (Net)	<b>(4882)</b>	(2910)
<b>Net Profit</b>	<b>9097</b>	5910

Note 1: Exceptional item in this year represents impairment loss for some polyester spinning machines (previous year write-down of Continuous Polyester Polymerisation Unit).

Figures for previous year have undergone change consequent to transition to Ind AS, on first time adoption of Ind AS.

**DIVIDEND**

We recommend a dividend at the rate of 70% (i.e. ₹ 7/- per Equity Share of ₹ 10/- each) for the year ended 31st March, 2017 (Previous year dividend at the rate of 75% i.e. ₹ 7.50 per equity share of ₹ 10/- each which includes a special dividend to commemorate Golden Jubilee Year at the rate of 15% i.e. ₹ 1.50 per equity share).

**TRANSFER TO RESERVES**

It is proposed to transfer ₹ 900 lacs (Previous year ₹ 600 lacs) to General Reserve.

**COURSE OF BUSINESS AND OUTLOOK**

The Management's Discussion and Analysis Report as required under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 is forming a part of this report and gives the state of affairs of the business of the Company.

The business engineering undertaken in earlier years by converting polyester spinning machines into nylon spinning machines, with strong in-house technical support, has given

good results and led your Company to market leadership in a fragmented market with large number of players. Nylon Tyre Cord Fabric (NTCF) plants at both the sites are operating at full capacity. High energy cost is a matter of concern and continuous efforts are made in that direction to procure cheaper power. Your Company has been able to conclude a long term Open Power Purchase Agreement effective from 6th April, 2017 for its Bharuch Site that will result in savings in power cost.

**EXCISE DUTY DEMAND**

The Company has filed an appeal against the order of Commissioner of Central Excise for the alleged excise duty demand of ₹ 22927 lacs, equal amount of penalty and interest on duty amount before Customs, Excise and Service Tax Appellate Tribunal (CESTAT) Mumbai, denying benefit of Notification No. 6/2000 CE dated 01.03.2000 for specific excise duty. The appeal has been admitted and on pre-deposit of ₹ 700 lacs, stay granted. Your Company has been advised by the legal experts that it has a fair chance of ultimately succeeding in the matter and, accordingly, no provision is required to be made in books of account.

**EXPANSION AND MODERNISATION**

During the year, your Company has commissioned nylon textile mother yarn spinning machine and further converted part of polyester yarn spinning machines into nylon yarn spinning machines. Your Company continues its focus on conversion of polyester spinning machines into nylon spinning machines and will convert some more polyester spinning machines during the year. The Company plans to undertake debottlenecking of its NTCF dipping capacity and would install required machines for conversion of additional quantities of tyre cord into tyre cord fabric. Your Company, to widen its product basket, is actively considering to use a part of its conversion and dipping capacity for polyester tyre cord fabric and also use dipping facility for rayon tyre cord fabric.

The Company has planned to replace some old equipment to improve efficiency and savings in energy cost.

**HEALTH, SAFETY AND ENVIRONMENT**

The report on Management's Discussion and Analysis includes observations on health, safety and environment compliances by the Company.

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 under Section 134(3)(m) of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014 are set out in a separate statement attached hereto and forming part of the report. (Annexure-I).





## CORPORATE GOVERNANCE

Your Company reaffirms its commitment to Corporate Governance and is fully compliant with the conditions of Corporate Governance stipulated in Clause 'C' of Schedule V on Annual Report pursuant to Regulation 34(3) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. A separate section of disclosure on Corporate Governance and a Certificate from the firm of Practising Company Secretaries dated 10th May, 2017 in this regard, are annexed hereto and form part of the Report.

### POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION :

(including criteria for determining qualification, positive attributes, independence of a Director, policy relating to remuneration for Directors, Key Managerial Personnel and other employees).

#### Policy on Directors' appointment

Policy on Directors' appointment is to follow the criteria as laid down under the Companies Act, 2013 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. Emphasis is given to persons from diverse fields or professions.

#### Policy on Remuneration

Guiding Policy on remuneration of Directors, Key Managerial Personnel and employees of the Company is that -

- Remuneration to unionised workmen is based on the periodical settlement with the workmen union.
- Remuneration to Key Managerial Personnel, Senior Executives, Managers, Staff and Workmen (non Unionised) is industry driven in which it is operating, taking into account the performance leverage and such factors so as to attract and retain quality talent.
- For Directors, it is based on the shareholders resolutions, provisions of the Companies Act, 2013 and Rules framed thereunder, circulars and guidelines issued by Central Government and other authorities from time to time.

### ANNUAL EVALUATION BY THE BOARD OF ITS OWN PERFORMANCE, ITS COMMITTEES AND INDIVIDUAL DIRECTORS

The Board of Directors of the Company has initiated and put in place evaluation of its own performance, its committees and individual directors. The results of the evaluation are satisfactory and adequate and meet the requirement of the Company.

### DECLARATION OF INDEPENDENCE BY THE INDEPENDENT DIRECTORS

Pursuant to Section 149(7) of the Companies Act, 2013, Independent Directors of the Company have made declarations confirming the compliance of the conditions of the independence stipulated in Section 149(6) of the Act.

### DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirements of Section 134(3)(c) of the Companies Act, 2013 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 :

- that in the preparation of the annual accounts, the applicable accounting standards had been followed alongwith proper explanation relating to material departure;
- 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;
- 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, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- that the directors had prepared the annual accounts on a going concern basis;
- that the directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- that the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

### DIRECTORS

In accordance with Articles of Association of the Company, Mrs. Rajashree Birla, Director of the Company will retire by rotation and being eligible, offers herself for re-appointment.

Mr. G.M. Singhvi's tenure as a Whole-time Director of the Company will come to an end on 15th May, 2017. Your Company wishes to place on record its appreciation for the valuable services rendered by Mr. G.M. Singhvi during his long tenure with the Company.

Mr. O.R. Chitlange has been appointed as Managing Director for a period of 5 years effective from 16th May, 2017, subject to approval of the members in the forthcoming Annual General Meeting of the Company.

### NUMBER OF MEETINGS OF BOARD OF DIRECTORS

The Board of Directors have met 5 times and Independent Directors once during the year ended 31st March, 2017.

### DETAILS OF COMMITTEES OF DIRECTORS

Composition of Audit Committee of Directors, Nomination and Remuneration Committee of Directors, Corporate Social Responsibility Committee of Directors, Stakeholders Relationship/Grievance Committee of Directors and Share Transfer Committee of Directors, number of meetings held of each Committee of Directors during the financial year 2016-17 and meetings attended by each member of the Committee as required under the Companies Act, 2013, are provided in Corporate Governance Report and forming part of the report.



The recommendations of the Audit Committee, as and when made to the Board, have been accepted by it.

### KEY MANAGERIAL PERSONNEL

Mr. G.M. Singhvi is the Whole-time Director of the Company, whose tenure will come to an end on 15th May, 2017.

Mr. O.R. Chitlange, has been appointed as the Managing Director of the Company effective from 16th May, 2017, subject to approval of the shareholders.

Mr. K.G. Ladsaria has been appointed as the Chief Financial Officer (CFO) of the Company effective from 13th February, 2017. Mr. D.B. Roonghta was CFO upto 12th February, 2017.

Mr. C.B. Gagrani is the Company Secretary of the Company.

### PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

There are no transactions with Related Parties which require disclosure under Section 134(3)(h) of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014.

### LOANS, INVESTMENTS AND GUARANTEES BY THE COMPANY

There are no loans given, investments made, guarantees given or securities provided by the Company to any entity, under Section 186 of the Companies Act, 2013.

### INTERNAL FINANCIAL CONTROLS

The Company is having in place Internal Financial Control System. The Internal Financial Controls with reference to the financial statements were adequate and operating effectively.

### FIXED DEPOSITS

Your Company has not accepted any fixed deposits from the public during the financial year ended 31st March, 2017.

### RISK MANAGEMENT

Your Company has developed and implemented a Risk Management Policy, including identification of elements of risk and the risks that may threaten the existence of the Company. The Company has constituted a Risk Management Committee of Senior Executives to evaluate the risks and mitigation plans and monitor them. The Risk Management Committee evaluated various risks and mitigation plans and monitored them. There is no element of risk identified by the Management that may, in the opinion of the Board, threaten the existence of the Company.

A detailed report on significant risks and mitigations is given under the head Risk Management in Management's Discussion and Analysis.

### WHISTLE BLOWER MECHANISM

Your Company has put in place Whistle Blower Mechanism. The detailed mechanism is given in Corporate Governance Report forming part of this report.

## COROPRATE SOCIAL RESPONSIBILITY

Information on Corporate Social Responsibility (CSR) Policy and initiative taken by the Company during the financial year 2016-17, pursuant to Section 135 of the Companies Act, 2013 read with Rule 8 of the Companies (CSR Policy) Rules, 2014 is annexed herewith and forming part of the report. (Annexure-II).

## ANALYSIS OF REMUNERATION

Pursuant to Rule 5 of the Companies (Appointment and Remuneration) Rules, 2014 a disclosure on remuneration related information of employees, Key Managerial Personnel and Directors is annexed herewith and forming part of the report. (Annexure-III).

## AUDITORS

M/s. Khimji Kunverji & Co., Chartered Accountants have been appointed as the Auditors of the Company to hold office for a term of 5 (five) consecutive years from the conclusion of 50th Annual General Meeting held on 15th July, 2016 until the conclusion of the 55th Annual General Meeting subject to ratification of their appointment by the members at every Annual General Meeting during the remaining term of 5 (five) years. Accordingly, being eligible, their appointment is required to be ratified at the ensuing Annual General Meeting.

## COST AUDITORS

The Cost Accounts records maintained by your Company for its products – Polyester and Nylon are subject to yearly audit by qualified Cost Auditors. Your Company has appointed M/s. D.C. Dave & Co., a firm of Cost Auditors, for conducting the audit of such records for the financial year 2016-17.

## SECRETARIAL AUDIT REPORT

A Secretarial Audit Report for the year ended 31st March, 2017, in prescribed form, duly audited by the firm of Practising Company Secretaries M/s. Sanjay Sangani & Co. is annexed herewith and forming part of the report.

## PARTICULARS OF EMPLOYEES

Pursuant to the provisions of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the names and other particulars of employees are set out in a separate statement attached herewith and forming part of the report. (Annexure-IV).

## EXTRACT OF ANNUAL RETURN

Pursuant to Section 134(3)(a) of the Companies Act, 2013 read with Rule 12(1) of the Companies (Management and Administration) Rules, 2014, the extract of annual return is annexed herewith and forming part of the report. (Annexure-V).

For and on behalf of the Board of Directors

Place: Mumbai  
Date : 10th May, 2017

B. S. Mehta  
G. M. Singhvi  
Directors



## ANNEXURE TO DIRECTORS' REPORT

### Annexure - I

**Information on Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo pursuant to Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014**

### (A) CONSERVATION OF ENERGY

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

#### i) Steps taken or impact on conservation of energy

Steps taken	Impact (Annualised Savings)
Electricity	KWh/ Lacs
a. Installation of energy efficient pump for chilled water and cooling water system.	2.16
b. Optimisation of HTM system	1.42
c. Installation of centrifugal compressors for MP air.	35.70
d. Partition in spinning hall	1.33
e. Installation of LED lamps in plant	4.12
f. Installation of harmonic filter	1.74
g. Installation of new energy efficient chiller	5.18
h. Replacement of old and rewind motors with energy efficient motors	2.90

#### ii) Steps taken for utilisation of alternate sources of energy

Installation of steam heater in place of electrical heating system for instrument air.

#### iii) Capital investments on energy conservation equipment during the year 2016-17: ₹ 271 Lacs (previous year ₹ 280 Lacs)

- Modification in industrial yarn spinning machines for process improvement
- Modification in industrial yarn conversion machine for operational efficiency
- Modification & upgradation in after treatment machines for flexibility of products
- Upgradation of dryers for auto operation
- Upgradation of control system of nylon yarn spinning winding machines.

#### ii) Benefits derived as a result of the above efforts :

- New product developments.
- Improvement in quality and operating performance.
- Cost reduction.

#### iii) Information regarding imported technology:

[Imported during the last 3 years (from the beginning of the financial year)]

- Technology imported : NIL
- Year of import : Not applicable
- Has the technology been fully absorbed : Not applicable

#### iv) Expenditure on Research & Development:

₹ / Lacs

Particulars	2016-17	2015-16
1. Capital	See Note Below	
2. Recurring	185	161
3. Total	185	161
4. Total R & D expenditure as a percentage of total revenue from Operation (Net)	0.16%	0.14%

Note: The Company has spent ₹ 179 Lacs (previous year ₹ 324 Lacs) and shown as normal Capital Expenditure, although it is also used for R&D activities.

### (B) TECHNOLOGY ABSORPTION

#### i) Efforts made towards technology absorption:

- Modification in polymerisation to improve process cost optimisation

### (C) FOREIGN EXCHANGE EARNINGS AND OUTGO

Total foreign exchange used ₹ 44103 Lacs (previous year ₹ 32596 Lacs) and earned ₹ 962 Lacs (previous year ₹ 996 Lacs).





## ANNEXURE TO DIRECTORS' REPORT

### Annexure II

**Statement containing information as per Section 135 read with the Rule 8 of the Companies (Corporate Social Responsibility) Rules, 2014 and forming part of Directors' Report for the year ended 31<sup>st</sup> March, 2017.**

1. The Company's Corporate Social Responsibility (CSR) policy is multifaceted to cover projects and programmes in the field of education, healthcare, rural infrastructure and development, sanitation and environment. The Company's CSR projects and programmes are carried out within the CSR policy framework. The core focus area of the Company remains on supporting educational facilities more specifically for skill development (vocational training). The Company continued to support the establishment of a Government recognised Industrial Training Institute (ITI) near its Bharuch site in Gujarat. In Maharashtra, support was provided for development of school infrastructure in Raigad district. Under healthcare, the Company carried out camps for eye checkup & cataract operations and General checkup & Medical treatment near its Bharuch site. Rural community welfare projects such as building roads & pathways, drinking waters resources and others as per local needs were carried out in the villages near the Company's Bharuch site.

The company's CSR policy is available on [www.centuryenka.co.in/CE/investor/csr\\_policy.pdf](http://www.centuryenka.co.in/CE/investor/csr_policy.pdf).

2. Composition of CSR Committee:

Mr. B.S. Mehta (Independent Director and Chairman),  
Mr. S.K. Jain (Independent Director) and  
Mr. G.M. Singhvi (Whole-time Director).

3. The Average Net Profit of the Company for last three financial years is ₹ 8848 Lacs.
4. Prescribed CSR Expenditure for the financial year 2016 – 17 is ₹ 176.96 Lacs (Previous Year ₹ 131.74 Lacs) (Being two percent of the amount as in item 3 above)
5. Details of CSR spent during the year

₹ / Lacs

S No	Particulars	Financial Year		Cumulative
		2016 – 17	2015 – 16	
i.	Total amount to be spent for the financial year	176.96	131.74	308.70
ii.	Amount Spent	174.02	131.14	305.16
iii.	Amount (Unspent)/Overspent, if any	(2.94)	(0.60)	(3.54)
iv.	Manner in which the amount is spent during the Financial Year is detailed in statement herein below.			

6. Reasons for shortfall in prescribed CSR expenditure: On account of necessary approvals not being received from the concerned authorities.
7. The CSR committee confirms that the implementation and monitoring of the CSR policy is in compliance with the CSR objectives and policy of the Company.

G.M. Singhvi  
(Whole-time Director)

B.S.Mehta  
(Chairman CSR Committee)

Place: Mumbai  
Date: 10th May, 2017

## DETAILS OF CSR ACTIVITIES

₹ / Lacs

(1) Sr No.	(2) CSR Project/ Programme	(3) Sector in which the Project/ Programme is covered	(4) Projects/ programmes (1) Local area or other (2) Specify the State and district where projects or programmes were under taken	(5) Amount outlay (budget) project/ programme wise	(6) Amount spent on the project/ programme sub heads : (1) Direct expenditure on project/ programme (2) Over-heads	(7) Cumulative expenditure upto the reporting period i. e. 31.03.2017	(8) Amount spent : Direct or through implementing agency
1	<b>a) Vocational &amp; Technical Education:</b> Contribution towards setting up of new Vocational Training Institute <b>b) School Education Projects:</b> Distribution of stationery items at various schools <b>c) School Infrastructure:</b> Financial Assistance in upgradation of infrastructure.	Education	Gujarat - Bharuch Gujarat - Bharuch Gujarat - Bharuch Maharashtra - Raigad	123.00 3.00 44.00	123.00 3.13 42.04	168.17	Cenka Samaj Kalyan Sanstha Direct Direct & Cenka Samaj Kalyan Sanstha
				170.00	168.17		
2	<b>Preventive Health Care Programme :</b> Eye / General Medical checkup & Treatment camps.	Health	Gujarat - Bharuch	4.00	3.80	3.80	Direct
3	<b>Rural Infrastructure Development other than for the purpose of Health / Education / Livelihood:</b> Roads and Path ways, Drinking Water resources, others as per local needs.	Rural development & social empowerment	Gujarat - Bharuch	4.00	2.05	2.05	Direct
			<b>TOTAL</b>	<b>178.00</b>	<b>174.02</b>		



## ANNEXURE TO DIRECTORS' REPORT

## Annexure III

**Details pertaining to remuneration as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 for the year ended 31st March, 2017.**

- i The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the financial year 2016-17, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2016-17 and the comparison of remuneration of each Key Managerial Personnel (KMP) against the performance of the Company are as under:

Sr. No.	Name of Director / KMP	Designation	2016-17 ₹ / Lacs			2015-16 ₹ / Lacs		
			Remuneration* of Director / KMP for Financial Year	% increase in remuneration in the Financial Year	Ratio of remuneration of each Director to median remuneration of employees	Remuneration* of Director / KMP for Financial Year	% increase in Remuneration in the Financial Year	Ratio of remuneration of each Director to median remuneration of employees
1	Mr. B.K. Birla	Chairman	5.30	-2.75	1.35	5.45	2.83	1.44
2	Mrs. Rajashree Birla	Vice Chairperson	5.60	**	1.42	4.99	**	1.32
3	Mr. B.S. Mehta	Independent Director	11.50	-0.43	2.93	11.55	2.39	3.05
4	Mr. S.K. Jain	Independent Director	6.35	-0.78	1.62	6.40	3.23	1.69
5	Mr. K.S. Thar	Independent Director	6.40	-0.78	1.63	6.45	**	1.70
6	Mr. G.M. Singhvi	Whole-time Director	224.15	17.00	57.04	191.58	14.94	50.55
7	Mr. D.B. Roonghta	Chief Financial Officer upto 12-02-2017	65.91	***	NA	70.05	22.72	NA
8	Mr K.G. Ladsaria	Chief Financial Officer w.e.f 13-02-2017	8.76	***	NA	-	-	-
9	Mr. C.B. Gagrani	Company Secretary	38.77	4.90	NA	36.96	18.39	NA

\* Directors Remuneration is including sitting fees

\*\* Details not given as Mrs. Rajashree Birla was on the Board only for the part of financial year 2015-16 and Mr. K.S. Thar was for the part of financial year 2014-15.

\*\*\* Details not given as Mr. K.G. Ladsaria was appointed Chief Financial Officer w.e.f. 13th February, 2017 and Mr. D. B. Roonghta was Chief Financial Officer upto 12th February, 2017.

- ii The median remuneration of employees of the Company during the financial year was Rs.3.93 Lacs (Previous Year Rs.3.79 Lacs)
- iii. During the financial year, there was an increase of 3.70 % in the median remuneration of employees (Previous Year 4%)
- iv. Number of permanent employees on the rolls of the Company as on 31st March, 2017 was 1479 Nos. and as on 31st March, 2016 was 1500 Nos.
- v. Average percentage increase made in the salaries of employees other than the managerial personnel in the financial year 2016-17 and 2015-16 was 6.36 %, 11.66 % respectively and the increase in the managerial remuneration for the financial year 2016-17 and 2015-16 was 17.00%, 14.94 % respectively.
- vi. It is hereby affirmed that the remuneration paid is as per the Remuneration Philosophy / Policy of the Company

**ANNEXURE TO DIRECTORS' REPORT****Annexure - IV**

**Statement containing information as per Section 197(12) of the Companies act 2013, read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and forming part of Directors' Report for the year ended 31<sup>st</sup> March, 2017.**

Name, Designation, Remuneration Received (₹), Nature of Employment, Qualification, Experience(Years), Date of Commencement of Employment, Age(Years), Last Employment held, Equity Share held in the Company (Percentage):

(a) Employed throughout the financial year and was in receipt of remuneration for the year in aggregate of not less than ₹ 1,02,00,000

- 1) G.M.Singhvi, Whole-time Director, ₹ 22415330, Contractual, B.Com., LL.B., F.C.A., 51, 11.09.1997,75, Practicing Management Service, NIL.
2. Sanjay Thapliyal, President, ₹ 11349396, Non-Contractual, B. Tech (Textile), 30, 16.02.2006, 53, Pioneer Embroideries Limited, NIL.

(b) Employed for a part of the financial year and was in receipt of remuneration at a rate in aggregate not less than ₹ 8,50,000/- per month.

NIL

(c) Employed throughout the financial year or part thereof, was in receipt of remuneration in the year which, in the aggregate or at a rate which in the aggregate was in excess of that drawn by the Whole time Director and holds by himself or along with his spouse and dependent children, not less than 2% of the equity shares of the Company.

NIL

**NOTES:**

1. Remuneration includes salaries, house rent allowance, personal allowance, ex-gratia, performance allowance, leave travel assistance, encashment of leave, medical expenses / allowances, accident insurance premium, Company's Contribution to Provident & Superannuation Funds and the monetary value of perquisites calculated in accordance with the provisions of the Income-tax Act,1961 and the Rules made there under and excludes provision for retiring gratuity for which separate figure is not available.
2. The above employee is not relative of any of the Directors of the Company.

For and on behalf of the Board of Directors

B. S. Mehta  
G. M. Singhvi  
Directors

Place : Mumbai  
Date : 10th May, 2017



## Form No. MGT-9

## Annexure - V

## EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31<sup>st</sup> March 2017

[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

## I. REGISTRATION AND OTHER DETAILS

(i)	CIN	L24304PN1965PLC139075
(ii)	Registration Date	17 <sup>th</sup> November, 1965
(iii)	Name of the Company	Century Enka Limited
(iv)	Category / Sub-Category of the Company	Company limited by shares/ Indian Non-Government Company
(v)	Address of the Registered Office and contact details	Plot No. 72 & 72- A, MIDC, Bhosari, Pune – 411026 (Maharashtra) Tel. No. : 020-66127300 E-mail id : regdoffice@centuryenka.com
(vi)	Whether listed company Yes / No	Yes
(vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	Link Intime India Pvt. Ltd. C-101, 247 Park L.B.S. Marg, Vikhroli West Mumbai – 400083 (Maharashtra) Tel. No. : 022-49186000 e-mail id : rnt.helpdesk@linkintime.co.in

## II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the Company shall be stated:-

Sl. No.	Name and Description of main products/ services	NIC Code of the Product/ Service	% to total turnover of the Company
1	Nylon Tyre Cord Fabric	1399	60.45%
2	Polyester/ Nylon Filament Yarn	2030	38.11 %

## III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. No.	Name and Address of the Company	CIN/ GLN	Holding / Subsidiary/ Associate	% of shares held	Applicable Section
NIL					

## IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

## (i) Category-wise Share Holding.

Category of Shareholders	No. of shares held at the beginning of the year 01.04.2016				No. of shares held at the end of the year 31.03.2017				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>(I) Indian</b>									
a) Individual/HUF	136130	---	136130	0.62	136130	---	136130	0.62	---
b) Central Govt.	---	---	---	---	---	---	---	---	---
c) State Govt(s)	---	---	---	---	---	---	---	---	---
d) Bodies Corp.	5381918	---	5381918	24.63	5381918	---	5381918	24.63	---
e) Banks/FI	---	---	---	---	---	---	---	---	---
f) Any Other	---	---	---	---	---	---	---	---	---
<b>Sub-Total (A) (1) :</b>	<b>5518048</b>	<b>---</b>	<b>5518048</b>	<b>25.25</b>	<b>5518048</b>	<b>---</b>	<b>5518048</b>	<b>25.25</b>	<b>---</b>



Category of Shareholders	No. of shares held at the beginning of the year 01.04.2016				No. of shares held at the end of the year 31.03.2017				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>(2) Foreign</b>									
a) NRI/Individuals	---	---	---	---	---	---	---	---	---
b) Other-Individuals	---	---	---	---	---	---	---	---	---
c) Bodies Corp.	---	---	---	---	---	---	---	---	---
d) Banks/FI	---	---	---	---	---	---	---	---	---
e) Any Other	---	---	---	---	---	---	---	---	---
<b>Sub-Total (A) (2) :</b>	---	---	---	---	---	---	---	---	---
<b>Total Shareholding of Promoter</b>									
<b>(A)=(A)(1)+(A)(2)</b>	<b>5518048</b>	---	<b>5518048</b>	<b>25.25</b>	<b>5518048</b>	---	<b>5518048</b>	<b>25.25</b>	---
<b>B. Public Shareholding</b>									
<b>I. Institutions</b>									
a) Mutual Funds	219	8610	8829	0.04	---	8610	8610	0.04	---
b) Banks/FI	1676048	18255	1694303	7.76	1592489	18210	1610699	7.37	(0.39)
c) Central Govt	---	---	---	---	---	---	---	---	---
d) State Govt(s)	---	---	---	---	---	---	---	---	---
e) Venture Capital Funds	---	---	---	---	---	---	---	---	---
f) Insurance Companies	173390	80	173470	0.79	153390	80	153470	0.70	(0.09)
g) FIIs	136863	5430	142293	0.65	89839	5430	95269	0.44	(0.21)
h) Foreign Venture Capital Funds	---	---	---	---	---	---	---	---	---
i) Others (Specify) Foreign Portfolio Investor	17799	---	17799	0.08	833846	---	833846	3.82	3.74
<b>Sub -Total (B)(1):</b>	<b>2004319</b>	<b>32375</b>	<b>2036694</b>	<b>9.32</b>	<b>2669564</b>	<b>32330</b>	<b>2701894</b>	<b>12.37</b>	<b>3.05</b>
<b>2. Non-Institutions</b>									
a) Bodies Corp.									
(i) Indian	2514037	36655	2550692	11.67	2218863	35705	2254568	10.32	(1.35)
(ii) Overseas	237159	1255100	1492259	6.83	237159	1255100	1492259	6.83	---
(b) Individuals									
(i) Individual Shareholders holding nominal share capital upto Rs. 1 lakh	6658487	758301	7416788	33.95	5788087	722281	6510368	29.79	(4.16)
(ii) Individual Shareholders holding nominal share capital in excess of Rs. 1 lakh	2673857	31964	2705821	12.38	3123711	40214	3163925	14.48	2.10
(c) Other Clearing Members	130287	---	130287	0.60	209527	---	209527	0.96	0.36
<b>Sub-Total (B)(2) :</b>	<b>12213827</b>	<b>2082020</b>	<b>14295847</b>	<b>65.43</b>	<b>11577347</b>	<b>2053300</b>	<b>13630647</b>	<b>62.38</b>	<b>(3.05)</b>
<b>Total Public Shareholding (B)=(B)(1)+(B)(2)</b>	<b>14218146</b>	<b>2114395</b>	<b>16332541</b>	<b>74.75</b>	<b>14246911</b>	<b>2085630</b>	<b>16332541</b>	<b>74.75</b>	---
<b>C. Shares held by custodian for GDRs &amp; ADRs</b>	---	---	---	---	---	---	---	---	---
<b>Grand Total(A+B+C)</b>	<b>19736194</b>	<b>2114395</b>	<b>21850589</b>	<b>100.00</b>	<b>19764959</b>	<b>2085630</b>	<b>21850589</b>	<b>100.00</b>	---





## (ii) Shareholding of Promoters

Sl. No	Shareholder's Name	Shareholding at the beginning of the year 01.04.2016			Shareholding at the end of the year 31.03.2017			% change in share holding during the year
		No. of Shares	% of total shares of the company	% of shares Pledged/ encumbered to total shares	No. of Shares	% of total shares of the company	% of shares Pledged/ encumbered to total shares	
1	TGS Investment and Trade Pvt. Ltd.	3114970	14.26	--	3114970	14.26	--	--
2	Century Textiles and Industries Ltd.	1266887	5.80	--	1266887	5.80	--	--
3	Prakash Educational Society	277360	1.27	--	277360	1.27	--	--
4	Trapti Trading and Investments Pvt. Ltd.	260820	1.19	--	260820	1.19	--	--
5	Turquoise Investment and Finance Pvt. Ltd.	242900	1.11	--	242900	1.11	--	--
6	Jayantika Investment & Finance Limited (Formerly Parvati Tea Company Pvt. Ltd.)	100000	0.46	--	100000	0.46	--	--
7	Birla Education Trust	75000	0.34	--	75000	0.34	--	--
8	Aditya Vikram Kumarmangalam Birla HUF	29760	0.14	--	29760	0.14	--	--
9	Padmavati Investment Ltd.	28891	0.13	--	28891	0.13	--	--
10	Smt. Rajashree Birla	26080	0.12	--	26080	0.12	--	--
11	Shri Basant Kumar Birla	71360	0.32	--	71360	0.32	--	--
12	B.K. Birla Foundation	15090	0.07	--	15090	0.07	--	--
13	Smt. Vasavadatta Bajaj	8930	0.04	--	8930	0.04	--	--
	<b>Total</b>	5518048	25.25	--	5518048	25.25	--	--

## (iii) Change in Promoters' Shareholding (Please specify, if there is no change)

No Change in the shareholding during the year

Sl. No		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	5518048	25.25	5518048	25.25
	Date wise Increase/Decrease in Promoters Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/ bonus / sweat equity etc.)	---	---	----	----
	At the end of the year	5518048	25.25	5518048	25.25

## (iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs)

Sl. No	For Each of the Top 10 shareholders	Shareholding at the beginning of the year 01.04.2016		Date wise Increase/Decrease in Shareholding during the year				Cumulative Shareholding during the year		Shareholding at the end of the year 31.03.2017	
		No. of shares	% of total shares of the company	Date	No. of shares	% of total shares of the company	Reason	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	Life Insurance Corporation of India	1515302	6.93		---	---		1515302	6.93	1515302	6.93
2.	Camden Industries Limited	1340680	6.14		---	---		1340680	6.14	1340680	6.14
3.	Mr. Hitesh Ramji Javeri	600000	2.75		---	---		600000	2.75	600000	2.75
4.	Mrs. Harsha Hitesh Javeri	450000	2.06		---	---		450000	2.06	450000	2.06
5.	Malingos International Holdings Limited	450000	2.06		---	---		450000	2.06	450000	2.06



Sl. No	For Each of the Top 10 shareholders	Shareholding at the beginning of the year 01.04.2016		Date wise Increase/Decrease in Shareholding during the year				Cumulative Shareholding during the year		Shareholding at the end of the year 31.03.2017	
		No. of shares	% of total shares of the company	Date	No. of shares	% of total shares of the company	Reason	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
6.	Larsin Enterprises Corp	450000	2.06		---	---		450000	2.06	450000	2.06
7.	French Wilbert Ltd.	250000	1.14		---	---		250000	1.14	250000	1.14
8.	Devi Investment And Development INC	177689	0.81		---	---		177689	0.81	177689	0.81
9.	The New India Assurance Company Limited	173390	0.79	23.09.2016	-13000	0.06	sold	160390	0.73		
				30.09.2016	-7000	0.03	sold	153390	0.70	153390	0.70
10	Morelia Enterprises Limited	164470	0.75		---	---		164470	0.75	164470	0.75

(v) Shareholding of Directors and Key Managerial Personnel :

Sl. No	For Each of the Directors and KMP	Shareholding at the beginning of the year 01.04.2016		Date wise Increase/Decrease in Shareholding during the year			Cumulative Shareholding during the year		Shareholding at the end of the year 31.03.2017	
		No. of shares	% of total shares of the Company	Date	No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1.	Mr. Basant Kumar Birla	71360	0.33		---	---	71360	0.33	71360	0.33
2.	Mrs.Rajashree Birla	26080	0.12		---	---	26080	0.12	26080	0.12
3.	Mr. Bansidhar S. Mehta	8540	0.04		---	---	8540	0.04	8540	0.04
4.	Mr.Sohanlal Kundamal Jain	125	0.00		---	---	125	0.00	125	0.00
5.	Mr.Krishnagopal Ladsaria*	---	---		---	---	30	0.00	30	0.00
6.	Mr.Devkinandan Banwarilal Roonghta**	4	0.00		---	---	4	0.00	4	0.00

\* appointed CFO with effect from 13.02.2017.

\*\* C.F.O. upto 12.02.2017.

## V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding / accrued but not due for payment

₹ / Lacs

	Secured Loans excluding deposits	Unsecured Loans	Deposit	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
(i) Principal Amount	6970	--	--	6970
(ii) Interest due but not paid	--	--	--	--
(iii) Interest accrued but not due	62	--	--	62
<b>Total (i+ii+iii)</b>	<b>7032</b>	<b>--</b>	<b>--</b>	<b>7032</b>
<b>Change in Indebtedness during the financial year</b>				
• Addition	--	--	--	--
• Reduction	(1735)	--	--	(1735)
<b>Net Change</b>	<b>(1735)</b>	<b>--</b>	<b>--</b>	<b>(1735)</b>
<b>Indebtedness at the end of the financial year</b>				
(i) Principal Amount	5253	--	--	5253
(ii) Interest due but not paid	--	--	--	--
(iii) Interest accrued but not due	44	--	--	44
<b>Total (i+ii+iii)</b>	<b>5297</b>	<b>--</b>	<b>--</b>	<b>5297</b>



## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

### A. Remuneration to Whole-time Director Mr. GM Singhvi

₹ / Lacs

Sr. No.	Particulars of Remuneration	Amount
1	Gross Salary	
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	207.74
	(b) Value of perquisites under Section 17(2) of the Income Tax Act, 1961	7.60
	(c) Profits in lieu of salary under Section 17(3) of the Income Tax, Act 1961	-
2	Stock Options	-
3	Sweat Equity	-
4	Commission	-
	- As % of profit	-
	- Others, specify	-
5	Others, Please specify Provident Fund(Co's Contribution), Superannuation (Exempted Portion) Medical Reimbursement ( Exempted)	6.89 1.50 0.42
	<b>Total Remuneration</b>	<b>224.15</b>
	Ceiling as per the Companies Act 2013, 5% of the Net Profit of the Company	712.80
	Net Profit of the Company for the year 2016-17 as per Section 198 of the Companies Act, 2013	14256
	5% of Net Profit	712.80

### B. Remuneration to Other Directors

#### I. Independent Directors

₹ / Lacs

Sr. No.	Particulars of Remuneration	Name of the Directors			Total Amount
		Mr. B.S. Mehta	Mr.S.K. Jain	Mr. K.S. Thar	
1	Fee for attending board and other committee meetings	1.50	1.35	1.40	4.25
2	Commission	10.00	5.00	5.00	20.00
3	Others, Please specify	-	-	-	-
	<b>Total of (I)</b>	<b>11.50</b>	<b>6.35</b>	<b>6.40</b>	<b>24.25</b>

#### II. Other Non Executive Directors

₹ / Lacs

Sr. No.	Particulars of Remuneration	Name of the Directors		Total Amount
		Mr. B.K. Birla	Mrs. Rajashree Birla	
1	Fee for attending board and other committee meetings	0.30	0.60	0.90
2	Commission	5.00	5.00	10.00
3	Others, Please specify	-	-	-
	<b>Total of (II)</b>			<b>10.90</b>
	<b>Total (I) + (II) Total Managerial Remuneration</b>			<b>35.15</b>
	<b>Total Managerial Remuneration (A+B)</b>			<b>259.30</b>
	<b>Overall Ceiling as per the Act.</b>			<b>855.36</b>

#### Notes :

₹ / Lacs

- Net Profit of the Company for the year 2016-17 as per Section 198 of the Companies Act, 2013 14256
- 1% of Net Profit (14256 x 1/ 100) 142.56

### C. Remuneration to Key Managerial Personnel (Other than WTD/MD/Manager)

₹ / Lacs

Sr. No.	Particulars of Remuneration	Mr. D.B. Roonghta Chief Financial Officer upto 12.02.2017	Mr K.G. Ladsaria Chief Financial Officer w.e.f 13.02.2017	Mr. C.B. Gagrani Company Secretary	Total
1	Gross Salary				
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	53.38	8.30	34.17	95.85
	(b) Value of perquisites under Section 17(2) of the Income Tax Act, 1961	7.91	0.01	1.00	8.92
	(c) Profits in lieu of salary under Section 17(3) of the Income Tax Act, 1961	-	-	-	-
2	Stock Options	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission	-	-	-	-
	- As % of profit	-	-	-	-
	- Others, specify	-	-	-	-
5	Others, Please specify Provident Fund (Co's Contribution) Superannuation (Exempted Portion) Medical Reimbursement (Exempted)	2.86 1.50 0.26	0.45 0.00 0.00	1.81 1.50 0.29	5.12 3.00 0.55
	<b>Total Remuneration</b>	<b>65.91</b>	<b>8.76</b>	<b>38.77</b>	<b>113.44</b>

## VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES :

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT / COURT]	Appeal made, if any (give Details)
<b>A. COMPANY</b>					
Penalty					
Punishment			-- NIL --		
Compounding					
<b>B. DIRECTORS</b>					
Penalty					
Punishment			-- NIL --		
Compounding					
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty					
Punishment			-- NIL --		
Compounding					



## MANAGEMENT'S DISCUSSION AND ANALYSIS

### 1. OVERALL REVIEW

Overall performance of the Company for the year under review improved on the back of higher production. Conversion of two step nylon tyre yarn manufacturing process to one step process at Pune and expansion of dipping lines at Bharuch in previous year and continued conversion of polyester textile yarn machines to nylon textile yarn machines resulted in higher production. Both the sites were run at optimum capacity throughout the year. Impact of demonetisation on the overall business of the Company was insignificant.

Imposition of electricity duty and additional surcharge alongwith increase in cross subsidy on open access power under bilateral agreement resulted in higher power cost at Pune. Increase in furnace oil and gas rates resulted in higher cost of power for own generation at Bharuch.

Continuous polyester operations at Bharuch site were suspended in November, 2013. After detailed study and based on valuation by an independent valuer, the Company recognised an impairment loss of Rs.9.58 Crs in case of polyester spinning machines where probability of conversion to nylon spinning machines is low.

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

#### Industry Status:

The Company operates in synthetic yarn segment, producing nylon tyre cord fabric (NTCF) used as reinforcement material in bias tyres and nylon textile yarn used mainly by apparel industry. Bias tyres go mainly in commercial vehicles (trucks & buses), off the road tyre (OTR's) and two wheelers.

With improvement in road conditions, use of radial tyres is increasing in trucks and buses as radial tyre offers higher mileage per tyre. In case of bus and truck tyres, use of radial tyres has already reached 40% and is expected to reach a level of around 55% by 2020, thus impacting NTCF demand adversely. However, demand for NTCF for two wheeler, farm and OTR tyres is increasing on the back of higher growth of these vehicles. On balance, the demand is likely to remain more or less stagnant for NTCF.

Anti dumping duty on NTCF imports from China provides some relief but imports from ASEAN (Association of South East Asian Nations) countries at reduced import duty puts pressure on product margin of domestic NTCF industry. Additional domestic capacity increases is also exerting pressure on margins in already saturated market.

The demand of nylon textile yarn for apparel Industry witnessed good growth during last three years due to lower raw material prices. However, last few months of the financial year saw abnormal increase in caprolactam prices and industry has not been able to pass the full increase to end customers. Part of the demand is also coming from growth in warp knitting, circular knitting, narrow weaving

and high speed automatic weaving looms sector. However, cheap imports of yarn and fabric from China and other ASEAN countries continue to be a cause of concern.

GSFC is the sole domestic supplier for caprolactam (key raw material) and therefore there is extremely high level of dependency on imports for caprolactam and nylon chips. And thus, sourcing and maintaining high inventory of raw material becomes another major area of concern for the entire nylon Industry.

#### Company Status:

Production of NTCF and industrial yarn was higher by 9.5% at 32,288 MT and of nylon textile yarn by 23.4% at 22,809 MT. Higher production was achieved because of conversion of two step nylon tyre yarn manufacturing process to one step process at Pune in previous year, conversion of polyester textile yarn machines to nylon textile yarn machines and setting-up of state of art spinning machine for mother yarn towards end of previous year. The Company continued its efforts on adding customer base and developing new products. The Company achieved highest ever sale in nylon textile yarn.

Close coordination with international supplier of raw material helped the Company in securing continued supply of raw material.

The Company is actively working on value added products of nylon textile yarn for textile application and has made a significant growth in it. Increasing market of active wear, athleisure and functional wear offers significant growth opportunities in nylon textile yarn.

The Company is also evaluating entry into polyester tyre cord fabric market by using its existing conversion facilities.

Implementation of GST is expected to be favourable to the business of the company as it is expected to provide level playing field against unorganised players.

High power cost remained an area of concern. In Bharuch plant, captive power plant is used to reduce effective power cost as and when power production through Furnace Oil (FO) or Gas prices becomes comparatively cheap. The Company continues to explore alternate sources of power to bring its power cost down.

#### Company Outlook:

Despite threats and concerns pertaining to cheaper imports, high power cost, dependency on imported raw material, non level playing field for some products due to differential duty structure across different states, the outlook remains cautiously positive.

### 3. RISK MANAGEMENT

Risk Management is an important business aspect in the current economic environment and its objective is to identify, monitor and take mitigation measures on a timely basis in respect of the events that may pose risks for the business.



The Company has a robust Risk Management Policy and Procedure in place for effective identification and monitoring of risks and implementation of mitigation plans. The Risk Management committee reviews and monitors the identified risks and mitigation plans at regular intervals. Some of the risks identified and analysed by the Management are as under:

**a) Higher Energy cost :**

The Company purchased power through open access for its Pune plant, but the change in open access tariff in Maharashtra since November 2016 has made power purchase unviable.

The Company operates captive power plant as and when cost of power generation through FO and/or Gas becomes viable.

The Company is continuously working on various options to work out possibility of low cost power sourcing for both the units.

**b) Dependency on Imports of raw material coupled with high volatility in prices :**

GSFC is the sole domestic manufacturer of Caprolactam and therefore, entire Nylon industry is dependent on imports. This calls for higher inventory carrying cost and also a risk of additional cost due to currency fluctuations.

Raw material scenario is highly volatile and many big players across the globe have either stopped or reduced their production. There was a fall in the raw material prices in the first half but last few months of the financial year witnessed steep rise in cost and the entire cost rise could not be passed on to the customers .

The Company continuously reviews its supply arrangement, expands its supplier base, and tries to get volume benefits to maintain its raw material cost at optimum level. The company keeps a close watch on the movement and trends in raw material cost and accordingly takes call for correction in inventories to minimise any negative impact and takes proactive steps to hedge its foreign currency exposure.

**c) Technology risk:**

Obsolescence of technology may affect the production process and technical support from original equipment manufacturers. The Company also regularly undertakes re-engineering for improvisation to enhance efficiency.

The Audit Committee and the Board are apprised of the significant risks and mitigation efforts made by the Management in its quarterly meetings.

#### 4. HEALTH, SAFETY, ENVIRONMENT AND SUSTAINABILITY

The Company strongly believes in providing a safe and healthy working condition to all its employees and puts ecological balance and environmental protection very high on its agenda.

The Company's products in textile yarn have been approved by OKEOTEX as eco-friendly and fulfilling requirements of Annexure XVII and XIV of the European Chemical Regulation REACH as well as ECHA SVHC .

Bharuch site has been certified by International Certification Body as ISO 140001: 2004 compliant.

Occupational Health & Safety Management System of Bharuch site has also been certified by International Certification Body as BS OHSAS 18001: 2007.

The Company uses Zero Ozone Depleting Substances (ODS) as refrigerants at both its manufacturing sites and also puts a very high emphasis on substitution of fossil fuels with Bio fuel.

Both Pune and Bharuch plants are fully compliant to all regulations stipulated by State Pollution Control Boards.

The Company is continuously working on possibility of using appropriate technology to reduce its hazardous waste generation and also tying up with Pollution Board's approved users for its use as bio-fuel substitute.

Regular audits by third parties (approved by the statutory bodies ) are conducted for safety and environment.

Apart from employment health check up and periodical medical check up of employees, celebration of safety week, environmental day, circulation of safety bulletins and periodical mock drills, the company also imparts training to its employees and nearby small and medium scale industries on Accident prevention and Fire fighting.

#### 5. HUMAN RESOURCE AND INDUSTRIAL RELATIONS

The Company continues to strive developing performance driven culture in all categories of employees. The performance management system is aligned with the business strategy and business goals. To match the fast paced technological changes and also the changes in the business environment, the employees are provided regular training for upgradation of skills. The Company organises training programmes on the basis of individual employees' development plans. The talent is identified through a concerted process and developed for future leadership.

The Company focuses on maintaining cordial industrial relation with the employees through periodic interaction and grievance handling mechanism. Various engagement initiatives, such as reward based suggestion scheme, welfare initiatives, recreational activities and celebrations of festivals, sports tournaments etc. are organised to keep employees motivated and also to maintain the work life balance.

The industrial relations at both Pune and Bharuch sites are cordial.

Agreement with workmen at Pune site expired on 30th April, 2017. New agreement is under negotiation.





The strength of permanent employees was 1479 Nos. on 31st March 2017 as against 1500 Nos. on 31st March 2016.

## 6. INTERNAL CONTROL SYSTEM AND ITS ADEQUACY

The Company has a robust internal control system commensurate with the size and scale of its operations. Roles and responsibilities are clearly defined and assigned along with well structured authorisation matrix. Standard operating procedures are in place which are well supported by ERP system and have been designed to provide a reasonable assurance. Apart from self monitoring of internal controls, Internal Auditors have expressed their satisfaction about the adequacy of the control systems.

The Audit Committee takes due cognizance of the observations made by the auditors and gives their suggestions for improvement. The suggestions of the Audit Committee are also taken into account for further strengthening of the control systems.

## 7. INFORMATION TECHNOLOGY

Full support of Information Technology is taken for business operations and driving competitive advantages for the Company. To leverage best of business practices and latest technology, the Company is in process of implementing enterprise wide SAP systems including data analytics and expects to implement the system during financial year 2017-18.

The Company is also gearing up its IT systems to meet requirement of GST regime.

The Company continues to drive resilience in IT environment through targeted remediation of high risk IT components, including hardware, databases, operating systems and applications and deployed resources for data safety and disaster recovery.

## 8. FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

Highlights	₹/Lacs	
	2016-17	2015-16
Net Revenue from Operations	118531	114848
Profit before Depreciation, Financial Cost, Exceptional Items and Tax	19736	14624
Depreciation	(4237)	(4094)
Finance Cost	(562)	(956)
Exceptional Items	(958)	(754)
Taxation (Net)	(4882)	(2910)
Net Profit After Tax	9097	5910
Earnings Per Share (in ₹)	41.63	27.05
Cash Earnings Per Share (in ₹)	61.03	45.78

### A. Sale:

Sales volume (MT) of Nylon Textile Yarn and Tyre Cord Fabric taken together is higher by about 9%. Revenue for the year reflects this increase in volumes adjusted for drop in sale prices.

### B. Profit before Depreciation, Financial Cost, Exceptional Items and Tax (PBIDT):

PBIDT is higher mainly on account of higher sales volumes and inventory valuation gains arising out of higher raw material prices.

### C. Finance Cost:

Finance cost is lower on account of interest subsidy under Technology Upgradation Fund (TUF), reduction in interest rates and lower borrowing.

### D. Exceptional Items:

Exceptional item in this year represents impairment loss for some polyester spinning machines (previous year write-down of Continuous Polyester Polymerisation Unit).

## 9. CORPORATE SOCIAL RESPONSIBILITY (CSR)

The Company's CSR activities are primarily focused on Education, Healthcare and Community development.

### i. EDUCATION

#### a) Skill Development

National Skill Development is an initiative of Government of India to enable large number of Indian youth to take-up industry relevant skill training for gainful employment. The Company, in furtherance of this noble cause, continued its support in establishment of an Industrial Training Institute near its Bharuch site. This institute has 6 trades learning and more than 145 Students. Efforts are also being made to arrange placement of these students.



#### b) Educational Material

Kanya Kelvani (Girl Education) is an annual event organized by the Government of Gujarat when new academic session commences. The objective of the event is to motivate and promote education among the girl child enrollment in

Anganwadi and 1st standard. The Company has been participating in this event for last several years. This year also educational materials were distributed in 20 government schools, located in the vicinity of the Company's Bharuch site, benefitting more than 2000 students. Equipment such as water coolers, fans, swings, sliders, cupboards, furnitures and other items were also provided in 8 government primary schools near its Bharuch site.



**c) Construction of Class-Room & E-Learning Facility**

The Company supported in construction of class rooms for a school situated at Mahad (Maharashtra) and also installed 10 Nos. E-Learning equipment for quality education.

**ii. HEALTHCARE PROGRAMMES.**

**a) General Medical check-up**

General health check up camp was organized jointly by the Company, Shree Narmada Khand Udhayog Sahakari Mandali Ltd., Joy of Sharing Foundation (U.S.A.) and Kailash Medical Foundation (U.S.A.) near the Company's Bharuch site. The Company also contributed free medicines to needy patients and provided related aids. More than 1350 people of surrounding 20 villages were examined. The check-up was conducted by local and outside India Doctors.



**b) Eye Checkup and Cataract Operation Camp**

Three camps for eye checkup and cataract operations were organized in the year. More than 500 people underwent eye check up and 64 cataract operations were carried out at free of cost.



**c) Operation Camp**

A check-up and operation camp for people suffering from Harnia, Hydrocele, Lipoma and similar disease was organized in the vicinity of Bharuch site, jointly with Healing Touch Multi specialty Hospital, Bharuch. More than 200 patients were examined by a team of specialist doctors. Some of the cases referred for surgeries were arranged at free of cost.



**iii. COMMUNITY DEVELOPMENT**

The Company has renovated a Panchayat building and also levelled connecting roads of various villages to main road near its Bharuch site.

**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, finished goods and energy costs, 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 realised.



## 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.

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

### 1. Board of Directors

#### Composition

The Board of Directors as on 31st March, 2017 comprises of six Directors out of which five Directors are Non-Executive Directors including a woman Director 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 Chairman and Vice Chairperson of the Company are Non-Executive Directors. Out of six Directors, three Directors are Independent Directors which comprises half of 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	DIN	Executive/Non Executive / Independent/Promoter	No. of shares held in the Company	No. of outside Directorships in Public Limited Companies *	Membership held in Committee of Directors #	Chairmanship held in Committee of Directors #
Mr. B. K. Birla	00055856	Non Executive and Promoter	71,360	4	-	-
Mrs. Rajashree Birla	00022995	Non Executive and Promoter	26,080	7	-	-
Mr. B. S. Mehta	00035019	Non Executive and Independent	8,540	8	5	3
Mr. S. K. Jain	02843676	Non Executive and Independent	125	1	1	-
Mr. K. S. Thar	00390137	Non Executive and Independent	-	-	-	-
Mr. G. M. Singhvi	01432978	Executive – Whole-time Director	-	-	-	-

- Mr.B.K. Birla and Mrs.Rajashree Birla are related as in-laws.
  - The Company through periodical presentation to Board of Directors and various committee of Directors provides an opportunity to independent directors to facilitate their active participation and familiarise the company's business. Web link of Familiarisation Programmes for Independent Directors: [http://centuryenka.co.in/CE/policies/Legal\\_Compliance.htm](http://centuryenka.co.in/CE/policies/Legal_Compliance.htm)
  - The Company have informal plan for orderly succession for appointment to the Board of Directors and Senior Management.
  - The Company has in place a system of preparation of the legal compliance report on quarterly basis of all applicable laws to the Company, and also a system to ratify any instance of non-compliance. The Board also reviews the compliance reports periodically.
  - The terms and conditions of appointment of independent directors is also available on the Company's website: [http://centuryenka.co.in/CE/investor/Independent\\_directors\\_terms\\_conditions.pdf](http://centuryenka.co.in/CE/investor/Independent_directors_terms_conditions.pdf)
- \* This excludes directorship held in Private Companies, Foreign Companies, Companies formed under Section 8 of the Companies Act, 2013 and directorship held in Century Enka Limited.
- # Membership/Chairmanship in Committee of Directors includes Audit Committee and Stakeholders' Relationship/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 the year 2016-17 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 the year 2016-17 : 5			
Sr.No.	Date of Board Meeting	Sr.No.	Date of Board Meeting
1	04.05.2016	4	03.11.2016
2	15.07.2016	5	09.02.2017
3	01.08.2016		

**Attendance Record of Directors:**

Name of the Director	Number of Board Meetings held	Number of Board Meetings attended	Whether attended last AGM held on 15.07.2016
Mr. B. K. Birla	5	2	No
Mrs. Rajashree Birla	5	4	No
Mr. B. S. Mehta	5	5	Yes
Mr. S. K. Jain	5	5	Yes
Mr. K. S. Thar	5	5	Yes
Mr. G. M. Singhvi	5	4	Yes

**Meeting of Independent Directors and Attendance Record:**

Independent Directors to meet at least once in a year to deal with matters listed out in Regulation 25 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Schedule IV to the Companies Act, 2013 which inter-alia includes, review of the performance of non-independent directors, Chairman and the Board as a whole and assess the quality, quantity and timeliness of flow of information between the Management and the Board that is necessary to perform the duties by the Board of Directors.

The date of the Meeting and attendance record of Independent Directors is as under:

Date of Independent Directors meeting during the year 2016-17		16.03.2017	
Name of the Director	Number of Meeting held	Number of Meeting attended	
Mr. B. S. Mehta	1	1	
Mr. S. K. Jain	1	1	
Mr. K. S. Thar	1	1	

**3. Directors' Remuneration****(a) Non-Executive Directors:**

Non-Executive Directors have been paid remuneration by way of sitting fees and commission.

**(i) Sitting Fee:**

The sitting fee is paid for attending meeting of Board of Directors and Committee of Directors to each Director except Whole-time Director at the rate as detailed here below:

Meeting	Sitting Fee per meeting
Board	₹ 15,000/-
Audit Committee	₹ 10,000/-
Nomination & Remuneration Committee / Corporate Social Responsibility Committee / Stakeholders Relationship / Grievance Committee / Share Transfer Committee	₹ 5,000/-

**(ii) Commission**

Pursuant to special resolution passed by the shareholders in the 48th Annual General Meeting of the Company held on 13th September, 2014, commission is payable to non-executive directors at a rate not exceeding 1% of the net profits of the Company as computed in accordance with Section 198 of the Companies Act, 2013, subject to such ceiling as the Board of Directors decide from time to time. The criteria for payment of commission as determined by the Board is based on the period and overall contribution.

**Remuneration Paid/Payable to Non-Executive Directors for the Financial Year 2016-17:**

Name	Sitting Fee for Board/ Committee Meetings Attended	Commission
Mr. B. K. Birla	₹ 30,000/-	₹ 5,00,000/-
Mrs. Rajashree Birla	₹ 60,000/-	₹ 5,00,000/-
Mr. B. S. Mehta	₹ 1,50,000/-	₹ 10,00,000/-
Mr. S.K. Jain	₹ 1,35,000/-	₹ 5,00,000/-
Mr. K.S. Thar	₹ 1,40,000/-	₹ 5,00,000/-



**(b) Whole-time Director:**

Remuneration of Mr. G. M. Singhvi, Whole-time Director for the financial year 2016-17 comprises of Salary and Allowances Rs.208.16 lacs, Perquisites Rs.0.48 lac and Contribution to Provident Fund Rs.6.89 lacs & Superannuation Fund Rs.8.62 lacs. Monetary value of perquisites is calculated in accordance with existing provisions of the Income Tax Act, 1961. The above remuneration is exclusive of Contribution to approved Gratuity Fund which is based on actuarial valuation done on an overall company basis. There is no performance linked incentives, stock option and pension. 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 enters into contracts with companies in which a Director of the Company is 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 189 of the Companies Act, 2013 and the same is placed in every Board Meeting for the noting of the Directors.

**5. 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 Code of Conduct for the members of the Board of Directors and Senior Management Personnel of the Company. All members of the Board of Directors and Senior Management personnel affirm on annual basis the compliance of the code of conduct. In addition to that a Code of Conduct for dealing in equity shares and other listed securities of the Company is also in place. The Code of Conduct is available on the website of the Company [http://centuryenka.co.in/CE/policies/Legal\\_Compliance.htm](http://centuryenka.co.in/CE/policies/Legal_Compliance.htm).

**6. Audit Committee**

The Board of Directors has constituted an Audit Committee of Directors and empowered the Committee to deal with all such matters which it may consider appropriate to perform as audit committee including items specified in Section 177(4) of the Companies Act, 2013 (as may be modified/amended from time to time), items specified in Part C of Schedule II in Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 under the head role of audit committee (as may be modified/amended from time to time) and such matters as may be assigned from time to time by the Board of Directors.

The Committee in addition to other business, reviews the quarterly (unaudited) financial results, annual financial statements and auditors' report thereon, compliance of listing and other legal requirements relating to financial statements, cost audit statement before submitting to the Board of Directors, review internal financial control and procedures, internal control system and procedure and their adequacy, risk management, related party transaction, audit programme, nature and scope of audit programme, appointment, remuneration and terms of appointment of Auditors, approval of payment to statutory auditors for other services. The Committee consists of three Independent Directors.

The dates of the Meetings and attendance of each Committee Member are as under:

Dates of Audit Committee meetings during the year 2016-17	04.05.2016	01.08.2016	03.11.2016	09.02.2017
<b>Name of Committee Member</b>	<b>No. of Meetings held</b>		<b>No. of Meetings attended</b>	
Mr. S.K. Jain (Chairman ) Non-Executive and Independent Director	4		4	
Mr. B.S. Mehta Non-Executive and Independent Director	4		4	
Mr. K.S. Thar Non-Executive and Independent Director	4		4	

Mr. B.S. Mehta and Mr. K.S. Thar are Chartered Accountants by profession. The Company Secretary of the Company acts as the Secretary to the Committee.

Besides the Committee members, Whole-time Director, President, Chief Financial Officer and partners/other representatives of the firms of Statutory Auditors and Internal Auditors were also present at the meetings to answer the queries raised by the Committee Members.

The Chairman of Audit Committee was present at 50th Annual General Meeting of the Company held on 15th July, 2016.

**7. Nomination and Remuneration Committee of Directors:**

The Board of Directors has constituted a Nomination and Remuneration Committee of Directors. The role of the committee is to perform all such matters as prescribed under the Companies Act, 2013 and Schedule II - Part D about Role of Nomination





and Remuneration Committee of Directors under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, which inter alia includes - recommendation to Board of Directors remuneration policy for the Company, formulation of criteria for performance evaluation of directors, Board and Committee, appointment of Director, appointment and remuneration of Whole-time Director and Key Managerial Personnel. The Committee will also deal with matters as may be assigned from time to time by the Board of Directors.

The Committee has formulated a guiding policy on remuneration for its Directors, Key Managerial Personnel and employees of the Company.

The Committee has devised templates for performance evaluation of directors including Independent Directors, Chairman, the Board of Directors and Board Committees.

The Committee consists of three Independent Directors. The Date of the Meeting and attendance of each Committee Member are as under:

Date of Nomination and Remuneration Committee meeting during the year 2016-17	09.02.2017	
Name of Committee Member	No. of Meeting held	No. of Meeting attended
Mr. B.S. Mehta (Chairman) Non-Executive and Independent Director	1	1
Mr. S.K. Jain Non-Executive and Independent Director	1	1
Mr. K.S. Thar Non-Executive and Independent Director	1	1

## 8. Corporate Social Responsibility Committee :

The Board of Directors has constituted Corporate Social Responsibility Committee of Directors. The Role of the Committee is to formulate and recommend to the Board, a corporate social responsibility policy, recommend the amount of expenditure to be incurred on CSR Projects and Programmes and monitor them.

The Committee consists of three directors. The dates of the meetings and attendance of each committee member are as under:

Dates of Corporate Social Responsibility Committee meetings during the year 2016-17	04.05.2016	09.02.2017
Name of Committee Member	No. of Meetings held	No. of Meetings attended
Mr. B.S. Mehta (Chairman) Non-Executive and Independent Director	2	2
Mr. S.K. Jain Non-Executive and Independent Director	2	2
Mr. G.M. Singhvi Executive - Whole-time Director	2	1

## 9. Stakeholders' Relationship/Grievance Committee of Directors:

The Board of Directors has constituted a Stakeholders' Relationship/Grievance Committee of Directors. The role of the committee is to consider and resolve the grievances of security holders and perform such roles as may require under the Companies Act, 2013 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. Continuous efforts are made to ensure that grievances are expeditiously redressed to the satisfaction of investors. A status report of shareholders complaints and redressal thereof is prepared and placed before Stakeholders' Relationship/Grievance Committee of Directors.

The Secretary of the Company Mr.C.B. Gagrani is the Compliance Officer.

The shareholders/investors can send shares/debentures related complaints, if any, through e-mail Id:- investor@centuryenka.com designated exclusively for this purpose.

The Committee consists of two Directors. The date of the meeting and attendance of each committee member are as under:

Date of Stakeholders' Relationship/Grievance Committee meeting during the year 2016-17	09.03.2017	
Name of Committee Member	No. of Meeting held	No. of Meeting attended
Mr. S. K. Jain (Chairman) Non-Executive and Independent Director	1	1
Mr. G. M. Singhvi Executive - Whole-time Director	1	1

**Status of Shareholders'/Investors' Complaints for the period 01.04.2016 to 31.03.2017**

Nature of complaint	No. of complaints received	No. of complaints resolved	No. of pending complaints
Exchange of Share Certificates	5	5	-
Dividend	2	2	-
Other	2	2	-
Total	9	9	-

There is no complaint not solved to the satisfaction of shareholders.

**10. Share Transfer Committee of Directors**

The role of the Committee is to deal with issuance of duplicates of share certificates, transmission of shares, transfer of shares and supervision of transfer of shares delegated to officers of the Company. The delegated authorities attend 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. Share transfers approved by the delegated authorities are placed before Share Transfer Committee/Board for its review. As on 31st March, 2017, no shares were pending for transfer for more than 15 days.

The Board of Directors has appointed the Company Secretary as Compliance Officer of the Company to monitor the share transfer process.

The Committee consists of two Directors. The dates of the meetings and attendance of each committee member are as under:

Dates of Share Transfer Committee meetings during the year 2016-17	12.07.2016	16.09.2016	13.12.2016	16.03.2017
--	------------	------------	------------	------------

Name of Committee Member	No. of Meetings held	No. of Meetings attended
Mr. B. S. Mehta - (Chairman) Non-executive and Independent Director	4	4
Mr. K.S. Thar 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.

**11. General Body Meetings****A) Information about last three Annual General Meetings:**

Year	Date	Time	Location
2014	13.09.2014	12:30 PM	Pudumjee Hall, Mahratta Chamber of Commerce, Industries and Agriculture, Tilak Road, Pune-411002.
2015	14.07.2015	12:30 PM	Pudumjee Hall, Mahratta Chamber of Commerce, Industries and Agriculture, Tilak Road, Pune-411002.
2016	15.07.2016	12:30 PM	Pudumjee Hall, Mahratta Chamber of Commerce, Industries and Agriculture, Tilak Road, Pune-411002.

**B) Information about Special Resolutions passed in previous three Annual General Meetings:**

- i) In the 48th Annual General Meeting held on 13th September, 2014, following four special resolutions were passed:
  - a) Consent of the Company pursuant to Section 180(1)(c) of the Companies Act, 2013 to the Board of Directors to borrow amount not exceeding at any time Rs. 300 Crs. over and above the paid up capital and free reserves of the Company.
  - b) Consent of the Company pursuant to Section 180(1)(a) of the Companies Act, 2013 to mortgage and/or charge by the Board of Directors any immovable and movable properties/assets of the Company including undertaking(s) to secure the borrowings.
  - c) Consent of the Company pursuant to Section 42 of the Companies Act, 2013 to issue Non-convertible Debentures/ bonds/other instruments on private placement basis, the outstanding aggregate amount at any time not exceeding Rs.150 Crs.
  - d) Consent of the Company pursuant to Section 197 of the Companies Act, 2013 to pay remuneration by way of commission to Non-Executive Directors at a rate not exceeding 1% of net profits of the Company in each year subject to overall ceiling as may be fixed by the Board of Directors.



- (ii) In the 49th Annual General Meeting held on 14th July, 2015, following special resolution was passed:
  - a) Consent of the Company pursuant to Section 42 of the Companies Act, 2013 to issue Non-convertible Debentures/ bonds/other instruments on private placement basis, the outstanding aggregate amount at any time not exceeding Rs.150 Crs.
- iii) In the 50th Annual General Meeting held on 15th July, 2016 following two special resolutions were passed :
  - a) Re-appointment of Mr. G. M. Singhvi as Whole-time Director for a period of 1 (one) year with effect from 16th May, 2016.
  - b) Consent of the Company pursuant to Section 42 of the Companies Act, 2013 to issue Non-convertible Debentures/ bonds/other instruments on private placement basis, the outstanding aggregate amount at any time not exceeding Rs.150 Crs.
- C) There was no special resolution passed in the financial year 2016-17 by postal ballot.
- D) As of date, there is no proposal to pass any special resolution by postal ballot.

## 12. Related Party Transaction :

There is no transaction of materially significant nature with related party that may have potential conflict with the interest of the Company at large. The Related Party Transaction policy as approved by the Board of Directors is available on the website of the Company [http://centuryenka.co.in/CE/policies/Legal\\_Compliance.htm](http://centuryenka.co.in/CE/policies/Legal_Compliance.htm)

## 13. Whistle Blower Policy :

The Company has put in place a Whistle Blower Policy to provide an open and transparent working environment and to promote responsible and secure whistle blowing system for directors and employees of the Company to raise concern. The Policy broadly cover instances of unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct, alteration of documents, fraudulent financial reporting, misappropriation/misuse of Company's assets, manipulation of Company's data, pilferage of proprietary information, abuse of authority, etc. The Policy provides adequate safeguard against victimisation of director(s) / employee(s) who raise the concern and have access to Chairman of Audit Committee who is entrusted to oversee the whistle blower mechanism and that no person has been denied access to Audit Committee. The Policy is available on the website of the Company [http://centuryenka.co.in/CE/policies/Legal\\_Compliance.htm](http://centuryenka.co.in/CE/policies/Legal_Compliance.htm).

## 14. Any Non-compliance, Penalties or Strictures Imposed

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

## 15. Means of Communication

The unaudited / audited 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 editions) & Loksatta (Pune edition). Financial results and other useful information of the Company are also available on the Company's website [www.centuryenka.com](http://www.centuryenka.com).

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

Official press release, if any, is placed on the Company's Website and sent to Stock Exchanges for dissemination.

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

## 17. General Shareholder Information

### Annual General Meeting

Day, Date and Time : Saturday the 5<sup>th</sup> August, 2017 at 12.30 p.m.

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

**Financial Year** : 1<sup>st</sup> April - 31<sup>st</sup> March

### Financial Calendar

Financial reporting for the quarter ending 30 <sup>th</sup> June, 2017	:	On or before 14th August, 2017
Financial reporting for the quarter ending 30 <sup>th</sup> September, 2017	:	On or before 14 <sup>th</sup> November, 2017
Financial reporting for the quarter ending 31 <sup>st</sup> December, 2017	:	On or before 14 <sup>th</sup> February, 2018
Financial reporting for the quarter ending 31 <sup>st</sup> March, 2018	:	On or before 30 <sup>th</sup> May, 2018



<b>Book Closure</b>	:	The Register of Members and Share Transfer Register will remain closed from Wednesday, the 26 <sup>th</sup> July, 2017 to Friday, the 28 <sup>th</sup> July, 2017 (both days inclusive) for the purpose of payment of dividend.
<b>Dividend Payment Date</b>	:	On or after 9 <sup>th</sup> August, 2017
<b>Registered Office</b>	:	Plot No.72 & 72-A, MIDC, Bhosari, Pune- 411 026. Tel. No.(020) 66127300/27120423 Fax No.(020) 27120113 E-mail : investor@centuryenka.com
<b>Company's Website</b>	:	www.centuryenka.com
<b>Listing at Stock Exchanges</b>	:	The Company's Equity Shares are listed at the following Stock Exchanges: i) BSE Limited, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400001. ii) The National Stock Exchange of India Limited "Exchange Plaza," Bandra-Kurla Complex, Bandra (East), Mumbai - 400051.
<b>Payment of Annual Listing Fees</b>	:	The Annual Listing Fees for the year 2017-18 have been paid
<b>Stock Code</b>	:	BSE Limited : 500280 National Stock Exchange : CENTENKA
<b>ISIN allotted to Equity Shares</b>	:	INE485A01015

#### Stock Market Data

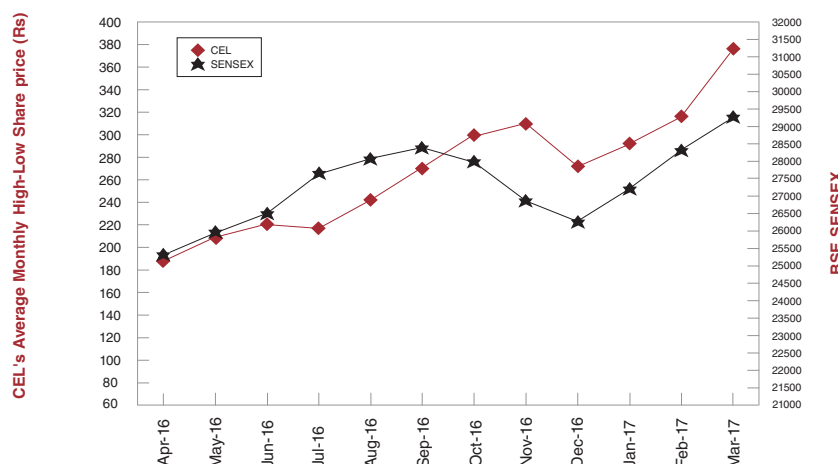
Monthly high and low prices of equity shares of the Company quoted at BSE Ltd. and National Stock Exchange during the year 2016-17 :

(Amount in Rs)\*

Month	BSE Limited		National Stock Exchange	
	High	Low	High	Low
April,2016	204	173	204	172
May	220	197	218	196
June	236	206	235	205
July	229	204	230	205
August	275	210	275	210
September	291	251	293	250
October	336	264	335	262
November	363	258	363	258
December	288	256	287	256
January,2017	310	275	309	272
February	339	293	340	293
March	439	313	439	311

(\*) Rounded-off to nearest Rupee

#### Stock Performance Index:



**Distribution of Shareholding as on 31st March, 2017**

No. of equity shares held	No. of shareholders	% of shareholders	No. of shares held	% of shareholding
1 to 10	13527	28.23	78994	0.36
11 to 50	18513	38.64	539094	2.47
51 to 100	5717	11.93	511517	2.34
101 to 500	7144	14.91	1791040	8.20
501 to 1000	1506	3.15	1173701	5.37
1001 to 5000	1223	2.55	2711763	12.41
5001 and above	282	0.59	15044480	68.85
<b>Total</b>	<b>47912</b>	<b>100.00</b>	<b>21850589</b>	<b>100.00</b>

**Categories of Shareholding as on 31st March, 2017**

Category	No. of shareholders	% of shareholders	No. of shares held	% of shareholding
Individuals	46264	96.56	10364059	47.43
Bodies Corporate	1109	2.32	7935830	36.32
Non Resident Bodies Corporate	3	0.00	1150000	5.26
FII's	11	0.02	95269	0.44
NRI's/OCBs	430	0.90	532652	2.44
Mutual Funds	36	0.08	8610	0.04
Bank, Financial Institutions & Insurance Companies	59	0.12	1764169	8.07
<b>Total</b>	<b>47912</b>	<b>100.00</b>	<b>21850589</b>	<b>100.00</b>
Promoters	13	0.03	5518048	25.25
Non-Promoters	47899	99.97	16332541	74.75
<b>Total</b>	<b>47912</b>	<b>100.00</b>	<b>21850589</b>	<b>100.00</b>

<b>Dematerialization of Shares and Liquidity</b>	:	90.46% of Equity Shares have been dematerialized as on 31st March, 2017. Trading in shares of Century Enka Limited is available in dematerialized form.
<b>Outstanding GDRs/ADRs/Warrants or any convertible instruments</b>	:	The Company has not issued any GDRs/ADRs/Warrants/Convertible Instruments.
<b>Foreign Exchange Risk &amp; Hedging activities</b>	:	It is the policy of the Company to cover its foreign currency exposure for imports to avoid currency exchange fluctuation.
<b>Plant Locations</b>	:	Pune, Rajashree Nagar (Bharuch) and Mahad (Not in operation)
<b>Share Transfer Agent</b>	:	Link Intime India Private Limited (Unit : Century Enka Limited ) C-101, 247 Park, L. B. S. Marg, Vikhroli (West) Mumbai - 400 083. Tel. : 022-49186270 Fax : 022-49186060 E-mail : rnt.helpdesk@linkintime.co.in
<b>Share Transfer System</b>	:	Share Transfer System is explained in Share Transfer Committee of Directors

**18. Disclosures**

The Company has complied with all the mandatory requirements specified in Regulations 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the Listing Regulations.

**19. Discretionary Requirements****i) The Board**

At present, there is no separate office in the Company for use of Chairman nor any expenditure reimbursed in performance of his duty.

**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) Separate posts of Chairman and Chief Executive Officer**

The Chairman of the Company is a Non-Executive Director. A separate person is Whole-time Director of the Company.

**v) Reporting of Internal Auditors**

Reports of Internal Auditors are placed before the Audit Committee for its review.

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

Name	Mrs. Rajashree Birla	Mr. O. R. Chitlange
Age	71 Years	59 Years
Nature of expertise	Industrialist	Corporate Management
Qualification	B.A.	B. Com., F.C.A.
Name of the Public Limited companies in (India) in which also holds directorship	1. Aditya Birla Health Services Limited 2. Aditya Birla Nuvo Limited 3. Century Textiles & Industries Limited 4. Grasim Industries Limited 5. Hindalco Industries Limited 6. Idea Cellular Limited 7. Ultra Tech Cement Limited	-
Name of the companies in the committees of which also holds membership/ chairmanship	-	-
Other activities	Associated with charitable trusts & educational institutions.	Associated with charitable trusts & educational institutions.
No. of shares held in the Company	26,080	Nil

### CERTIFICATE

To,

The Members of Century Enka Limited

We have examined the compliance of conditions of Corporate Governance by Century Enka Limited ('the Company'), for the year ended on 31st March, 2017, as stipulated in Chapter IV of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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. 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 Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

M. No. : FCS 4090  
C.P. No. : 3847

Mumbai, 10th May, 2017

### 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 Regulation 26(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, in so far as it is applicable to them and there is no non-compliance thereof during the year ended 31st March, 2017.

Place : Mumbai  
Date : 10<sup>th</sup> May, 2017

**G. M. SINGHVI**  
Whole-time Director



## SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH, 2017

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,

The Members of Century Enka Limited

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Century Enka Limited (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon. Based on our verification of Century Enka Limited's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2017, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2017 according to the provisions of:

- 1) The Companies Act, 2013 (the Act) and the rules made thereunder;
- 2) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- 3) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- 4) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings (**Not Applicable to the Company during the Audit Period**);
- 5) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (**Not Applicable to the Company during the Audit Period**);
  - d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 / the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (**Not Applicable to the Company during the Audit Period**);
  - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (**Not Applicable to the Company during the Audit Period**);
  - f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding

the Companies Act and dealing with client (**Not Applicable to the Company during the Audit Period**);

- g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (**Not Applicable to the Company during the Audit Period**); and
- h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (**Not Applicable to the Company during the Audit Period**);
- 6) The management of the Company has informed that there is no industry specific law which is applicable to the Company.

We have also examined compliance with the applicable clauses of the following:

- a) Secretarial Standards with respect to Meetings of Board of Directors (SS-1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India
- b) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above. We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, Independent Directors and a Woman Director. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decisions are carried through. There is no dissenting view of members to capture and record as part of the minutes.

We further report that based on review of compliance mechanism established by the Company and on the basis of Management Representation Letter received from the Company, we are of the opinion that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period, no major action having a bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. has taken place.

For **Sanjay Sangani & Co.**

Company Secretaries

**Sanjay H. Sangani**

Proprietor

M. No. : FCS 4090

C.P. No. : 3847

Mumbai, 10th May, 2017

This Report is to be read with Annexure 'A' to this Report which forms an integral part of this Report.

### Annexure 'A'

To,

The Members of Century Enka Limited

Our Report of even date is to be read along with this Annexure.

1. Maintenance of Secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these Secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial records. We believe that the process and practices, we followed provide a reasonable basis of our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.

4. Wherever required, we have obtained the Management Representation about the compliance of laws, rules and regulations and happening of events, etc.

5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. Our examination was limited to the verification of procedures on test basis.

6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For **Sanjay Sangani & Co.**

Company Secretaries

**Sanjay H. Sangani**

Proprietor

M. No. : FCS 4090

C.P. No. : 3847

Mumbai, 10th May, 2017



## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CENTURY ENKA LIMITED

### Report on the Ind AS Financial Statements

We have audited the accompanying Ind AS financial statements of Century Enka Limited ("the Company"), which comprise the Balance Sheet as at 31 March 2017, and the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information (herein after referred to as "Ind AS financial statements").

### Management's Responsibility for Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act read with relevant rules issued thereunder.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and the estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditors' Responsibility

Our responsibility is to express an opinion on these Ind AS financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit of the Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Ind AS financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS financial statements.

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS 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 including the Ind AS, of the financial position of the Company as at 31 March 2017, and its financial performance including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

### Emphasis of Matter

We draw your attention to Note 46 to the financial statements regarding the Company's appeal pending before CESTAT, Mumbai against the excise duty demand aggregating Rs. 22,927 lakh plus interest thereon and penalty of Rs. 22,927 lakh. Based on expert legal advice and merits of the case, no provision has been considered necessary by the company. The final determination of the cash outflow, if any, would depend upon the final decision of the appropriate authorities in the future. Our opinion is not modified in respect of this matter.

### Other Matter

The comparative financial information of the Company for the year ended 31 March 2016 and the transition date opening Balance Sheet as at 1 April 2015 included in these Ind AS financial statements, are based on the previously issued statutory financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 audited by Price Waterhouse, Chartered Accountants (predecessor auditor) for the year ended 31 March 2016 and for the year ended 31 March 2015, whose reports dated 4 May 2016 and 5 May 2015, respectively, expressed an unmodified opinion on those financial statements, as adjusted for the differences in the accounting principles adopted by the Company on transition to the Ind AS, which have been audited by us. Our opinion is not modified in respect of this matter.

### Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.

1. As required by Section 143(3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - (c) The Balance Sheet, the Statement of Profit and Loss, the Cash Flow Statement and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
  - (d) In our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act.
  - (e) On the basis of the written representations received from the directors as on 31 March 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2017 from being appointed as a director in terms of Section 164(2) of the Act.



- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B"; and
- (g) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company has disclosed the impact of pending litigations on the financial position in its Ind AS financial statements – Refer Note 46 to the Ind AS financial statements;
  - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on derivative contracts. The Company has long-term contracts for which there were no material foreseeable losses - Refer Note 47(b) to the Ind AS financial statements;

- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company; and
- iv. The Company has provided requisite disclosures in the Ind AS financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8 November 2016 to 30 December 2016. Based on audit procedures and relying on the management representation, we report that the disclosures are in accordance with books of account maintained by the Company and as produced to us by the Management-Refer Note 50 to the Ind AS financial statements.

For **Khimji Kunverji & Co.**

Chartered Accountants

Firm's Registration No: 105146W

**Gautam V. Shah**

Partner

Membership No: 117348

Mumbai  
10 May 2017

## Annexure A` to the Independent Auditor's Report 31st March 2017

(Referred to in our report of even date)

- i. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has a regular programme of physical verification of its fixed assets by which all fixed assets are verified in a phased manner over a period of three years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, certain fixed assets were physically verified by the Management during the year. In our opinion, and according to the information and explanations given to us, no material discrepancies were noticed on such verification.
- (c) In our opinion and according to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- ii. The inventory has been physically verified by the management at reasonable intervals during the year. In our opinion, the frequency of such verification is reasonable. No material discrepancies noticed on verification between the physical stocks and the book records.
- iii. In our opinion and according to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act. Accordingly, paragraph 3(iii) of the Order is not applicable to the Company.
- iv. The Company has not granted any loans or provided any guarantees or security to the parties covered under Section 185 of the Act. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 186 of the Act, with respect to the loans given, investments made, guarantees given and security provided.
- v. In our opinion and according to the information and explanations

given to us, the Company has not accepted any deposits from the public during the year in terms of the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed there under. Accordingly, paragraph 3(v) of the Order is not applicable to the Company.

- vi. We have broadly reviewed the books of account maintained by the Company as specified under Section 148(1) of the Act, for maintenance of cost records in respect of products manufactured by the Company, and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- vii. (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including Provident Fund, Employees' State Insurance, Income-tax, Sales-tax, Service tax, Duty of Customs, Duty of Excise, Value added tax, Cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities.  
According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Sales-tax, Service tax, Duty of Customs, Duty of Excise, Value added tax, Cess and other material statutory dues were in arrears as at 31 March 2017 for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, details of dues of Income-tax, Sales-tax, Service tax, Duty of Customs, Duty of Excise and Value added tax which have not been deposited as on 31 March 2017 on account of disputes are given below:





Name of the Statute	Nature of the Dues	Forum where dispute is pending	Period to which amount relates	Amount* (₹ In Lakh)
Income Tax Act, 1961	Income Tax, Interest and Penalty	Calcutta high Court	A.Y. 2004-2005	118
		Income Tax Appellate Tribunal	A.Y. 2008-2009	50
The Central Excise Act, 1944	Excise duty and Penalty	Custom, Excise and Service Tax Appellate Tribunal	2000 to 2003	45,154 <sup>#</sup>
	Excise Duty	Custom, Excise and Service Tax Appellate Tribunal	1995 -1996	66
	Excise duty and Penalty	Custom, Excise and Service Tax Appellate Tribunal	2007-2008 to 2010 -2011 & 2011-12	196
	Excise duty and Penalty	Commissioner of Central Excise (A)	2011 to 2015	36
Finance Act, 1994	Service Tax	Custom, Excise and Service Tax Appellate Tribunal	2009-2010 to 2013-2014	141
Gujarat Sales Tax Act, 1969	Sales Tax including interest & Penalty	The Supreme Court of India	2000 -2001	672
	Sales Tax	Joint Commissioner of Sales-Tax (A)	2007-2008	13

\* net of amounts paid under protest.

# This does not include the interest claimed (not quantified) by the Central excise authorities.

- viii. According to the information and explanations given to us, and based on the records of the Company, the Company has not defaulted in the repayment of loans or borrowings to financial institutions, banks, government and dues to debenture holders.
- ix. According to the information and explanations given to us, the term loans have been applied by the Company during the year for the purposes for which they were obtained. The Company did not raise money by way of initial public offer or further public offer (including debt instruments) during the year.
- x. According to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- xi. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
- xii. In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable to the Company.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Sections 177 and 188 of the Act where applicable and details

- of such transactions have been disclosed in the Ind AS financial statements as required by the applicable accounting standards.
- xiv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3(xiv) of the Order is not applicable to the Company.
- xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with them. Accordingly, paragraph 3(xv) of the Order is not applicable to the Company.
- xvi. According to the information and explanations given to us, the Company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934. Accordingly, paragraph 3(xvi) of the Order is not applicable to the Company.

For **Khimji Kunverji & Co.**  
Chartered Accountants  
Firm's Registration No: 105146W

Mumbai  
10 May 2017

**Gautam V. Shah**  
Partner  
Membership No: 117348

## Annexure B to the Independent Auditors' Report – 31 March 2017

### Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Act

We have audited the internal financial controls over financial reporting of Century Enka Limited ("the Company") as at 31 March 2017 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

#### Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance

of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

#### Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to





be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

#### Meaning of Internal Financial Controls Over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that:

- (a) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;
- (b) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in

accordance with authorisations of management and directors of the Company; and

- (c) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

#### Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

#### Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

For **Khimji Kunverji & Co.**

Chartered Accountants  
Firm's Registration No: 105146W

**Gautam V. Shah**

Partner

Membership No: 117348

Mumbai  
10 May 2017

**BALANCE SHEET AS AT 31<sup>ST</sup> MARCH, 2017**

₹ / Lacs

	Note No.	31st March, 2017	31st March, 2016	1st April, 2015
<b>ASSETS</b>				
Non-Current Assets				
Property, Plant and Equipment	3	56877	60151	61650
Capital Work-in-Progress		366	189	1227
Intangible Assets	4	4	-	-
Intangible Assets under development		241	-	-
Financial Assets				
Investments	5	2025	1509	1713
Loans	6	184	191	196
Other Non-Current Assets	7	938	925	1225
Total Non Current Assets		60635	62965	66011
Current Assets				
Inventories	8	23081	14664	20252
Financial Assets				
Investments	9	7778	6468	-
Trade Receivables	10	18879	15577	16417
Cash and Cash Equivalents	11	275	475	418
Bank Balances other than above	12	156	145	121
Loans	13	6	6	8
Current Tax Assets		311	838	869
Other Current Assets	14	825	453	1344
Total Current Assets		51311	38626	39429
<b>TOTAL ASSETS</b>		<b>111946</b>	<b>101591</b>	<b>105440</b>
<b>EQUITY AND LIABILITIES</b>				
Equity				
Equity Share Capital	15	2185	2185	2185
Other Equity		83251	75617	71473
Total Equity		85436	77802	73658
Non-Current Liabilities				
Financial Liabilities				
Borrowings	16	3708	5144	6580
Others	17	233	248	260
Provisions	18	1256	1302	1445
Deferred Tax Liabilities (Net)	19	10158	10473	10370
Other Non-Current Liabilities	20	322	-	-
Total Non-Current Liabilities		15677	17167	18655
Current Liabilities				
Financial Liabilities				
Borrowings	21	109	390	7391
Trade Payables	22	6827	3197	2916
Others	23	2406	1919	1901
Other Current Liabilities	24	960	586	738
Provisions	25	176	160	157
Current Tax Liabilities (Net)	26	355	370	24
Total Current Liabilities		10833	6622	13127
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>111946</b>	<b>101591</b>	<b>105440</b>

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 **Khimji Kunverji & Co.**  
Firm Registration No. 105146W  
Chartered Accountants

**Gautam V. Shah**

Place : Mumbai Partner  
Date: 10th May, 2017 Membership No. 117348

For and on behalf of the Board of Directors

**K. G. Ladsaria**  
Chief Financial Officer

**B. S. Mehta**  
**G.M. Singhvi**  
Directors

**C. B. Gagrani**  
Secretary

Place : Mumbai  
Date: 10th May, 2017

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2017**

₹ / Lacs

	Note No.	31st March, 2017	31st March, 2016
<b>INCOME</b>			
Revenue from Operations	27	133922	128734
Other Income	28	1549	431
<b>TOTAL INCOME</b>		<b>135471</b>	<b>129165</b>
<b>EXPENSES</b>			
Cost of Materials Consumed	29	69359	63514
Purchases of Stock-in-Trade		455	12
Changes in Inventories of Finished Goods, Stock-in -Trade and work-in-progress	30	(4174)	5150
Employee Benefits Expense	31	7792	7282
Power and Fuel		17313	16076
Finance Costs	32	562	956
Depreciation and Amortization Expense	3 & 4	4237	4094
Excise Duty		15391	13886
Other Expenses	33	9599	8621
<b>TOTAL EXPENSES</b>		<b>120534</b>	<b>119591</b>
<b>PROFIT BEFORE EXCEPTIONAL ITEMS AND TAX</b>		<b>14937</b>	<b>9574</b>
Exceptional Items	45	958	754
<b>PROFIT BEFORE TAX</b>		<b>13979</b>	<b>8820</b>
Tax Expense:			
(1) Current Tax		5198	2875
(2) (Excess)/Short Provision of Tax relating to Earlier Years		-	(69)
(3) Deferred Tax		(316)	104
<b>PROFIT FOR THE YEAR</b>		<b>9097</b>	<b>5910</b>
Other Comprehensive Income (net of tax)			
A (i) Items that will not be reclassified to profit or loss		475	(180)
(ii) Income tax relating to items that will not be reclassified to profit or loss		34	(8)
B (i) Items that will be reclassified to profit or loss		-	-
(ii) Income tax relating to items that will be reclassified to profit or loss		-	-
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b> (Comprising Profit and Other Comprehensive Income for the year)		<b>9606</b>	<b>5722</b>
<b>EARNINGS PER EQUITY SHARE IN ₹ (Face value per share ₹ 10 each):</b>			
(1) Basic	44	41.63	27.05
(2) Diluted		41.63	27.05

The accompanying notes are an integral part of these financial statements

This is the Statement of Profit and Loss referred to in our report of even date.

For **Khimji Kunverji & Co.**  
Firm Registration No. 105146W  
Chartered Accountants

**Gautam V. Shah**

Partner

Membership No. 117348

Place : Mumbai

Date: 10th May, 2017

For and on behalf of the Board of Directors

**K. G. Ladsaria**  
Chief Financial Officer

**C. B. Gagrani**

Secretary

**B. S. Mehta****G.M. Singhvi**

Directors

**STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2017****(A) EQUITY SHARE CAPITAL**

₹ in Lacs

For the year ended 31st March, 2017		
Balance as at 1st April, 2016	Changes in equity shares capital during the year ended	Balance as at 31st March, 2017
2185	-	2185

₹ / Lacs

For the year ended 31st March, 2016		
Balance as at 1st April, 2015	Changes in equity shares capital during the year ended	Balance as at 31st March, 2016
2185	-	2185

**(B) OTHER EQUITY**

₹ / Lacs

For the year ended 31st March, 2017							
Particulars	Reserves and Surplus						Total
	Capital Reserve	Capital redemption Reserve	Securities Premium Reserve	General Reserve	Retained Earnings	FVOCI-Equity Instruments	
Balance at 1st April, 2016	48	186	3225	35766	35790	602	75617
Profit for the Year	-	-	-	-	9,097	-	9,097
Remeasurement of the net defined benefit liability/asset, net of tax effect	-	-	-	-	(64)	-	(64)
Equity instruments through other comprehensive income	-	-	-	-	-	573	573
Dividends Paid (including corporate dividend tax) 15-16	-	-	-	-	(1972)	-	(1972)
Transfer to General Reserves	-	-	-	900	(900)	-	-
<b>Balance at 31st March, 2017</b>	<b>48</b>	<b>186</b>	<b>3225</b>	<b>36666</b>	<b>41951</b>	<b>1175</b>	<b>83251</b>

₹ / Lacs

For the year ended 31st March, 2016							
Particulars	Reserves and Surplus						Total
	Capital Reserve	Capital redemption Reserve	Securities Premium Reserve	General Reserve	Retained Earnings	FVOCI-Equity Instruments	
Balance as at 1st April, 2015	48	186	3225	35166	32042	806	71473
Profit for the year	-	-	-	-	5910	-	5910
Remeasurement of the net defined benefit liability/asset, net of tax effect	-	-	-	-	16	-	16
Equity instruments through other comprehensive income	-	-	-	-	-	(204)	(204)
Dividends Paid (including corporate dividend tax) 14-15	-	-	-	-	(1578)	-	(1578)
Transfer to General Reserves	-	-	-	600	(600)	-	-
<b>Balance at 31st March, 2016</b>	<b>48</b>	<b>186</b>	<b>3225</b>	<b>35766</b>	<b>35790</b>	<b>602</b>	<b>75617</b>

The accompanying notes are an integral part of these financial statements

This is the Other Equity Statement referred to in our report of even date.

For **Khimji Kunverji & Co.**  
Firm Registration No. 105146W  
Chartered Accountants

For and on behalf of the Board of Directors

**K. G. Ladsaria**  
Chief Financial Officer

**B. S. Mehta**  
**G.M. Singhvi**  
Directors

**Gautam V. Shah**  
Partner  
Membership No. 117348  
Place : Mumbai  
Date: 10th May, 2017

**C. B. Gagrani**  
Secretary  
Place : Mumbai  
Date: 10th May, 2017



## CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2017

₹ / Lacs

	Year Ended 31st March, 2017	Year Ended 31st March, 2016
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit Before Tax	13979	8820
Adjustment for:		
Depreciation and Amortisation	4237	4094
Finance cost	562	956
Fair value movement in derivative instruments	148	14
Interest Income	(360)	(145)
Fair Value of investment through P&L	(86)	(43)
Liabilities/Provisions no longer required written back	(111)	(85)
Amortization of Government Grant (TUF Capital Subsidy)	(6)	-
(Profit) / Loss on sale / write off of Property, Plant and Equipments (Net)	31	1
Impairment/Write down of Property, Plant and Equipments	958	754
Profit on sale of Current and Non Current Investments (Net)	(685)	(153)
Adjustment for:		
Other Comprehensive Income	(98)	24
<b>Operating Profit Before Working Capital Changes</b>	<b>18569</b>	<b>14237</b>
Adjustment for:		
Trade payable and other liability	4237	(25)
Trade Receivables	(3302)	841
Inventories	(8417)	5587
Financial and other Assets	(382)	957
<b>Cash Generated From Operations</b>	<b>10705</b>	<b>21597</b>
Direct Taxes Paid (net of refunds)	(4652)	(2437)
<b>Net Cash From Operating Activities</b>	<b>6053</b>	<b>19160</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Property, Plant and Equipments	(2309)	(2204)
Sale of Property, Plant and Equipments	104	17
Interest received	360	145
Government Grant	343	-
Purchase of Current Investments	(1224)	(6425)
Sale of Investments (Net)	742	153
<b>Net Cash From Investing Activities</b>	<b>(1984)</b>	<b>(8314)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Repayment of Long Term Borrowings	(1436)	(1242)
Changes in Short Term Borrowings (Net)	(281)	(7001)
Interest paid	(580)	(968)
Equity Dividends paid (including Dividend Distribution Tax)	(1972)	(1578)
<b>Net Cash From Financing Activities</b>	<b>(4269)</b>	<b>(10789)</b>
<b>D. NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>(200)</b>	<b>57</b>
Closing Balance of Cash and Cash Equivalents	275	475
Opening Balance of Cash and Cash Equivalents	475	418
Notes:		
1. The above Cash Flow Statement has been prepared under the " Indirect Method " set out in Indian Accounting Standard (Ind - AS) - 7 on Statement of Cash Flow.		
2. Figures in bracket indicate cash outflow.		
3. Previous year comparatives have been reclassified to confirm with current year's presentation, wherever applicable.		
4. Cash and Cash equivalents comprises of:		
As at	As at	
<b>31st March, 2017</b>	<b>31st March, 2016</b>	
On hand [Including Cheques ₹ 102 Lacs (Previous Year Rs 104 Lacs)]	103	105
With Banks		
In Current Accounts	172	69
In Deposit Accounts maturing within 3 months	-	301
	<b>275</b>	<b>475</b>

The accompanying notes are an integral part of these financial statements

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

For **Khimji Kunverji & Co.**  
Firm Registration No. 105146W  
Chartered Accountants

Gautam V. Shah

Partner

Membership No. 117348

Place : Mumbai  
Date: 10th May, 2017

**K. G. Ladsaria**  
Chief Financial Officer

For and on behalf of the Board of Directors

**C. B. Gagrani**  
Secretary

**B. S. Mehta**  
**G.M. Singhvi**  
Directors





## NOTES TO THE FINANCIAL STATEMENTS

### 1 Company Overview

Century Enka Limited (the Company) is a Public Limited Company incorporated in India having its registered office at Pune, Maharashtra, India. The Company is engaged in the manufacturing and selling of 'Synthetic Yarn' and related products.

### 2 Significant Accounting Policies

#### (a) Statement of Compliance

These financial statements are prepared in accordance with the Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standards)(Amendment) Rules, 2016, the relevant provisions of the Companies Act, 2013 ("the Act") and guidelines issued by the Securities and Exchange Board of India (SEBI), as applicable.

The financial statements for the year ended March 31, 2017 are the Company's first Ind AS financial statements. The date of transition to Ind AS is April 1, 2015. Accordingly, the Company has prepared an opening Ind AS Balance Sheet as on April 1, 2015 and comparative figures for the year ended March 31, 2016 are also in compliance with Ind AS.

The financial statements are authorized for issue by the Board of Directors of the Company at their meeting held on May 10, 2017.

#### (b) Basis of Preparation and Presentation:

##### Basis of Preparation

The financial statements have been prepared on a historical cost basis, except for the following assets and liabilities:

- (i) Derivative Financial Instruments measured at fair value
- (ii) Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments)
- (iii) Employee's Defined Benefit Plan as per actuarial valuation

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date under current market conditions, regardless of whether that price is directly observable or estimated using another valuation technique. In determining the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

##### Functional and Presentation Currency

The financial statements are presented in Indian Rupees, which is the functional currency of the Company and the currency of the primary economic environment in which the Company operates.

##### Classification of Assets and Liabilities into Current/Non-Current

The Company has ascertained its operating cycle as twelve months for the purpose of Current / Non-Current classification of its Assets and Liabilities.

For the purpose of Balance Sheet, an asset is classified as current if:

- (i) It is expected to be realised, or is intended to be sold or consumed, in the normal operating cycle; or
- (ii) It is held primarily for the purpose of trading; or
- (iii) It is expected to realise the asset within twelve months after the reporting period; or
- (iv) The asset is a cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

Similarly, a liability is classified as current if:

- (i) It is expected to be settled in the normal operating cycle; or
- (ii) It is held primarily for the purpose of trading; or
- (iii) It is due to be settled within twelve months after the reporting period; or
- (iv) The Company does not have an unconditional right to defer the settlement of the liability for at least twelve months after the reporting period. Terms of a liability that could result in its settlement by the issue of equity instruments at the option of the counterparty does not affect this classification.

All other liabilities are classified as non-current.

#### (c) Property, Plant and Equipment (PPE):

The initial cost of PPE comprises its purchase price, including import duties and non-refundable purchase taxes, and any directly attributable costs of bringing an asset to working condition and location for its intended use, including relevant borrowing costs and any expected costs of decommissioning. Expenditure incurred after the PPE have been put into operation, such as repairs and maintenance, are charged to the Statement of Profit and Loss in the period in which the costs are incurred.



If significant parts of an item of PPE have different useful lives, then they are accounted for as separate items (major components) of PPE.

Material items such as spare parts, stand-by equipment and service equipment are classified as PPE when they meet the definition of PPE as specified in Ind AS 16 – Property, Plant and Equipment.

**(d) Expenditure during construction period:**

Expenditure/ Income during construction period (including financing cost related to borrowed funds for construction or acquisition of qualifying PPE) is included under Capital Work-in-Progress, and the same is allocated to the respective PPE on the completion of their construction. Advances given towards acquisition or construction of PPE outstanding at each reporting date are disclosed as Capital Advances under “Other non-current Assets”.

**(e) Depreciation:**

Depreciation is the systematic allocation of the depreciable amount of PPE over its useful life and is provided on a straight-line basis over the useful lives as prescribed in Schedule II to the Act or as per technical assessment.

Depreciable amount for PPE is the cost of PPE less its estimated residual value. The useful life of PPE is the period over which PPE is expected to be available for use by the Company, or the number of production or similar units expected to be obtained from the asset by the Company.

In case of certain classes of PPE, the Company uses different useful lives than those prescribed in Schedule II to the Act. The useful lives have been assessed based on technical advice, taking into account the nature of the PPE and the estimated usage of the asset on the basis of management's best estimation of obtaining economic benefits from those classes of assets.

Such classes of assets and their estimated useful lives are as under:

No	Nature	Useful life
1	Leasehold Assets	Lease Period
2	Stores and Spares Parts in the nature of PPE	03 Years
3	Assets individually costing less than or equal to ₹ 5,000	Fully Depreciated in the year of purchase

Depreciation on additions is provided on a pro-rata basis from the month of installation or acquisition and in case of Projects from the date of commencement of commercial production. Depreciation on deductions/disposals is provided on a pro-rata basis up to the month of deduction/disposal.

Residual value for Air Conditioners, Furniture and Fittings, Office Equipment's, Computers and servers is considered Nil.

**(f) Intangible Assets and Amortisation:**

■ Internally generated Intangible Assets: (Research and Development expenditure)

Expenditure pertaining to research is expensed as incurred. Expenditure incurred on development is capitalised if such expenditure leads to creation of an asset, otherwise such expenditure is charged to the Statement of Profit and Loss.

■ Intangible Assets acquired separately:

Intangible assets that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment, if any. The Company determines the amortisation period as the period over which the future economic benefits will flow to the Company after taking into account all relevant facts and circumstances. The estimated useful life and amortisation method are reviewed periodically, with the effect of any changes in estimate being accounted for on a prospective basis.

■ Class of intangible assets and their estimated useful lives are as under:

No	Nature	Useful life
1	Computer Software	10 Years

**(g) Impairment of Non-Financial Assets**

At the end of each reporting period, the Company reviews the carrying amounts of non-financial assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.



If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in Statement of Profit and Loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the Statement of Profit and Loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

**(h) Inventories:**

Inventories are valued as follows:

■ Raw materials, fuel, stores & spare parts and packing materials:

Valued at lower of cost and net realisable value (NRV). However, these items are considered to be realisable at cost, if the finished products, in which they will be used, are expected to be sold at or above cost. Cost is determined on weighted average basis. The cost of inventory comprises its purchase price, including non-refundable purchase taxes, and any directly attributable costs related to the inventories.

■ Work-in- progress (WIP), finished goods, stock-in-trade and trial run inventories:

Valued at lower of cost and NRV. Cost of Finished goods and WIP includes cost of raw materials, direct labour, other direct costs and related production overheads upto the relevant stage of completion. Cost of inventories is computed on weighted average basis.

■ Waste / Scrap:

Waste / Scrap and Byproduct inventory is valued at NRV.

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.

**(i) Borrowing Costs:**

General and specific borrowing costs that are attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of such asset till such time the asset is ready for its intended use and borrowing costs are being incurred. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use. All other borrowing costs are recognised as an expense in the period in which they are incurred.

Borrowing cost includes interest expense, amortization of discounts, hedge related cost incurred in connection with foreign currency borrowings, ancillary costs incurred in connection with borrowing of funds and exchange difference arising from foreign currency borrowings to the extent they are regarded as an adjustment to the Interest cost.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

**(j) Government Grants and Subsidies:**

Government grants are recognised in the Statement of Profit and Loss on a systematic basis over the periods in which the Company recognises the related costs for which the grants are intended to compensate.

Government grants are not recognised until there is reasonable assurance that the Company will comply with the conditions attached to them and that the grants will be received.

**(k) Provisions, Contingent Liabilities and Contingent Assets:**

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources, that can be reliably estimated, will be required to settle such an obligation.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows to net present value using an appropriate pre-tax discount rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Unwinding of the discount is recognised in the Statement of Profit and Loss as a finance cost. Provisions are reviewed at each reporting date and are adjusted to reflect the current best estimate.

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, is disclosed as a contingent liability. Contingent liabilities are also disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non -occurrence of one or more uncertain future events not wholly within the control of the Company.

Claims against the Company where the possibility of any outflow of resources in settlement is remote, are not disclosed as contingent liabilities.

Contingent assets are not recognised in financial statements since this may result in the recognition of income that may never be realised. However, when the realisation of income is virtually certain, then the related asset is not a contingent asset and is recognised.

**(l) Revenue Recognition:**

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the amount can be reliably measured.

**Sale of goods:** Revenue is measured at the fair value of consideration received or receivable taking into account the amount of discounts, volume rebates, outgoing sales taxes and are recognized when all significant risks and rewards of ownership of the goods sold are transferred to buyer and there is no managerial involvement and effective control over goods.

**Other Income:**

- Dividend Income is accounted for when the right to receive the income is established.
- Interest income is recognized on time proportion basis taking into account the amount outstanding on effective interest rate.
- Difference between the sale price and carrying value of investment is recognised as profit or loss on sale / redemption on investment on trade date of transaction.

**(m) Lease:**

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as Operating Leases.

**Operating Lease:** Lease rentals are charged or recognised in the Statement of Profit and Loss on a straight-line basis over the lease term, except where the payment are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increase.

**Finance Lease:** Assets held under finance leases are recognised as assets of the Company at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the Balance Sheet as a finance lease obligation. Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged to the Statement of Profit and Loss, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the Company's policy on borrowing costs.

**(n) Employee benefits:****Defined benefit plan**

For defined benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Re-measurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the Balance Sheet with a charge or credit recognised in Other Comprehensive Income (OCI) in the period in which they occur. Re-measurement recognised in OCI is reflected immediately in retained earnings and will not be reclassified to Statement of Profit and Loss. Past service cost is recognised in the Statement of Profit and Loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorised as follows:

- Service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- Net interest expense or income; and
- Remeasurement

The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds.

The defined benefit obligation recognised in the Balance Sheet represents the actual deficit or surplus in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

**Defined contribution plan****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. If the board of trustees are unable to pay interest at the rate declared by the government under Para 60 of the Employees provident fund



scheme, 1972 for the reason that the return on investment is less or for any other reason, then the deficiency shall be made good by the Company making interest shortfall a defined benefit plan. Accordingly, the Company obtains actuarial valuation and having regard to the assets of the fund and the return on investments, the Company does not expect any deficiency as at the year end. If there is a deficiency as at any Balance Sheet date, then, the same will be recognized in the Statement of Profit or Loss / Other Comprehensive Income in the year in which it arises.

#### **Short-term and other long-term employee benefits**

Liabilities for wages, salaries and bonus (as per the payment of bonus Act, 1965) including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees and workmen render the related service are recognized in respect of employee's services up to the end of the reporting period and are measured at the amount expected to be paid when the liabilities are settled.

#### **Compensated Absences**

The 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.

#### **(o) Income Tax:**

Income Tax expenses comprise current tax and deferred tax charge or credit.

Current Tax is measured on the basis of estimated taxable income for the current accounting period in accordance with the applicable tax rates and the provisions of the Income-tax Act, 1961 and other applicable tax laws.

Deferred tax is provided, on all temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred tax assets and liabilities are measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted at the reporting date. Tax relating to items recognised directly in equity or OCI is recognised in equity or OCI and not in the Statement Profit and Loss.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority.

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable.

#### **(p) Earnings Per Share:**

The basic Earnings Per Share ("EPS") is computed by dividing the net profit / (loss) after tax for the year attributable to the equity shareholders by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, net profit/(loss) after tax for the year attributable to the equity shareholders and the weighted average number of equity shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

#### **(q) Foreign Currency transactions:**

In preparing the financial statements of the Company, transactions in currencies other than the Company's functional currency (i.e. foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are translated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate as at the date of initial transactions.

Exchange differences on monetary items are recognised in the Statement of Profit and Loss in the period in which they arise except for:

- exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings.

#### **(r) Financial Instruments:**

Financial assets and financial liabilities are recognized when a Company becomes a party to the contractual provisions of the instruments.

##### **Initial Recognition:**

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss and ancillary costs related to borrowings) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in Statement of Profit and Loss.





### Classification and Subsequent Measurement: Financial Assets

The Company classifies financial assets as subsequently measured at amortised cost, fair value through other comprehensive income ("FVOCI") or fair value through profit or loss ("FVTPL") on the basis of following:

- the entity's business model for managing the financial assets and
- the contractual cash flow characteristics of the financial asset.

### Amortised Cost:

A financial asset shall be classified and measured at amortised cost if both of the following conditions are met:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

### Fair Value through OCI:

A financial asset shall be classified and measured at fair value through OCI if both of the following conditions are met:

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Where the Company has elected to present the fair value gain on equity instruments in other comprehensive income, there is no subsequent classification of fair value gain or losses to profit and loss account. Dividend from such instruments is recognized in profit and loss account as other income where right to receive is established.

### Fair Value through Profit or Loss:

A financial asset shall be classified and measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through OCI.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

### Classification and Subsequent Measurement: Financial liabilities

Financial liabilities are classified as either financial liabilities at FVTPL or 'other financial liabilities'.

### Financial Liabilities at FVTPL:

Financial liabilities are classified as at FVTPL when the financial liability is held for trading or are designated upon initial recognition as FVTPL:

Gains or Losses on liabilities held for trading are recognised in the Statement of Profit and Loss.

### Other Financial Liabilities:

Other financial liabilities (including borrowings and trade and other payables) are subsequently measured at amortised cost using the effective interest method.

### Impairment of financial assets:

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at the end of each reporting period. The Company recognises a loss allowance for expected credit losses on financial asset. In case of trade receivables, the Company follows the simplified approach permitted by Ind AS 109 – Financial Instruments for recognition of impairment loss allowance. The application of simplified approach does not require the Company to track changes in credit risk. The Company calculates the expected credit losses on trade receivables using a provision matrix on the basis of its historical credit loss experience.

### Derecognition of financial assets:

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset, other than investments classified as FVOCI, in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset.

On derecognition of equity investments classified as FVOCI, accumulated gains or loss recognised in OCI is transferred to retained earnings.

**(s) Financial liabilities and equity instruments:****■ Classification as debt or equity**

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

**■ Equity instruments**

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a Company are recognised at the proceeds received.

**(t) Derivative financial instruments:**

The Company enters into derivative financial instruments viz. foreign exchange forward contracts to manage foreign exchange risks. The Company does not hold derivative financial instruments for speculative purposes.

Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in statement of profit and loss immediately.

**(u) Cash and cash equivalents:**

Cash and cash equivalents in the Balance Sheet comprise cash at bank, Cheques and Cash in hand and short-term deposits with banks that are readily convertible into cash which are subject to insignificant risk of changes in value and are held for the purpose of meeting short-term cash commitments.

**Critical accounting judgments and key sources of estimation uncertainty:**

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

**Key assumptions:**

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

**(i) Useful Lives of Property, Plant & Equipment:**

The Company uses its technical expertise along with historical and industry trends for determining the economic life of an asset/component of an asset. The useful lives are reviewed by management periodically and revised, if appropriate. In case of a revision, the unamortised depreciable amount is charged over the remaining useful life of the assets.

**(ii) Fair value measurement of financial instruments:**

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash Flow model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility.

**(iii) Defined benefit plans:**

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

**(vi) Impairment of Assets:**

The Company has used certain judgments and estimations to estimate future projections and discount rates to compute value in use of cash generating unit and to access impairment. In case of certain assets independent external valuation has been carried out to compute recoverable values of these assets.



### 3 PROPERTY, PLANT AND EQUIPMENT (PPE)

Particulars	Leasehold Land	Freehold Land	Buildings	Plant & Machinery	Furniture & Fixtures	Office equipments	Vehicles	Total
₹ / Lacs								
For the year 15-16								
Deemed Cost:								
As at 1st April, 2015	224	210	8511	52406	40	23	236	61650
Additions	-	126	2	3231	8	13	12	3392
Disposals	-	-	-	129	10	10	14	163
As at 31st March, 2016	224	336	8513	55508	38	26	234	64879
Accumulated Depreciation:								
Depreciation during the year	4	-	448	3581	12	14	35	4094
Disposals	-	-	-	91	10	10	9	120
Write down/ Impairment Loss (Refer note 45)	-	-	200	554	-	-	-	754
As at 31st March, 2016	4	-	648	4044	2	4	26	4728
Net carrying amount as at 31st March, 2016	220	336	7865	51464	36	22	208	60151
For the year 16-17								
As at 1st April, 2016	224	336	8513	55508	38	26	234	64879
Additions	-	-	141	1898	6	6	33	2084
Disposals	-	-	4	2660	-	-	13	2677
As at 31st March, 2017	224	336	8650	54746	44	32	254	64286
Accumulated Depreciation:								
As at 1st April, 2016	4	-	648	4044	2	4	26	4728
Depreciation during the year	4	-	422	3748	12	15	36	4237
Disposals	-	-	-	2505	-	-	9	2514
Write down/ Impairment Loss (Refer note - 45)	-	-	-	958	-	-	-	958
As at 31st March, 2017	8	-	1070	6245	14	19	53	7409
Net carrying amount as at 31st March, 2017	216	336	7580	48501	30	13	201	56877

- 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.

Details of Original Gross Block and Accumulated Depreciation as at April 01, 2015 is as follows:

Particulars	Gross Block	Accumulated Depreciation	Net Block considered as deemed cost	Ind AS Adjustments	Deemed cost as per PPE
₹ / Lacs					
Leasehold Land	286	142	144	80	224
Freehold Land	210	-	210	-	210
Buildings	13461	5321	8140	371	8511
Plant & Machinery	153659	101301	52358	48	52406
Furniture & Fixtures	121	81	40	-	40
Office equipments	60	37	23	-	23
Vehicles	293	57	236	-	236
Net carrying amount as at 1st April, 2015	168090	106939	61151	499	61650



#### 4 INTANGIBLE ASSETS

	₹ / Lacs
For the year 15-16	
Deemed Cost:	
As at 1st April, 2015	-
Additions	-
Disposals	-
As at 31st March, 2016	-
Accumulated Depreciation:	
Depreciation during the year	-
Disposals	-
As at 31st March, 2016	-
Net carrying amount as at 31st March, 2016	-
<b>For the year 16-17</b>	
<b>As at 1st April, 2016</b>	-
Additions	4
Disposals	-
<b>As at 31st March, 2017</b>	<b>4</b>
<b>Accumulated Depreciation:</b>	
<b>As at 1st April, 2016</b>	-
Depreciation during the year	-
Disposals	-
<b>As at 31st March, 2017</b>	-
<b>Net carrying amount as at 31st March, 2017</b>	<b>4</b>

#### 5 NON-CURRENT INVESTMENTS

			₹ / Lacs		
Investments in Equity Shares (fully paidup)	Number of Shares	Face Value Per Share	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
<b>1) Quoted Investments Fair value through OCI</b>					
Kesoram Industries Limited	1403985	10	2011	1438	1642
(1403985)					
Kesoram Textiles Mills Limited	584994	2	-	-	-
(Received during the year 1999-2000 without any consideration pursuant to scheme of arrangement of Kesoram Industries Limited)	(584994)				
<b>2) Unquoted Investments Fair Value through profit or loss</b>					
Bharuch Enviro Infrastructure Limited	10220	10	1	1	1
(10220)					
Kesoram Insurance broking Services Limited	-	10	-	43	43
(60000)					
Vasavdatta Services Limited	-	10	-	14	14
(9200)					
MMA CETP Co-oprative Society Limited	12895	100	13	13	13
(12895)					
			<b>2025</b>	<b>1509</b>	<b>1713</b>
Note: Figures in bracket represents previous year numbers					
Aggregate amount of Quoted Investments and market value thereof			<b>2011</b>	<b>1438</b>	<b>1642</b>
Aggregate amount of Unquoted Investments			<b>14</b>	<b>71</b>	<b>71</b>

#### 6 NON-CURRENT LOANS

##### (Unsecured, Considered Good)

	₹ / Lacs
Security Deposits	163
Others	21
	<b>184</b>



₹ / Lacs

**7 OTHER NON-CURRENT ASSETS**

	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Capital Advances	4	-	241
Others			
Statutory Receivables	904	886	973
Prepaid Expense	30	39	11
	938	925	1225
Subsidy Receivable under Technology Upgradation Fund Scheme	622	622	622
Less: Provision for Doubtful Receivable	(622)	(622)	(622)
	938	925	1225

**8 INVENTORIES**

(Valued at lower of cost or NRV)

Raw Material	9926	5672	6120
[Including in transit ₹ 3314 Lacs (Previous Year ₹ 596 Lacs)]			
Stock-in-Process	4307	4140	5238
Finished goods	7722	3715	7767
Stores, Spares and Packing Material	1126	1137	1127
[Including in transit ₹ 46 Lacs (Previous Year ₹ 34 lacs)]			
	23081	14664	20252

Refer Note 2(h) for mode of valuation of Inventories

**9 CURRENT INVESTMENTS**

Investments in Mutual Funds

**Unquoted Investments**

- Birla Sunlife Floating Rate Fund Long Term Growth Direct Plan 2181823 Units (As at 31.03.2016 - Nil Units, As at 31.03.2015 - Nil Units) of ₹ 100/- each	4378	-	-
- Birla Sunlife Savings Fund Growth Direct Plan 636348 Units (As at 31.03.2016 - Nil Units, As at 31.03.2015 - Nil Units) of ₹ 100/- each	2037	-	-
- Birla Sunlife Cash+ Growth Direct Plan Nil Units (As at 31.03.2016 - 618339 Units, As at 31.03.2015 - Nil Units) of ₹ 100/- each	-	1503	-
- UTI Treasury Advantage Fund Direct Growth 4467 Units (As at 31.03.2016 - Nil Units, As at 31.03.2015 - Nil Units) of ₹ 1000/- each	101	-	-
- HDFC Arbitrage Fund Wholesale Normal Dividend Direct Plan 937990 Units (As at 31.03.2016 - Nil Units, As at 31.03.2015 - Nil Units) of ₹ 10/- each	101	-	-
- Axis Treasury Advantage Direct Growth 5452 Units (As at 31.03.2016 - Nil Units, As at 31.03.2015 - Nil Units) of ₹ 1000/- each	100	-	-
- Reliance Liquid Fund- Cash Plan-Direct Growth Plan Nil Units (As at 31.03.2016 - 29807 Units, As at 31.03.2015 - Nil Units) of ₹ 1000/- each	-	729	-
- Reliance Medium Term Fund Direct Growth Plan Nil Units (As at 31.03.2016 - 1614148 Units, As at 31.03.2015 - Nil Units) of ₹ 10/- each	-	512	-
- SBI Premier Liquid Fund- Direct Plan-Growth Nil Units (As at 31.03.2016 - 14774 Units, As at 31.03.2015 - Nil Units) of ₹ 1000/- each	-	352	-





₹ / Lacs

	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
- SBI Ultra Short Term Debt Fund Nil Units (As at 31.03.2016 - 23190 Units, As at 31.03.2015 - Nil Units) of ₹ 1000/- each	-	453	-
- LIC Nomura MF Liquid Fund- Growth Plan Nil Units (As at 31.03.2016 - 33961 Units, As at 31.03.2015 - Nil Units) of ₹ 1000/- each	-	933	-
- LIC Nomura MF Saving Plus Fund-Direct Growth Plan Nil Units (As at 31.03.2016 - 1917908 Units, As at 31.03.2015 - Nil Units) of ₹10/- each	-	454	-
- ICICI Prudential Ultra Short Term Plan Direct Growth 4737063 Units (As at 31.03.2016 - Nil Units, As at 31.03.2015 - Nil Units) of ₹100/- each	810	-	-
- ICICI Prudential Liquid Plan Direct Growth Nil Units (As at 31.03.2016 - 413523 Units, As at 31.03.2015 - Nil Units) of ₹100/- each	-	927	-
- ICICI FMP Series 78-95 Days Nil Units (As at 31.03.2016 - 4000000 Units, As at 31.03.2015 - Nil Units) of ₹10/- each	-	404	-
- Kotak Floater Short Term-Direct Plan Growth 5621 Units (As at 31.03.2016 - 8106 Units, As at 31.03.2015 - Nil Units) of ₹ 1000/- each	150	201	-
- Kotak Equity arbitrage Fund Direct Plan Growth 421717 Units (As at 31.03.2016 - Nil Units, As at 31.03.2015 - Nil Units) of ₹ 10/- each	101	-	-
	7778	6468	-
Aggregate amount of Unquoted Investments	7778	6468	-
<b>10 TRADE RECEIVABLES</b> <b>(Unsecured, Considered Good)</b>			
Trade receivables	18879	15577	16417
	18879	15577	16417
<b>11 CASH AND CASH EQUIVALENTS</b>			
<b>Cash and Cash equivalents</b>			
Cash on Hand	1	1	2
Cheques on Hand	102	104	130
<b>Bank Balances</b>			
In Current Accounts	172	69	286
In Deposits Accounts Maturing within 3 months	-	301	-
	275	475	418
<b>12 BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS</b>			
Unpaid Dividends Accounts	156	145	121
<b>Note:</b> There are no amounts due and outstanding to be credited to the Investor Education and Protection Fund as at 31st March, 2017.			
<b>13 CURRENT LOANS</b>			
Advances to Employees	6	6	8



₹ / Lacs

**14 OTHER CURRENT ASSETS**

	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Advances to Suppliers	499	243	986
Others			
Prepaid Expense	78	50	19
Statutory Receivables	53	117	170
TUF Subsidy Receivables	108	21	30
Others	87	22	139
	<b>825</b>	<b>453</b>	<b>1344</b>

**15 SHARE CAPITAL****Authorised:**

- 1,00,000 Redeemable Cumulative Preference Shares of ₹100.00 each  
(As at 31.03.2016 - 1,00,000 Shares, As at 31.03.2015 - 1,00,000 Shares)
- 3,30,00,000 Equity Shares of ₹10.00 each  
(As at 31.03.2016 - 3,30,00,000 Shares, As at 31.03.2015 - 3,30,00,000 Shares)
- 1,00,000 Unclassified Shares of ₹100.00 each  
(As at 31.03.2016 - 1,00,000 Shares, As at 31.03.2015 - 1,00,000 Shares)

**Issued, Subscribed and Fully Paid - Up:**

- (2,18,50,589 Equity Shares of ₹10 each (Refer Notes below)  
As at 31.03.2016 - 2,18,50,589 Shares, As at 31.03.2015 - 2,18,50,589 Shares)

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

Particulars	As at 31st March, 2017		As at 31st March, 2016		As at 1st April, 2015	
	No. of Shares	Amount ₹ in Lacs	No. of Shares	Amount ₹ in Lacs	No. of Shares	Amount ₹ in Lacs
Balance at the beginning and end of the year	21850589	2185	21850589	2185	21850589	2185

## b) The details of Shareholders holding more than 5% Shares:

S. No.	Name of Shareholder	As at 31st March, 2017		As at 31st March, 2016		As at 1st April, 2015	
		%	No. of Shares	%	No. of Shares	%	No. of Shares
1	TGS Investment and Trade Pvt. Limited	14.26	3114970	14.26	3114970	14.26	3114970
2	Life Insurance Corporation of India	6.93	1515302	6.93	1515302	6.93	1515302
3	Kesoram Industries Limited	-	-	-	-	6.14	1340680
4	Camden Industries Limited	6.14	1340680	6.14	1340680	-	-
5	Century Textiles and Industries Limited	5.80	1266887	5.80	1266887	5.80	1266887

- c) The Company has one class of Equity Shares having a par value of ₹ 10.00 per share. Each Shareholder is eligible for one vote per share held and has same right to dividend.
- d) No bonus shares have been issued during five years immediately preceding 31st March, 2017.
- e) Dividend Proposed, Declared and paid (Refer Note 38A)
- f) Shares reserved for issue under options and contracts or commitments for the sale of shares or disinvestment, including the terms and amounts - Nil
- g) For the period of five years immediately preceding the date at which the Balance Sheet is prepared:-
1. aggregate number and class of shares allotted as fully paid up pursuant to contract without payment being received in cash - Nil
  2. aggregate number and class of shares bought back - Nil



## 16 NON-CURRENT BORROWINGS

₹ / Lacs

Secured

**Term Loans from Banks:**

Rupee term Loans from:

As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
3708	5144	6580

Terms of Borrowings

Nature of Security	Terms of Repayment	Month in which last Installment is due	Prevailing Interest Rate Per Annum	Balance as on 31st March, 2017	Balance as on 31st March, 2016	Balance as on 1st April, 2015
			%	₹ in Lacs	₹ in Lacs	₹ in Lacs
<b>Secured</b>						
Rupee Term Loans						
Axis Bank	Quarterly	December 2020	10.25%	2533	3257	3981
Bank of Maharashtra*	Monthly	October 2020	9.60%	2611	3323	3500
State Bank of Patiala	Quarterly	March 2016	-	-	-	341
Sub-Total				5144	6580	7822
Less: Current Maturities of Non-Current Financial Borrowings (Refer Note 23)				1436	1436	1242
Total				3708	5144	6580

Rupee Term Loans are secured by hypothecation of specific Plant and Machinery against which Loans have been taken.

\*Note: Interest rate after considering subsidy under Technology Upgradation Scheme (TUF) is 4.60% p.a.

## 17 OTHER NON-CURRENT FINANCIAL LIABILITIES

₹ / Lacs

Security Deposits

As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
233	248	260

## 18 NON-CURRENT PROVISIONS

Provision for Employee Benefits

Gratuity (Refer Note 41)

Compensated Absences

Provision for Disputed Matters

283	401	512
507	456	460
466	445	473
1256	1302	1445

## 19 DEFERRED TAX LIABILITIES (NET)

The balances is comprises of temporary differences attributable to:

Property, Plant and Equipments

Financial Assets at Fair value through Profit or loss

Others

Deferred Tax (Assets)/Liabilities

10727	11052	11020
(22)	19	(30)
(547)	(598)	(620)
10158	10473	10370

Movement in Deferred Tax Liabilities

₹ / Lacs

Description	Property, Plant and Equipments	Financial Assets at FVPL	Others	Total
As on 1st April, 2015	11020	(30)	(620)	10370
Charged / (Credited)				
- To Profit and Loss	32	49	22	103
- To OCI	-	-	-	-
As on 31st March, 2016	11052	19	(598)	10473
Charged / (Credited)				
- To Profit and Loss	(325)	(41)	51	(315)
- To OCI	-	-	-	-
As on 31st March, 2017	10727	(22)	(547)	10158



₹ / Lacs

**20 OTHER NON-CURRENT LIABILITIES**

Deferred Income on Government Grant

As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
322	-	-
109	390	7,391

**21 BORROWINGS**

Working capital borrowings repayable on demand

Note: Working Capital borrowings (Secured)

- (a) Working Capital borrowings are secured by way of hypothecation of Inventories, Book Debts and Receivables, both present and future.
- (b) Working Capital borrowings carry an average interest rate of 10.02 % per annum (As at 31st March, 2016: 9.50%, As at 1st April, 2015: 9.79%)
- (c) Working Capital Borrowings are renewed based on contract with bankers.

₹ / Lacs

**22 TRADE PAYABLES**

Total outstanding dues of Micro and Small enterprises (Refer Note 51)

Total outstanding dues of Vendors other than above

As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
48	34	12
6779	3163	2904
6827	3197	2916
1436	1436	1242
44	62	74
156	145	121
329	134	228
306	16	119
135	126	117
2406	1919	1901

**23 OTHER CURRENT FINANCIAL LIABILITIES**

Current Maturity of Non-Current Financial Borrowings (Rupee Term Loans)

Interest accrued but not due on borrowings

Unpaid Dividend Accounts \*

Others

Capital Goods Liability

Derivative Liability

Provision for Expenses

\* There is no amount required to be credited to Investors Education and Protection Fund.

**24 OTHER CURRENT LIABILITIES**

Advances from Customers

Others

Statutory dues

Deferred Income on Government Grant

Other Liabilities

20	26	19
693	474	629
15	-	-
232	86	90
960	586	738
176	160	157
355	370	24

**25 CURRENT PROVISIONS**

Employee Benefits

Compensated Absences

**26 CURRENT TAX LIABILITIES (NET)**

Current Tax Payable



**27 REVENUE FROM OPERATIONS**

Sale of Products (Including Excise Duty)  
 Finished Goods  
 Traded Goods

Other Operating Revenue

Scrap Sales  
 Revenue from Operations (Gross)

**Note : Details of Sales of Products**

Nylon Tyre Cord Fabric  
 Nylon Filament Yarn  
 Polyester Filament Yarn  
 Others  
**Total**

**28 OTHER INCOME**

Interest Income  
 Tax Refunds  
 Subsidy refund  
 From Customers  
 Others

Profit on Sale of Assets  
 Profit on Sale of Current and Non-Current Investments (Net)  
 Gain on Fair Valuation of Investments through Profit and Loss  
 Liabilities / Provisions no longer required written back  
 Government Grant  
 Miscellaneous Income

**29 COST OF MATERIALS CONSUMED**

Opening Stock of Raw Materials  
 Add: Purchases

Less: Closing Stock of Raw Materials  
 Cost of Raw Materials Consumed  
 Add: Packing Material Consumed

**30 CHANGE IN INVENTORIES OF FINISHED GOODS, STOCK-IN-PROCESS AND STOCK-IN-TRADE**

Opening Stock  
 Finished Goods  
 Stock-in-Process

Less: Closing Stock  
 Finished Goods  
 Stock-in-Process

(Increase) / Decrease in Stocks

**31 EMPLOYEE BENEFITS EXPENSE**

Salaries, Wages and Bonus  
 Contribution to Provident and other funds (Refer Note 41)  
 Workers and Staff Welfare Expenses

	Year Ended 31st March, 2017	₹ / Lacs Year Ended 31st March, 2016
	132943	128164
	488	11
	133431	128175
	491	559
	133922	128734
	80955	80947
	51044	44526
	-	1405
	1432	1297
	133431	128175
	65	28
	292	-
	29	55
	3	7
	389	90
	44	12
	685	153
	86	43
	111	85
	6	-
	228	48
	1549	431
	5672	6120
	70986	60624
	76658	66744
	9926	5672
	66732	61072
	2627	2442
	69359	63514
	3715	7767
	4140	5238
	7855	13005
	7722	3715
	4307	4140
	12029	7855
	(4174)	5150
	6613	6188
	605	551
	574	543
	7792	7282





₹ / Lacs

**32 FINANCE COSTS**

Interest Expense

Year Ended 31st March, 2017	Year Ended 31st March, 2016
562	956
<b>33 OTHER EXPENSES</b>	
Stores and Spare Parts Consumed	3161
Processing Charges	776
Repairs and Maintenance	
Building	201
Machinery	1074
Rent	63
Rates and taxes	112
Insurance	90
Directors' Sitting Fees	5
Directors' Commission	30
Payment to Auditors (Refer Note 49)	43
Loss on Assets Sold / Written off	75
Commission on Sales	860
Transport and Handling	1125
Expenditure on Corporate Social Responsibility (CSR) Activities (Refer Note 48)	174
Mark to Market Losses on Derivatives	148
Loss due to Foreign Currency Fluctuations (Net)	260
Legal and Professional Fees	409
Miscellaneous Expenses	993
9599	8621

**34. AMENDMENT TO IND AS**

In March 2017, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2017, notifying amendments to Ind AS 7, 'Statement of cash flows' and Ind AS 102, 'Share-based payment.' These amendments are in accordance with the recent amendments made by International Accounting Standards Board (IASB) to IAS 7, 'Statement of cash flows' and IFRS 2, 'Share-based payment,' respectively. The amendments are applicable to the company from 1st April, 2017. The Company is evaluating the requirements of the amendment and the effect on the financial statements is being evaluated.

**1. Amendment to Ind AS 7:**

The amendment to Ind AS 7 requires the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities, to meet the disclosure requirement.

**2. Amendment to Ind AS 102:**

The amendment to Ind AS 102 provides specific guidance to measurement of cash-settled awards, modification of cash-settled awards and awards that include a net settlement feature in respect of withholding taxes.

**35. DISCLOSURES AS REQUIRED BY IND AS 101 "FIRST TIME ADOPTION OF IND AS"**

These Financial statements, for the year ended 31st March, 2017 are the first, the Company has prepared in accordance with Ind AS. For the period upto and including the year ended 31st March, 2016, the Company prepared its financial statements in accordance with the accounting standards notified under section 133 of the Companies Act, 2013, read together with para 7 of the Companies (Accounts) rules, 2014 (Indian GAAP).

Accordingly, the Company has prepared its financial statements to comply with Ind AS for the year ending 31st March, 2017 together with comparative date as at end for the year ended 31st March, 2016 as described in the summary of significant accounting policies. In preparing these financial statements, the Company's opening balance sheet was prepared as at 1st April, 2015. The Company's date of transition to Ind AS. This note explains the principles adjustments made by the Company in restating its Indian GAAP financial statements, including the balance sheet as at 1st April, 2015 and the financial statement as at and for the year ended 31st March, 2016.



1. Ind AS 101 allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. The Company has availed the following exemptions and exceptions:

**A. Deemed cost for property, plant and equipment**

The Company has elected to continue with the carrying value of all of its plant and equipment and intangible assets as recognised as of 1st April, 2015 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

**B. Estimates**

An entity's estimates in accordance with Ind AS at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimate were in error.

Ind AS estimate as at 1st April, 2015 are consistent with the estimates as at the same date made in conformity with previous GAAP. The Company made estimate for following items in accordance with Ind AS as the date of transition as these were not required under previous GAAP.

- Investment in equity instruments carried at FVPL or FVOCI;
- Investment in debt instruments carried at FVPL and Impairment of financial assets based on expected credit loss model.

2. Notes to the Reconciliation of equity as at 1st April, 2015 and 31st March, 2016 and Total Comprehensive Income for the year ended 31st March, 2016

**A. Fair valuation of Investments**

Under the previous GAAP, investment in equity instruments and mutual funds were classified as long- term investments or current investments based on the intended holding period and realisability. Long- term investments were carried at cost less provision for diminution other than temporary, in the value of such investments. Current investments were carried at lower of cost and fair value. Under Ind AS, these investments are required to be measured at fair value. The resulting fair value changes of these investments (other than equity instruments designated as at FVOCI) have been recognized in retained earnings as at the date of transition and subsequently in the profit or loss for the year ending 31st March, 2016. This has resulted an increase in the retained earnings.

Fair value changes with respect to investments in equity instruments designated as at FVOCI have been recognized in FVOCI – Equity investments reserve as at the date of transition and subsequently in the comprehensive income for the year ended 31st March, 2016.

**B. Deferred Tax**

IGAAP requires deferred tax accounting using the income statement approach, which focuses on differences between taxable profits and accounting profits for the period. Ind AS 12 requires to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. The application of Ind AS 12 approach has resulted in recognition of deferred tax on new temporary differences which was not required under IGAAP.

In Addition, deferred tax adjustments is also done for transitional adjustments wherever they results in timing differences by corresponding adjustments to retained earnings or profit and loss account.

**C. Proposed dividend**

Under the previous GAAP, dividends proposed by the board of directors after the balance sheet date but before the approval of the financial statements were considered as adjusting events. Accordingly, provision for proposed dividend was recognized as a liability. Under Ind AS, such dividends are recognized when the same is approved by the shareholders in the general meeting. Accordingly, the liability for proposed dividend included under provisions has been reversed with corresponding adjustment to retained earnings. Consequently, the equity increased by an equivalent amount.

**D. Remeasurements of post-employment benefit obligations**

Under Ind AS, remeasurements i.e. actuarial gains and losses and the return on plan assets, excluding amounts including in the net interest expense on the net defined benefit liability are recognized in other comprehensive income instead of profit or loss. Under the previous GAAP, these re measurements were forming part of the profit or loss for the year. As a result of this change, the profit for the year ended 31st March, 2016 has decreased. There is no impact on the total equity as at 31st March, 2016.

**E. Asset classified as held for sale**

Under previous GAAP, assets having carrying value of ₹ 776 Lacs were disclosed as "Asset held for sale." Considering at the low visibility of their sale, these assets are now reclassified under Property, Plant and Equipment and depreciation on these assets from the date they were classified as held for sale till reclassification has been charged with corresponding adjustment to retained earnings or Profit and loss account. Consequently, the equity decreased by an equivalent amount.

**F. Other Comprehensive Income**

Under Ind AS, all items of income and expense recognized in a period should be included in profit or loss for the period, unless a standard requires or permits otherwise. Items of income and expense that are not recognized in profit or loss but are shown in the statement of profit and loss as other comprehensive income includes re-measurement of defined benefits plans and fair value gains or losses on FVOCI equity instruments. The concept of other comprehensive income did not exist under previous GAAP.



## 35 Disclosures as required by Ind AS 101 First time adoption of Ind AS

₹ / Lacs

S. No.	Particulars	Note No.	1st April, 2015 IGAAP	1st April, 2015 Adjustments	1st April, 2015 Ind AS
<b>(A) ASSETS</b>					
	Non-Current Assets				
	Property, Plant and Equipment	A, E	61151	499	61650
	Capital work-in-progress		1227	-	1,227
	Other Intangible Assets		-	-	-
	Intangible Assets under development		-	-	-
	Financial Assets				
	Investments	A,F	852	861	1713
	Loans		196	-	196
	Other Non-Current Assets		1225	-	1225
	Total Non Current Assets		<b>64651</b>	<b>1360</b>	<b>66011</b>
	Current Assets				
	Inventories		20252	-	20252
	Financial Assets				
	Investments	A	-	-	-
	Trade Receivables		16417	-	16417
	Cash and Cash Equivalents		418	-	418
	Bank balances other than above		121	-	121
	Others		8	-	8
	Current Tax Assets		869	-	869
	Other current assets		1344	-	1344
	Total Current Assets		<b>39429</b>	<b>-</b>	<b>39429</b>
	Assets classified as held for sale	E	<b>776</b>	(776)	-
	<b>TOTAL ASSETS</b>		<b>104856</b>	<b>584</b>	<b>105440</b>
<b>(B) EQUITY AND LIABILITIES</b>					
	Equity				
	Equity Share Capital		2185	-	2185
	Other Equity		69428	2045	71473
	Total Equity		<b>71613</b>	<b>2045</b>	<b>73658</b>
	Non-Current Liabilities				
	Financial liabilities				
	Borrowings		6580	-	6580
	Loans		260	-	260
	Provisions		1445	-	1445
	Deferred tax liabilities (Net)	B	10253	117	10370
	Total Non-Current Liabilities		<b>18538</b>	<b>117</b>	<b>18655</b>
	Current liabilities				
	Financial liabilities				
	Borrowings		7391	-	7391
	Trade payables		2916	-	2916
	Others		1901	-	1901
	Other current liabilities		738	-	738
	Provisions	C	1735	(1578)	157
	Current tax liabilities (Net)		24	-	24
	Total Current Liabilities		<b>14705</b>	<b>(1578)</b>	<b>13127</b>
	<b>TOTAL EQUITY AND LIABILITIES</b>		<b>104856</b>	<b>584</b>	<b>105440</b>



35 Disclosures as required by Ind AS 101 First time adoption of Ind AS

		₹ / Lacs			
S. No.	Particulars	Note No.	31st March, 2016 IGAAP	31st March, 2016 Adjustments	31st March, 2016 Ind AS
<b>(A) ASSETS</b>					
	Non-current assets				
	Property, Plant and Equipment	A, E	59722	429	60151
	Capital work-in-progress		189	-	189
	Other Intangible Assets		-	-	-
	Intangible Assets under development		-	-	-
	Financial assets				
	Investments	A,F	852	657	1509
	Loans		191	-	191
	Other non-current assets		925	-	925
	Total Non Current Assets		<b>61879</b>	<b>1,086</b>	<b>62965</b>
	Current assets				
	Inventories		14664	-	14664
	Financial assets				-
	Investments	A	6425	43	6468
	Trade Receivables		15577	-	15577
	Cash and Cash Equivalents		475	-	475
	Bank balances other than above		145	-	145
	Others		6	-	6
	Current Tax Assets		838	-	838
	Other current assets		453	-	453
	Total Current Assets		<b>38583</b>	<b>43</b>	<b>38626</b>
	Assets classified as held for sale	E	<b>776</b>	<b>(776)</b>	<b>-</b>
	<b>TOTAL ASSETS</b>		<b>101238</b>	<b>353</b>	<b>101591</b>
<b>(B) EQUITY AND LIABILITIES</b>					
	Equity				
	Equity Share Capital		2185	-	2185
	Other Equity		73402	2215	75617
	Total Equity		<b>75587</b>	<b>2215</b>	<b>77802</b>
	Non-current liabilities				
	Financial liabilities				
	Borrowings		5144	-	5144
	Loans		248	-	248
	Provisions		1302	-	1302
	Deferred tax liabilities (Net)	B	10367	106	10473
	Total Non-Current Liabilities		<b>17061</b>	<b>106</b>	<b>17167</b>
	Current liabilities				
	Financial liabilities				
	Borrowings		390	-	390
	Trade payables		3197	-	3197
	Others		1919	-	1919
	Other current liabilities		582	4	586
	Provisions	C	2132	(1972)	160
	Current tax liabilities (Net)		370	-	370
	Total Current Liabilities		<b>8590</b>	<b>(1968)</b>	<b>6622</b>
	<b>TOTAL EQUITY AND LIABILITIES</b>		<b>101238</b>	<b>353</b>	<b>101591</b>



## 35 Disclosures as required by Ind AS 101 First time adoption of Ind AS

₹ / Lacs

Particulars	Note No.	31st March, 2016 IGAAP	31st March, 2016 Adjustments	31st March, 2016 Ind AS
<b>INCOME</b>				
Revenue From Operations		128734	-	128734
Other Income	A	388	43	431
<b>Total Income</b>		<b>129122</b>	<b>43</b>	<b>129165</b>
<b>EXPENSES</b>				
Cost of materials consumed		63514	-	63514
Purchases of Stock-in-Trade		12	-	12
Changes in inventories of finished goods, Stock-in -Trade and work-in-progress		5150	-	5150
Employee benefits expense	F	7258	24	7282
Power and Fuel		16076	-	16076
Finance costs		956	-	956
Depreciation and amortization expense	E	4024	70	4094
Excise Duty		13886	-	13886
Other expenses		8617	4	8621
<b>Total Expenses</b>		<b>119493</b>	<b>98</b>	<b>119591</b>
<b>Profit Before Exceptional Items and Tax</b>		<b>9629</b>	<b>(55)</b>	<b>9574</b>
Exceptional Items		754	-	754
<b>Profit Before Tax</b>		<b>8875</b>	<b>(55)</b>	<b>8820</b>
Tax Expense:				
(1) Current Tax	F	2883	(8)	2875
(2) (Excess)/Short Provision of Tax relating to earlier years		(69)	-	(69)
(3) Deferred Tax Liability/(Assets)	B	115	(11)	104
<b>Profit for the year</b>		<b>5946</b>	<b>(36)</b>	<b>5910</b>
Other Comprehensive Income (Net of Tax)				
A (i) Items that will not be reclassified to profit or loss	F	-	(180)	(180)
(ii) Income tax relating to items that will not be reclassified to profit or loss	F	-	(8)	(8)
B (i) Items that will be reclassified to profit or loss		-	-	-
(ii) Income tax relating to items that will be reclassified to profit or loss		-	-	-
Total Comprehensive Income for the period (Comprising Profit and Other Comprehensive Income for the year)		<b>5946</b>	<b>(224)</b>	<b>5722</b>

## 36. FINANCIAL RISK MANAGEMENT OBJECTIVES (IND AS 107):

The Company's principal financial liabilities, other than derivatives, comprises of borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the company's operations. The company's principal financial assets, other than derivatives include trade and other receivables, investments and cash and cash equivalents that derive directly from its operations.

The Company's activities expose it to market risk, liquidity risk and credit risk. Company's overall risk management focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the company. The company uses derivative financial instruments, such as foreign exchange forward contracts, to hedge foreign currency risk exposure. Derivatives are used exclusively for hedging purposes and not as trading or speculative instruments.

The sources of risks which the company is exposed to and their management are given below:

Risk	Exposure Arising From	Measurement	Management
<b>Credit Risk</b>	Trade receivables, Investments, Derivative financial instruments, Loans	Aging analysis, Credit Rating	Diversification of mutual fund investments, Credit limit and credit worthiness monitoring, Criteria based approval process
<b>Liquidity Risks</b>	Borrowings and Other Liabilities and Liquid investments	Rolling cash flow forecasts Broker Quotes	Adequate unused credit lines and borrowing facilities Portfolio Diversification
<b>Foreign Exchange Risk</b>	Committed commercial transaction Financial asset and Liabilities not denominated in INR	Cash Flow Forecasting Sensitivity Analysis	Forward foreign exchange contracts
<b>Interest Rate</b>	Long Term Borrowings at variable rates Investments in Debt Schemes of Mutual Funds and Other Debt Securities	Sensitivity Analysis, Interest rate movements	Portfolio Diversification
<b>Commodity Price Risk</b>	Movement in prices of commodities	Sensitivity Analysis, Commodity price tracking	Active inventory management, Sales Price linked to purchase price





The Company has standard operating procedures and investment policy for deployment of surplus liquidity, which allows investment in debt securities and mutual fund schemes of debt categories only and restricts the exposure in equity markets.

Compliances of these policies and principles are reviewed by internal auditors on periodical basis.

The Corporate Treasury team updates the Audit Committee on a quarterly basis to about the implementation of the above policies. It also updates to the Internal Risk Management Committee of the Company on periodical basis about the various risk to the business and status of various activities planned to mitigate the risk.

#### Market Risk:

Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates, commodity prices, equity prices and other market changes that affect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including investments and deposits, foreign currency receivables, payables and borrowings.

#### Foreign Currency Risk:

Foreign currency risk is the risk of impact related to fair value or future cash flows of an exposure in foreign currency, which fluctuate due to changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to import of raw materials and spare parts, capital expenditure, exports of textile yarn and nylon chips.

When a derivative is entered into for the purpose of being a hedge, the Company negotiates the terms of those derivatives to match the terms of the hedged exposure.

The Company evaluates exchange rate exposure arising from foreign currency transactions. The Company follows established risk management policies and standard operating procedures. It uses derivative instruments like foreign currency forwards to hedge exposure to foreign currency risk.

in Lacs			
Outstanding foreign currency exposure as at	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Trade receivables			
USD	1	1	1
Trade Payables			
USD	40	15	8
Euro	-	-	5

Above foreign currency exposure is hedged by forward contracts and accordingly the company does not have any unhedged foreign currency exposure.

#### Interest rate risk:

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's short term borrowing. The Company constantly monitors the credit markets and rebalances its financing strategies to achieve an optimal maturity profile and financing cost.

#### INR Interest rate exposure:

₹ / Lacs		
Particulars	Total borrowings	Floating rate borrowings
Total as at 31st March 2017	5253	5253
Total as at 31st March 2016	6970	6970
Total as at 1st April 2015	15213	15213

#### Interest rate sensitivities for unhedged exposure (impact on increase in 100 bps):

₹ / Lacs			
Particulars	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
INR	51	66	78

Note: If the rate is decreased by 100 bps profit will increase by an equal amount.

Interest rate sensitivity has been calculated assuming the borrowings outstanding at the reporting date have been outstanding for the entire reporting period.

#### Forward Exchange Contracts:

Derivatives for hedging foreign currency risk with respect to outstanding payable/receivables & highly probable forecasted transaction:

in Lacs					
Particulars	Purpose	Currency	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Forward Contracts	Imports	USD	124	30	24
a. Forward Contracts	Imports	Euro	-	5	9
	Imports	JPY	-	-	1160

**Credit Risk Management:**

Credit risk arises when a customer or counterparty does not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing/ investing activities, including deposits with banks, mutual fund investments, and investments in debt securities, foreign exchange transactions and financial guarantees. The Company has two major clients which represents 78% receivables as on 31st March, 2017 and company is receiving payments from these parties within due dates. Hence, the company has no significant credit risk related to these parties.

**Trade receivables**

Trade receivables are consisting of a large number of customers. The Company has credit evaluation policy for each customer and based on the evaluation credit limit of each customer is defined. Wherever the Company assesses the credit risk as high the exposure is backed by either letter of credit or security deposits.

As per simplified approach, the Company makes provision of expected credit losses on trade receivables using a provision matrix to mitigate the risk of default payments and makes appropriate provision at each reporting date wherever outstanding is for longer period and involves higher risk.

All the Trade Receivables are less than 6 months and hence there is no provision as per expected credit loss model.

**Investments, Derivative Instruments, Cash and Cash Equivalent and Bank Deposit**

Credit Risk on cash and cash equivalent, deposits with the banks/financial institutions is generally low as the said deposits have been made with the banks/financial institutions who have been assigned high credit rating by international and domestic rating agencies.

Credit Risk on Derivative Instruments are generally low as Company enters into the Derivative Contracts with the reputed Banks and Financial Institutions.

Investments of surplus funds are made only with approved Financial Institutions/ Counterparty. Investments primarily include investment in units of mutual funds. These Mutual Funds and Counterparties have low credit risk.

Total Non-current and current investments as on 31st March, 2017 is ₹ 9803 lacs (31st March, 2016 - ₹ 7977 lacs ; 1st April, 2015- ₹ 1713 lacs)

**Liquidity risk:**

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time or at reasonable price. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of credit facilities to meet obligations when due. The Company's treasury team is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management. Management monitors the Company's liquidity position through rolling forecasts on the basis of expected cash flows.

The table below provides details regarding the remaining contractual maturities of financial liabilities and investments at the reporting date based on contractual undiscounted payments.

₹ / Lacs

As at 31st March, 2017	Less than 1 Year	1 to 5 Years	More than 5 Years	Total
Borrowings (incl. current maturities of non current financial borrowing)	1545	3708	-	5253
Trade payables	6827	-	-	6827
Interest accrued but not due on borrowings	44	-	-	44
Other financial liabilities (excluding derivative liability)	464	389	-	853
Derivative liability	306	-	-	306
Investments	7778	-	2025	9803

₹ / Lacs

As at 31st March, 2016	Less than 1 Year	1 to 5 Years	More than 5 Years	Total
Borrowings (incl. current maturities of non current financial borrowing)	1826	5144	-	6970
Trade payables	3197	-	-	3197
Interest accrued but not due on borrowings	62	-	-	62
Other financial liabilities (excluding derivative liability)	260	393	-	653
Derivative liability	16	-	-	16
Investments	6468	-	1509	7977

₹ / Lacs

As at 1st April, 2015	Less than 1 Year	1 to 5 Years	More than 5 Years	Total
Borrowings (incl. current maturities of non current financial borrowing)	8633	6580	-	15213
Trade payables	2916	-	-	2916
Interest accrued but not due on borrowings	74	-	-	74
Other financial liabilities (excluding derivative liability)	345	381	-	726
Derivative liability	119	-	-	119
Investments	-	-	1713	1713



### 36(A) CLASSIFICATIONS OF FINANCIAL ASSETS AND LIABILITIES (IND AS 107):

Particulars	₹ / Lacs		
	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
<b>Financial Assets at amortised cost</b>			
Trade Receivables	18879	15577	16417
Loans	190	197	204
Cash and Cash Equivalents	275	475	418
Other Financial Assets	156	145	121
<b>Financial Assets at fair value through profit or loss</b>			
Investments	7778	6468	-
<b>Financial Assets at fair value through other comprehensive income</b>			
Investments (non-current)	2025	1509	1713
<b>Total</b>	<b>29303</b>	<b>24371</b>	<b>18873</b>
<b>Financial Liabilities at amortised cost</b>			
Term Loan from Banks	3709	5144	6580
Cash Credits/Working Capital Borrowing	109	390	7391
Trade payables	6827	3197	2916
Other financial liabilities	2639	2167	2161
<b>Fair Value Hedging Instruments</b>			
Derivative liability	306	16	119
<b>Total</b>	<b>13590</b>	<b>10914</b>	<b>19167</b>

### 36(B) FAIR VALUE MEASUREMENTS (IND AS 113):

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The Company has established the following fair value hierarchy that categorises the values into 3 levels. The inputs to valuation techniques used to measure fair value of financial instruments are:

Level 1: This hierarchy uses quoted (unadjusted) prices in active markets for identical assets or liabilities. The fair value of all bonds which are traded in the stock exchanges is valued using the closing price or dealer quotations as at the reporting date.

Level 2: The fair value of financial instruments that are not traded in an active market (For example traded bonds, over the counter derivatives) is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on company specific estimates. The mutual fund units are valued using the closing Net Asset Value. If all significant inputs required to fair value an instrument are observable, the instrument is included in Level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3.

Particulars	Fair Value		
	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
<b>Financial Assets at fair value through profit or loss</b>			
Investments –Level 2	86	43	-
<b>Financial Assets at fair value through other comprehensive income</b>			
Investments –Level 1	2011	1438	1642
<b>Fair Value Hedging Instruments</b>			
Derivative liability-Level 2	306	16	119

The management assessed that fair value of cash and bank balances, trade receivables, trade payables, cash credits, commercial papers and other financial assets and liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

The following methods and assumptions were used to estimate the fair values:

- The fair values of the quoted investments/units of mutual fund schemes are based on market price/net asset value at the reporting date.
- The fair value of forward foreign exchange contracts is calculated as the present value determined using forward exchange rates and interest rate curve of the respective currencies.
- The fair value of the remaining financial instruments is determined using discounted cash flow analysis or based on the contractual terms. The discount rates used is based on management estimates.

### 37. SEGMENT REPORTING (IND AS 108):

The Company is exclusively engaged in the business of synthetic yarn related products primarily in India. As per Ind AS 108 "Operating Segments", specified under Section 133 of the Companies Act, 2013, there are no reportable operating or geographical segments applicable to the Company.

**38(A) DISTRIBUTION MADE AND PROPOSED (IND AS 1):**

₹ / Lacs

Particulars	Year Ended 31st March, 2017	Year Ended 31st March, 2016
<b>Cash Dividends on Equity Shares declared and paid:</b>		
Final dividend for the year ended on 31st March, 2016: ₹ 7.50 per share (31st March, 2015: ₹ 6 per share)	1639	1311
DDT on final dividend	333	267
<b>Total Dividend paid</b>	<b>1972</b>	<b>1578</b>
<b>Proposed Dividends on Equity Shares:</b>		
Final dividend for the year ended on 31st March, 2017: ₹ 7.00 Per share. (31st March, 2016: ₹ 7.50 per share)	1530	1639
DDT on proposed dividend	311	333
<b>Total Dividend proposed</b>	<b>1841</b>	<b>1972</b>

Proposed dividends on equity shares are subject to approval at the annual general meeting and are not recognized as a liability (including Dividend Distribution Tax thereon) as at 31st March 2017.

**38(B) CAPITAL MANAGEMENT (IND AS 1):**

The Company's objectives when managing capital are to (a) maximise shareholder value and provide benefits to other stakeholders and (b) maintain an optimal capital structure to reduce the cost of capital.

For the purposes of the Company's capital management, capital includes issued capital, share premium and all other equity reserves attributable to the equity holders.

The Company monitors capital using debt-equity ratio, which is total debt divided by total equity.

₹ / Lacs

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Total Debt (Bank and other borrowings)	5254	6970	15213
Equity	85436	77802	73658
<b>Debt to Equity (Net)</b>	<b>0.06</b>	<b>0.09</b>	<b>0.21</b>

In addition, the Company has financial covenants relating to the borrowing facilities that it has taken from the lenders like interest coverage service ratio, Debt to EBITDA, etc. which is maintained by the Company.

**39. INCOME TAXES (IND AS 12):****(i) Reconciliation of Effective Tax Rate:**

Particulars	Year Ended 31st March, 2017	Year Ended 31st March, 2016
<b>Profit Before Tax</b> (₹ in Lacs)	<b>13979</b>	<b>8820</b>
<b>Tax Expense</b> (₹ in Lacs)	<b>4882</b>	<b>2910</b>
Effective Tax Rate (in %)	34.924	32.993
Effect of Non-Deductible expenses (in %)	(1.617)	(3.095)
Effect of Allowances for tax purpose (in %)	-	5.204
Others (in %)	1.301	(0.494)
<b>Applicable Tax Rate (in %)</b>	<b>34.608</b>	<b>34.608</b>

(ii) The Company has announced a proposed dividend of ₹ 7.00 per share and accordingly, the dividend distribution tax on account of the same amounting to ₹ 311 Lacs shall be recognized once the dividend is paid.

**40. OPERATING LEASE (IND AS 17):****(a) Future minimum rental payables under non-cancellable operating lease**

₹ / Lacs

Sr. No	Particulars	Year Ended 31st March, 2017	Year Ended 31st March, 2016
(i)	Not later than one year	56	22
(ii)	Later than one year and not later than five years	37	13
(iii)	More than five years	7	-

**(b) Operating lease payment recognized in the Statement of Profit and Loss amounting to ₹ 63 Lacs ( 31st March, 2016 ₹ 37 Lacs)**

**(c) General Description of leasing agreements:**

- Leased Assets: Land, Godowns, Offices, Flats.
- Future Lease rentals are determined on the basis of agreed terms.
- At the expiry of lease terms, the Company has an option to return the assets or extend the term by giving notice in writing.
- Lease agreements are generally cancellable and are renewable by mutual consent on mutually agreed terms.

**41. DISCLOSURES IN ACCORDANCE WITH IND AS-19 ON "EMPLOYEE BENEFITS"****a) Defined Contribution Plans - The Company has recognised the following amounts in the Statement of Profit and Loss for the year:**

₹ / Lacs		
Particulars	2016-17	2015-16
Employer's Contribution to Provident Fund	184	171
Employer's Contribution to Superannuation Fund	65	51
Employer's Contribution to Employee's State Insurance	17	8
Employer's Contribution to Employee's Pension Scheme, 1995	194	188
Total	460	418

**b) Defined Benefit Plans - Gratuity and Provident Fund****Gratuity:**

**Inherent Risk** - The plan is defined benefit in nature which is sponsored by the Company and hence it underwrites all the risks pertaining to the plan. In particular, this exposes the Company to actuarial risk such as adverse salary growth, change in demographic experience, inadequate return on underlying plan assets. This may result in an increase in cost of providing these benefits to employees in future. Since the benefits are lump sum in nature, the plan is not subject to any longevity risks.

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.

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

₹ / Lacs		
Particulars	2016-17	2015-16
Opening DBO	2798	2592
Current Service Cost	127	122
Interest on DBO	199	187
Employees Contribution	-	N.A.
Remeasurement due to:		
Actuarial loss/ (gain) arising from change in financial assumption	118	20
Actuarial loss/ (gain) arising on account of experience change	18	(9)
Benefits Paid	(84)	(114)
Closing DBO	3176	2798

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

₹ / Lacs		
Particulars	2016-17	2015-16
Opening Fair Value of Plan Assets	2398	2080
Interest on Plan Assets	177	151
Remeasurement due to:		
Actuarial loss/ (gain) arising on account of experience change	38	36
Employees Contribution	-	N.A.
Benefits Paid	(84)	(114)
Closing Fair Value of Plan Assets	2893	2398

\* 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	As at 31st March, 2017	As at 31st March, 2016
Present value of Defined Benefit Obligation	3176	2798
Fair value of Plan Assets	(2893)	(2398)
Net Liability recognised in the Balance Sheet	283	400
Long Term Provisions	283	400

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

₹ / Lacs		
Particulars	2016-17	2015-16
Current Service Cost	127	122
Interest Cost on defined benefit liability / (assets)	22	36
Total	149	158





## v) Amount recorded in Other Comprehensive Income

₹ / Lacs

Particulars	As on 31st March, 2017	As on 31st March, 2016
Opening amount recognised in OCI outside P&L Account	(24)	-
Remeasurement due to:		
Changes in financial assumptions	118	20
Experience Adjustments	18	(9)
Actual return on plan assets less interest on plan assets	(38)	(35)
Closing amount recognised in OCI outside profit and loss account	74	(24)

## vi) 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	As on 31st March, 2017		As on 31st March, 2016	
	Amount	Rate	Amount	Rate
	₹ in Lacs	%	₹ in Lacs	%
Government of India Securities	-	-	-	-
Corporate Bonds	-	-	-	-
Special Deposit Scheme	-	-	-	-
Equity Shares of Listed Companies	-	-	-	-
Property	-	-	-	-
Insurer Managed Funds	2,893	100%	2,398	100%
Others	-	-	-	-
Total	2,893	100%	2,398	100%

## vii) 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.

## viii) The Actual Return on Plan Assets is as follows:

₹ / Lacs

Particulars	2016-17	2015-16
Actual Return on Plan Assets (Incl. remeasurement effect)	215	187

## ix) Following are the Principal Actuarial Assumptions used as at the balance sheet date:

Particulars	2016-17 Rate %	2015-16 Rate %
Discount Rate	7.10%	7.90%
Expected rate of return on Plan Assets	N.A.	8.00%
Salary Escalation Rate	7.00%	7.00%
Attrition Rate	10%	10%
Discount Rate for the remaining term to maturity of the Investment Portfolio	N.A.	N.A.
Average Historic Yield on the Investment Portfolio	N.A.	N.A.
Guaranteed Rate of Return	N.A.	N.A.

## x) Amounts recognised in current year and previous four years for Gratuity:

₹ / Lacs

Particulars	2016-17	2015-16	2014-15	2013-14	2012-13
Defined Benefit Obligation	3,176	2,798	2,592	1,978	1,999
Plan Assets	2,893	2,398	2,080	1,935	1,881
Surplus / ( Deficit )	(283)	(400)	(512)	(43)	(118)
Experience Adjustment on Plan Liabilities	18	(9)	307	(11)	(25)
Experience Adjustment on Plan Assets	38	36	29	40	40

## xi) Expected Contribution to the Funds in the next year:

₹ / Lacs

Particulars	2017-18
Gratuity	236
Provident Fund	257



**xii) Sensitivity Analysis:**

Particulars	2016-17 Rate %	2015-16 Rate %
Impact of increase in 50 bps on discounting rate on DBO	-2.36%	-2.39%
Impact of decrease in 50 bps on discounting rate on DBO	2.47%	2.50%
Impact of increase in 50 bps on salary escalation rate on DBO	2.40%	2.46%
Impact of decrease in 50 bps on salary escalation rate on DBO	-2.32%	-2.37%

**xiii) The estimates of future salary increases considered in actuarial valuation takes into account inflation, seniority, promotion and other relevant factors.**

**Provident Fund:**

The Company makes contribution towards Provident fund for certain eligible employees to the trust, set up and administered by the Company, 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. The rules of the trust provides that if the board of trustees are unable to pay interest at the rate declared by the government under Para 60 of the Employees provident fund scheme, 1972 for the reason that the return on investment is less or for any other reason, then the deficiency shall be made good by the Company making interest shortfall a defined benefit plan. Accordingly, the Company has obtained actuarial valuation and based on the below provided assumptions there is no deficiency as at the balance sheet date. Hence, the liability is restricted towards monthly contributions only.

₹ / Lacs

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Present value of Defined Benefit Obligation	7,766	7,060	6,535
Fair value of Plan Assets	(7,766)	(7,060)	(6,535)
Net Liability recognised in the Balance Sheet	-	-	-

Following are the Principal Actuarial Assumptions used as at the balance sheet date:

Particulars	As at 31st March, 2017 Rate %	As at 31st March, 2016 Rate %	As at 1st April, 2015 Rate %
Discount Rate	7.10%	7.90%	8.05%
Expected rate of return on Plan Assets	8.83%	8.98%	8.86%
Discount Rate for the remaining term to Maturity of the Investment Portfolio	7.19%	7.79%	8.01%
Average Historic Yield on the Investment Portfolio	8.92%	8.87%	8.82%
Guaranteed Rate of Return	8.65%	8.75%	8.75%

**42. GOVERNMENT GRANT (IND AS 20):**

Other Operating Revenues includes subsidy received against Capital Investments, under Technology Upgradation Fund (TUF) Scheme of ₹ 298 Lacs (31st March, 2016- Nil).

**43. RELATED PARTY DISCLOSURES (IND AS 24):**

**Related Parties with whom there were transactions during the year:**

Parties	Relationship
Mr.B.K.Birla - Non-Executive Director	Key Management Personnel (KMP)
Mrs. Rajashree Birla - Non-Executive Director	Key Management Personnel (KMP)
Mr. B.S.Mehta - Independent Director	Key Management Personnel (KMP)
Mr. S.K.Jain - Independent Director	Key Management Personnel (KMP)
Mr. K.S. Thar - Independent Director	Key Management Personnel (KMP)
Mr. G.M.Singhvi - Whole-time Director	Key Management Personnel (KMP)

(a) The following transactions were carried out with the related parties in the ordinary course of business:

₹ / Lacs

Nature of Transaction/Relationship	Year Ended 31 <sup>st</sup> March, 2017	Year Ended 31 <sup>st</sup> March, 2016
<b>Services received from:</b>		
Key Management Personnel (KMP)	35	35



## (b) Compensation of key management personnel of the Company:

₹ / Lacs

Nature of transaction/relationship	Year Ended 31 <sup>st</sup> March, 2017	Year Ended 31 <sup>st</sup> March, 2016
Short-term employee benefits	208	179
Other long-term benefits	16	13
Total compensation paid to key management personnel	224	192

Based on the recommendation of the Nomination, Remuneration and Compensation Committee, all decisions relating to the remuneration of the Directors are taken by the Board of Directors of the Company, in accordance with shareholders' approval, wherever necessary.

## 44. EARNINGS PER SHARE (EPS) (IND AS 33):

₹ / Lacs

Particulars	Year Ended 31 <sup>st</sup> March, 2017	Year Ended 31 <sup>st</sup> March, 2016
<b>Basic/Diluted EPS:</b>		
(i) Net Profit attributable to Equity Shareholders	9097	5910
(ii) Weighted average number of Equity Shares outstanding (Nos.) [For Basic & Diluted EPS]	21850589	21850589
<b>Basic/ Diluted EPS ( Face Value ₹ 10 per share) (Per Share ) (i)/(ii)</b>	<b>41.63</b>	<b>27.05</b>

## 45. IMPAIRMENT OF ASSETS (IND AS 36)

Based on Management's assessment and plan of conversion of polyester spinning machine at Bharuch to nylon machine and valuation from an independent valuer, the company has made impairment provision of ₹ 958 lacs and the same is shown under Exceptional Item in statement of Profit & Loss.

Management has assessed ₹ 444 lacs, the recoverable amount of machines as fair value less cost of disposal on the basis of valuation report from an independent valuer. Fair value measurements of the machines are derived on the basis of Level 2 inputs.

Fair value of machines as on the date of valuation has been worked out using replacement value as the basis. Replacement value means price expected to replace existing asset with similar equivalent new asset as on date of valuation. To this replacement value, suitable depreciation has been applied based on useful life of asset.

Previous year's exceptional item of ₹ 754 lacs is towards write down of Continuous Polyester Polymerization Unit at Bharuch Plant.

## 46. CONTINGENT LIABILITIES (IND AS 37):

## (a) Claims against the Company not acknowledged as debt:

₹ / Lacs

Particulars	As at 31 <sup>st</sup> March, 2017	As at 31 <sup>st</sup> March, 2016	As at 1 <sup>st</sup> April, 2015
(a) Income Tax Matters	50	50	50
(b) Sales-tax / VAT Matters	6	38	38
(c) Excise, Service Tax & Custom Matters	470	506	509

The above amount of contingencies does not include applicable interest, if any. Cash outflows for the above are determinable only on receipt of judgments pending at various forums / authorities.

- (b) Excise Department had 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 ad-valorem basis and raised a demand of ₹ 22,927 lacs plus interest thereon and penalty equivalent to demand amount against which the Company had filed an appeal before Appellate Tribunal (CESTAT). The CESTAT has admitted the appeal on pre-deposit of ₹ 700 lacs and granted stay against the recovery. The company has been advised by legal experts that it has a fair chance of ultimately succeeding in the matter and accordingly no provision is required to be made in accounts.

## 47. CAPITAL AND OTHER COMMITMENTS:

- (a) Estimated amount of contracts remaining to be executed on capital account, not provided for (net of advances) ₹ 79 Lacs. (31st March, 2016 - ₹ 362 Lacs, 1st April, 2015 - ₹ 1369 Lacs).
- (b) Other Commitments: The Company has renewed non cancellable agreement with Gas Utility Company on 1st January, 2017 for purchase of LNG. Under this agreement, the Company is committed to purchase certain annual minimum quantity of LNG upto 31st December, 2021 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, 2017 for the remaining period of the contract at current market prices approximates ₹ 3071 Lacs (Previous Year ₹ 752 Lacs). Based on the current projection, Company does not expect shortfall in offtake of minimum committed quantity and therefore no material foreseeable losses are expected.

**48. CORPORATE SOCIAL RESPONSIBILITY:**

Expenditure incurred on Corporate Social Responsibility activities, included in different heads of expenses in the Statement of Profit and Loss is ₹ 174 Lacs (31st March, 2016 - ₹ 131 Lacs). The amount required to be spent under Section 135 of the Companies Act, 2013 for the year ended 31st March, 2017 is ₹ 177 Lacs (31st March, 2016- ₹ 132 Lacs) i.e. 2% of average net profits for last three financial years, calculated as per section 198 of the Companies Act, 2013.

**49. AUDITORS' REMUNERATION (EXCLUDING SERVICE TAX) AND EXPENSES:**

₹ / Lacs

Particulars	Year Ended 31 <sup>st</sup> March, 2017	Year Ended 31 <sup>st</sup> March, 2016
(a) Statutory Auditors:		
Audit fees (including quarterly Limited Review)	35	54
Tax audit fees	5	3
Fees for other services	1	1
Expenses reimbursed	2	2
	43	60
(b) Cost Auditors:		
Audit fees	3	-

**50. DISCLOSURE FOR SPECIFIED BANK NOTES:**

₹ / Lacs

	Specified Bank Notes (₹ 1000 and ₹ 500)	Other Denomination Notes	Total
Closing Cash in hand as on 8 <sup>th</sup> November, 2016	12	-	12
(+) Permitted receipts	-	8	8
(-) Permitted payments	-	(5)	(5)
(-) Amount deposited in Banks	(12)	-	(12)
<b>Closing Cash in hand as on 30<sup>th</sup> December, 2016</b>	<b>-</b>	<b>3</b>	<b>3</b>

**51. 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:

₹ / Lacs

Particulars	2016-17		2015-16	
	Principal	Interest	Principal	Interest
Principal Amount and Interest due thereon, remaining unpaid as at the end of the year	48	-	34	-
Amount paid during the year	79	(₹ 56,558)	10	(₹ 11,706)
Amount due and payable (on the amounts which have been paid beyond the appointed date during the year)	-	-	-	-
Amount remaining accrued and unpaid at the end of the year	-	-	-	-
Amount due of the previous year	-	-	-	-

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

For **Khimji Kunverji & Co.**  
Firm Registration No. 105146W  
Chartered Accountants

**Gautam V. Shah**

Partner

Membership No. 117348

Place : Mumbai

Date: 10th May, 2017

For and on behalf of the Board of Directors

**K. G. Ladsaria**  
Chief Financial Officer

**C. B. Gagrani**

Secretary

**B. S. Mehta**  
**G.M. Singhvi**  
Directors

## FINANCIAL HIGHLIGHTS

### OPERATING RESULTS

(₹ / Lacs)

FINANCIAL YEAR	As Per Ind AS		As Per Previous GAAP		
	2016-17	2015-16	2014-15	2013-14	2012-13
<b>INCOME</b>					
Net Revenue from Operations (Net of Excise Duty)	118531	114848	121853	146679	155217
Other Income	1549	431	702	1236	1215
	120080	115279	122555	147915	156432
<b>EXPENDITURE</b>					
Materials & Overheads ( + / - Stock Adj. )	* 101302	101409	110286	129172	143147
<b>PROFIT BEFORE FINANCE COST, DEPRECIATION AND TAX</b>	18778	13870	12269	18743	13285
Less : Finance Cost	562	956	1732	2091	2946
PROFIT BEFORE DEPRECIATION AND TAX	18216	12914	10537	16652	10339
Less : Current Depreciation ( Net )	4237	4094	4275	7071	7191
Less : Tax ( Net ) - Including Deferred Tax	4882	2910	2605	3288	959
<b>NET PROFIT</b>	9097	5910	3657	6293	2189
<b>DIVIDEND ( % )</b>	70%	75%	60%	60%	60%
<b>EARNING PER SHARE ( ₹ )</b>	41.63	27.05	16.74	28.80	10.02
<b>CASH EARNINGS PER SHARE ( ₹ )</b>	61.03	45.78	36.30	61.16	42.93
<b>BOOK VALUE PER SHARE ( ₹ )</b>	391.01	356.07	323.75	316.14	294.37

\* Including Exceptional Item of ₹ 958 Lacs (Previous Year ₹ 754 Lacs)

### STATEMENT OF ASSETS AND LIABILITIES

(₹ / Lacs)

	As Per Ind AS			As Per Previous GAAP	
	As on 31.03.2017	As on 31.03.2016	As on 01.04.2015	As on 31.03.2014	As on 31.03.2013
<b>A. ASSETS</b>					
Property Plant Equipment and Intangible Assets	57488	60340	62877	61799	67293
Non- Current Investments	2025	1509	1713	852	319
Long Term Loans and Advances	184	191	196	1041	849
Other Non Current Assets	938	925	1225	776	1
Current Assets	51311	38626	39429	42532	42490
<b>( A )</b>	111946	101591	105440	107000	110952
<b>B . EQUITY AND LIABILITIES</b>					
<b>Equity</b>					
Share Capital	2185	2185	2185	2185	2185
Other Equity	83251	75617	71473	67928	63198
	85436	77802	73658	70113	65383
<b>Non - Current Liabilities</b>					
Long Term Borrowings	3708	5144	6580	4822	6713
Deferred Tax Liabilities (Net)	10158	10473	10370	9406	10298
Long Term Liabilities and Provisions	1811	1550	1705	1222	1249
	15677	17167	18655	15450	18260
<b>Current Liabilities</b>					
Short Term Borrowings	109	390	7391	12768	12693
Trade Payables, Liabilities and Provisions	10724	6232	5736	8669	14616
	10833	6622	13127	21437	27309
<b>( B )</b>	111946	101591	105440	107000	110952



## CORPORATE SOCIAL RESPONSIBILITY ACTIVITIES



DISTRIBUTION OF STATIONERY



WORKSHOP AT RAJASHREE INDUSTRIAL TRAINING INSTITUTE



INSTALLATION OF WATER COOLER



MEDICAL CHECKUP CAMP



# CENTURY ENKA LIMITED

Registered Office: Plot No. 72 & 72-A, MIDC, Bhosari, Pune 411026  
CIN: L24304PN1965PLC139075  
Phone No. 020-66127300, 27120423 Fax No. 020-27120113  
Website: www.centuryenka.com Email: investor@centuryenka.com

51<sup>st</sup>  
Annual Report  
for the year  
2016-17  
has been  
posted  
separately

## NOTICE TO THE SHAREHOLDERS

NOTICE is hereby given that the 51<sup>st</sup> 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-411002 on Saturday, the 5<sup>th</sup> August, 2017 at 12.30 P.M. to transact the following business:

### ORDINARY BUSINESS

- To consider the Report of the Auditors and Directors and to receive, consider and adopt the audited financial statements for the year ended 31<sup>st</sup> March, 2017.
- To appoint a Director in place of Mrs. Rajashree Birla who retires by rotation and, being eligible, offers herself for re-appointment.
- To declare dividend on Equity Shares for the year ended 31<sup>st</sup> March, 2017.
- To consider and, if thought fit, to pass with or without modification the following Resolution as Ordinary Resolution.

### AS ORDINARY RESOLUTION

"RESOLVED THAT pursuant to the provisions of Section 139 and other applicable provisions of the Companies Act, 2013, the appointment of M/s. Khimji Kunverji & Co., Chartered Accountants, Sunshine Tower, Level 19, Senapati Bapat Marg, Elphinstone Road, Mumbai-400013 (having its Firm Registration Number – 105146W) be and is hereby ratified as Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the 52nd Annual General Meeting of the Company."

### SPECIAL BUSINESS

- 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 152, 161 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), and Articles of Association of the Company, Mr. O.R. Chitlange (DIN 00952072) who was appointed by the Board of Directors as an Additional Director of the Company with effect from 16<sup>th</sup> May, 2017 and who hold the said office, upto the date of this Annual General Meeting be and is hereby appointed as a Director of the Company."

- 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 196, 197, 198, 203 and other applicable provisions of the Companies Act, 2013 (the Act) read with Schedule V to the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the Articles of Association of the Company and subject to such other approvals as may be necessary, consent of the Members be and is hereby accorded to the appointment of Mr. O.R. Chitlange (DIN 00952072), as the Managing Director of the Company for the period and upon the terms and conditions, including remuneration and perquisites, as set out hereunder, with further liberty to the Board of Directors (hereinafter referred to as "the Board"), which term shall be deemed to include any Committee constituted or to be constituted by the Board) to alter, modify or revise from time to time, the terms and conditions of appointment and remuneration of Mr. O.R. Chitlange, in such manner as may be considered appropriate and in the best interests of the Company and as may be permissible in law.

A. Period : 5 (five) Years w.e.f. 16<sup>th</sup> May, 2017.

B. Remuneration :

- Basic Salary : Rs.5,00,000/- (Rupees five lacs) per month with such increments as the Board may decide from time to time, subject however to a ceiling of

Rs.8,50,000/- (Rupees eight lacs fifty thousand) per month as Basic Salary.

- Personal Allowance : Rs.12,38,000/- (Rupees twelve lacs thirty eight thousand) per month with such increment as the Board may decide from time to time, subject however to a ceiling of Rs.21,04,000/- (Rupees twenty one lacs four thousand) per month.
  - Annual Variable Pay : Rs.40,00,000/- (Rupees forty lacs) per annum linked to the achievement of business & individual performance, as may be decided by the Board from time to time. This is subject to a maximum payout of Rs.60,00,000/- (Rupees sixty lacs) per annum.
  - House Rent Allowance : 50% of Basic Salary.
- C. Perquisites, Allowances and Other Benefits :
- Expenses on electricity and water will be borne / reimbursed by the Company.
  - Medical expenses / allowances at one month Basic Salary per annum.
  - Leave travel allowance at one month Basic Salary per annum.
  - Annual Membership fee of one Club during the tenure of appointment. This will not include admission or life membership fees.
  - Personal Accident Insurance as per the Company's Policy as applicable to Senior Executives of the Company.
  - Company's contribution towards Provident Fund (12%) of Basic Salary and Superannuation Fund (15%) of Basic Salary as per the Rules / Policies applicable to Senior Executives of the Company.
  - Gratuity as per the Rules/Policies of the Company and any additional gratuity as may be decided by the Board.
  - A chauffeur driven car provided and maintained by the Company for use on Company's business and personal use.
  - Telephone, telefax and other communication facilities at residence as applicable to Senior Executives of the Company."
- D. In case, Mr. O.R. Chitlange is elevated to the next higher level of the Company during the tenure of his appointment, the allowances, perquisites and benefits, applicable to that level, will also apply to him.
- E. Annual remuneration review is effective from 1<sup>st</sup> July each year, as per the Policy of the Company and subject to recommendation of the Nomination and Remuneration Committee of Directors and approval of the Board of Directors.
- F. Subject as aforesaid, the Managing Director shall be governed by such other Rules as are applicable to the Senior Executives of the Company from time to time.
- G. The aggregate of the remuneration and perquisites as aforesaid, in any financial year, shall not exceed the limit under Sections 197 and 198 read with Schedule V and other applicable provisions of the Act, or any statutory modification or re-enactments thereof for the time being in force, or otherwise as may be permissible at law.
- Provided that where in any financial year, the company has no profits or its profits are inadequate, the company shall pay the above salary, perquisites, allowances and other benefits to the Managing Director as and by way of minimum remuneration, subject to applicable provisions of Schedule V to the Act and such approvals as may be required.
- H. Though considering the provisions of Section 188 of the Companies Act, 2013, and the applicable Rules and Schedule of the Act, Mr. O.R. Chitlange would not be holding any office or place of profit by his being a mere director of the Company's Subsidiaries / Joint Ventures / Associates, to

accept the sitting fees / commission paid / payable to other directors for attending the meetings of Board of Directors / Committee(s) of Subsidiaries / Joint Ventures / Associates of the Company or companies promoted by Century Enka Limited.

"RESOLVED FURTHER THAT the Company has no objection to Mr. O.R. Chitlange's association with Century Rayon (a Unit of Century Textiles And Industries Ltd.) as a Business Advisor in his personal capacity so far his association does not interfere with the discharge of his duties as Managing Director of the Company and subject to such terms and conditions as the Board of Directors may decide from time to time."

"RESOLVED FURTHER THAT so long as Mr. O.R. Chitlange functions as the Managing Director of the Company, his office shall not be subject to retirement by rotation."

"RESOLVED FURTHER THAT the aforesaid appointment may be terminated by either party giving to the other three months notice in writing."

#### **SPECIAL BUSINESS**

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

##### **AS ORDINARY RESOLUTION**

"RESOLVED THAT remuneration of Rs.2,75,000/- (Rupees two lacs seventy five thousand only) plus taxes and reimbursement of out-of-pocket expenses to M/s. D.C. Dave & Co., Cost Accountants, appointed as the Cost Auditors of the Company and fixed their remuneration by the Board of Directors, pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 for the conduct of the audit of the cost records of the Company's products Nylon and

Polyester as covered under the head "Textiles" in the Notification dated 31<sup>st</sup> December, 2014 issued by the Ministry of Corporate Affairs, Government of India for the financial year ended 31<sup>st</sup> March, 2017 be and is hereby ratified.

8. 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 Rs.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 authorized 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."

By Order of the Board

**C.B. GAGRANI**  
Secretary

Place: Mumbai

Date : 10<sup>th</sup> May, 2017

#### **EXPLANATORY STATEMENT**

##### **(PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013)**

##### **Item No. 5 & 6**

Pursuant to provisions of Section 161 of the Companies Act, 2013 (the Act), the Articles of Association of the Company and as recommended by the Nomination and Remuneration Committee of Directors, the Board of Directors at its meeting held on 10<sup>th</sup> May, 2017, appointed Mr. O.R. Chitlange (DIN 00952072) as an Additional Director of the Company w.e.f. 16<sup>th</sup> May, 2017. At the said Meeting, the Board also appointed Mr. O.R. Chitlange as the Managing Director of the Company, for a period of 5 (five) years with effect from 16<sup>th</sup> May, 2017, subject to approval of the shareholders.

As an Additional Director, Mr. O.R. Chitlange holds office upto the date of this Annual General Meeting (AGM) and is eligible to be appointed as a Director of the Company. Pursuant to the provisions of Section 160 of the Act, the Company has received a notice in writing along with the deposit of requisite amount from Mr. O.R. Chitlange, signifying his candidature for the office of the Director of the Company and consent to act as a Director of the Company.

Mr. O.R. Chitlange is a Chartered Accountant by qualification. He has been with Century Rayon (A Divn. Of Century Textiles & Industries Ltd.) as Senior President for last 9 years and before that he had held various positions in the division and also other divisions of Century Textiles and Industries Limited. During his tenure as Senior President of Century Rayon, there was all-round improvements in functioning of the division, improved profitability, good human resource management resulted into improved productivity, capacity expansion and better product realization.

There is a synergy in various areas of operations of the Company and Century Rayon as both are part of man-made fiber industry and would help in smooth functioning of the Company.

Mr. O.R. Chitlange has helped turning Century Rayon in good shape. His joining to Century Enka Limited would lead a vacuum at top position at Century Rayon and would deprive it of his long experience in Century Rayon operations and has requested the Company that Mr. O.R. Chitlange's association as Business Advisor should be allowed so that benefits of his expertise may be available to them and for that they will pay remuneration directly to him. Your Company has considered the request and allowed Mr. O.R. Chitlange to continue his association as Business Advisor of Century Rayon so long Mr. O.R. Chitlange devote his time to Century Enka Limited to enable him to fulfill his duties and responsibilities as Managing Director of the Company.

The remuneration and other terms and conditions of Mr. O.R. Chitlange

as the Managing Director of the Company as set out in the resolution are subject to your approval.

Mr. O.R. Chitlange is not related to any Director of the Company. The disclosure relating to Mr. O.R. Chitlange, as required under the provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, is set out hereinafter as part of the notice.

The Board of Directors commends the Ordinary Resolutions set out at Item No. 5 & 6 of this Notice for the approval of the Members of the Company.

Except Mr. O.R. Chitlange, being an appointee, none of the other Directors, Key Managerial Personnel or their respective relatives are, in any way, concerned or interested, financially or otherwise, in the Resolutions set out at Item No. 5 & 6 of this Notice.

##### **Item No. 7**

The Board of Directors of the Company on the recommendation of the Audit Committee, approved the appointment and remuneration of Messrs. D.C. Dave & Co., Cost Accountants, for the conduct of the audit of the cost records of the Company for the financial year ended 31<sup>st</sup> March, 2017.

In terms of the provisions of Section 148(3) of the Companies Act, 2013 read with Rule 14(a)(ii) of the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors is to be ratified by the Members of the Company. Accordingly, the Members are requested to ratify the remuneration payable to the Cost Auditors for auditing the cost records of the Company in respect of its products Nylon and Polyester as covered under the head "Textile" in the Ministry of Corporate Affairs, Government of India for the year ended 31<sup>st</sup> March, 2017 as set out in the Resolution for the aforesaid services to be rendered by them.

None of the Directors, Key Managerial Personnel of the Company and their relatives is in any way concerned or interested in the said Resolution.

The Board of Directors commends the approval of the Resolution set out at Item No. 7 of the Notice for ratification of remuneration by the Members.

##### **Item No. 8**

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 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 Rs.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 NCD/bonds/other instruments.

This is an enabling Resolution to borrow the money by way of NCDs / bonds / other instruments in case of need, being a cost effective source of borrowing. However, right now there is no plan to borrow money during the year.

The Board of Directors commends the resolution at item No. 8 of the accompanying notice, for the approval of the members of the Company.

None of the Directors or Key Managerial Personnel of the Company or their relatives is concerned or interested, financial or otherwise, in the passing of the resolution at Item No. 8, 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.

#### 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 Wednesday, the 26<sup>th</sup> July, 2017 to Friday, the 28<sup>th</sup> July, 2017, 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 Saturday, 29<sup>th</sup> July, 2017, 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 9<sup>th</sup> August, 2017.
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 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 1995-96 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 1995-96 may claim their dividend from the Registrar of Companies, Maharashtra, Pune by submitting an application in the prescribed form.  
(ii) Pursuant to Section 205A and 205C and other applicable provisions of the Companies Act, 1956, unclaimed dividend for the financial year 1996-97 to 2008-09 have already been transferred to Investor Education and Protection Fund.  
(iii) Section 124 and 125 of the Companies Act, 2013 read with Investor Education and Protection Fund (Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (IEPF Rules), which have become effective from 7<sup>th</sup> September, 2016, unclaimed dividend for the financial year 2009-10 and thereafter which remained unclaimed for a period of 7 years will be transferred to Investor Education and Protection Fund ('the Fund'). Accordingly, unclaimed dividend for the financial year 2009-10 will fall due for transfer to the said Fund on Saturday, the 5<sup>th</sup> August, 2017.  
(iv) Those members who have not encashed dividend warrant for the financial years 2009-10 to 2015-16 may return the time barred dividend warrant or write to the Company's Share Transfer Agent, M/s. Link Intime India Private Limited, C-101, 247 Park, L.B.S. Marg, Vikhroli West, Mumbai – 400083 for issue of duplicate dividend warrant. Members who have not encashed dividend

warrant for the financial year 2009-10 shall return the time barred dividend warrant / write before 5<sup>th</sup> August, 2017.

- (v) Pursuant to Section 124(6) read with IEPF Rules, all shares in respect of which dividend has remained unpaid / unclaimed for seven consecutive years or more are required to be transferred to IEPF designated demat account. The Company has sent notice to all the shareholders whose dividends for seven consecutive years or more are lying unclaimed. Advertisements in the newspapers in this respect were also released twice. List of the shareholders who have not claimed the dividend for seven consecutive years is uploaded on the website of the Company. Shareholders are requested to claim the unclaimed dividend. If unclaimed dividend is not claimed by the shareholders, shares covered by such unclaimed dividends will be transferred to IEPF Account as may be designated by the Government. It may be noted that no claim shall lie against the Company in respect of shares so transferred to IEPF and can be claimed from the Government as per the procedure prescribed under IEPF Rules.
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.  
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.  
NECS / ECS Mandate Proforma can be downloaded from the Company's website [www.centuryenka.com](http://www.centuryenka.com).
7. In terms of provisions of Section 72 of the Companies Act, 2013, nomination facility is available to individual shareholder. 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 at the address mentioned in Note 5(iv). Shareholders holding shares in dematerialised form, should write to their Depository Participant for the purpose.
8. Shareholders who are holding shares in identical order of names in more than one folios, are requested to write to the Company's Share Transfer Agent at the address mentioned hereinabove in Note 5(iv) to consolidate their holding in one folio.
9. Shareholders who are holding shares in physical form are requested to notify change in address, if any, to Share Transfer Agent at the address mentioned hereinabove in Note 5(iv) quoting their folio number. Shareholders holding shares in dematerialized form, should intimate change of their address, if any, to their Depository Participant.
10. The Notice of the AGM along with the Annual Report 2016-17 is being sent by electronic mode to those Members whose e-mail addresses are registered with the Company / Depositories, unless any Member has requested for a physical copy of the same. For Members who have not registered their e-mail addresses, physical copies are being sent by the permitted mode. This Notice and the Annual Report 2016-17 are available on the Company's website viz. [www.centuryenka.com](http://www.centuryenka.com).
11. The route map showing directions to reach the venue of the 51<sup>st</sup> AGM is annexed.
12. Procedure for voting through Electronic Means
  - I. In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide members facility to exercise their right to vote on resolutions proposed to be considered at the Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM ("remote e-voting") will be provided by National Securities Depository Limited (NSDL).
  - II. The facility for voting through ballot paper/ electronic voting system shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper/ electronic voting system.
  - III. The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.
  - IV. The remote e-voting period commences on Wednesday, the 2<sup>nd</sup> August, 2017 (9.00 a.m.) and ends on Friday, the 4<sup>th</sup> August, 2017 (5.00 p.m.) During this period members' of the Company, holding

shares either in physical form or in dematerialized form, as on the cut-off date of Saturday, the 29<sup>th</sup> July, 2017, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.

V. The process and manner for remote e-voting are as under:

A. In case a Member receives an email from NSDL [for members whose email IDs are registered with the Company/ Depository Participants(s)]:

- (i) Open email and open PDF file viz; "remote e-voting.pdf" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password/PIN for remote e-voting. Please note that the password is an initial password. If you are already registered with NSDL for e-voting then you can use your existing user Id & password.
- (ii) Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com/>
- (iii) Click on Shareholder - Login
- (iv) Put user ID and password as initial password/PIN noted in step (i) above. Click Login.
- (v) Password change menu appears. Change the password/PIN with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (vi) Home page of remote e-voting opens. Click on remote e-voting: Active Voting Cycles.
- (vii) Select "EVEN" of "Century Enka Limited"
- (viii) Now you are ready for remote e-voting as Cast Vote page opens.
- (ix) Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
- (x) Upon confirmation, the message "Vote cast successfully" will be displayed.
- (xi) Once you have voted on the resolution, you will not be allowed to modify your vote.
- (xii) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to [chetan.maru@mantrimaru.com](mailto:chetan.maru@mantrimaru.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)

B. In case a Member receives physical copy of the Notice of AGM [for members whose email IDs are not registered with the Company/Depository Participants(s) or requesting physical copy] :

- (i) Initial password is provided as below/at the bottom of the Attendance Slip for the AGM :  
EVEN (Remote e-voting Event Number)  
USER ID PASSWORD/PIN
- (ii) Please follow all steps from Sl. No. (ii) to Sl. No. (xii) above, to cast vote.

VI. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Members and remote e-voting user manual for Members available at the downloads section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 1800-222-990.

VII. If you are already registered with NSDL for remote e-voting can use your existing user ID and password/PIN for casting your vote.

However, If you forgot your password, you can reset your password by using "Forgot User Details/Password" or "Physical User Reset Password?" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or contact NSDL at the following toll free no.: 1800-222-990. In case shareholders are holding shares in demat mode, USER-ID is the combination of (DPID+ClientID). In case shareholders are holding shares in physical mode, USER-ID is the combination of (Even No+Folio No).

VIII. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).

IX. The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of Saturday, the 29<sup>th</sup> July, 2017.

X. Any person, who acquires shares of the Company and become member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. 29<sup>th</sup> July, 2017, may obtain the login ID and password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or [Issuer/RTA](mailto:Issuer/RTA).

XI. A member may participate in the AGM even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the AGM.

XII. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper/ electronic voting system.

XIII. Mr.Chetan Maru, Chartered Accountant (Membership No.104522) Partner M/s.Mantri Maru & Co., Chartered Accountants has been appointed for as the Scrutinizer for providing facility to the members of the Company to scrutinize the voting and remote e-voting process in a fair and transparent manner.

XIV. The Chairman of the Meeting shall at AGM venue, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of ballot paper / electronic voting system for all those members who are present at the AGM but have not cast their votes by availing the remot e-voting facility.

XV. The Scrutinizer shall after the conclusion of voting at the general meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman of the Meeting or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.

XVI. The Results declared alongwith the report of the Scrutinizer shall be placed on the website of the Company [www.centuryenka.com](http://www.centuryenka.com) and on the website of NSDL immediately after the declaration of result by the Chairman of the Meeting or a person authorized by him in writing. The results shall also be immediately forwarded to the BSE Limited and NSE Limited.

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

Name	Mrs. Rajashree Birla	Mr. O. R. Chitlange
Date of Appointment	05.05.2015	16.05.2017
Age	71 Years	59 Years
Nature of expertise	Industrialist	Corporate Mangement
Qualification	B.A.	B. Com., F.C.A.
Name of public limited companies in which also holds directorship	1. Aditya Birla Health Services Limited 2. Aditya Birla Nuvo Limited 3. Century Textiles & Industries Limited 4. Grasim Industries Limited 5. Hindalco Industries Limited 6. Idea Cellular Limited 7. Ultra Tech Cement Limited	-
Name of the companies in the committees of which also holds membership/ chairmanship	-	-
Other activities	Associated with charitable trusts & educational institutions.	Associated with charitable trusts & educational institutions.
No. of shares held in the Company	26,080	Nil

**CENTURY ENKA LIMITED**

Registered Office : Plot No. 72 &amp; 72-A, MIDC, Bhosari, Pune - 411 026

CIN: L24304PN1965PLC139075

Tel. No. 020-66127300 / 27120423 Fax No. 020-27120113

Website: www.centuryenka.com E-mail: investor@centuryenka.com

**Only Shareholders or the Proxies will be allowed to attend the meeting****ATTENDANCE SLIP**

Serial No. \_\_\_\_\_

Registered Folio No./ DP ID/ Client ID	
Name and Address of the Shareholder(s)	
Joint Holder 1	
Joint Holder 2	
No. of Shares held	

I/We hereby record my/our presence at the 51<sup>st</sup> Annual General Meeting of the Company being held on Saturday, the 5<sup>th</sup> August, 2017 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. ....

Name of the Proxyholder ..... Signature of Proxyholder .....

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

**ELECTRONIC VOTING PARTICULARS**

EVEN (E-voting Event Number)	USER ID	PASSWORD / PIN

**Note :** The E-Voting starts from Wednesday, 2<sup>nd</sup> August, 2017 at 9.00 A.M. and ends on Friday, 4<sup>th</sup> August, 2017 at 5.00 P.M. The E-Voting module shall be disabled by NSDL for voting thereafter. Kindly refer the instructions printed in the Notice of 51<sup>st</sup> AGM before exercising your vote. These details form an integral part of the **Notice for the 51<sup>st</sup> AGM to be held on 5<sup>th</sup> August, 2017.**

\* **Only members who have not updated their PAN with the Company/ Depository Participants shall use Password / PIN in the PAN field.**

**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

CIN : L24304PN1965PLC139075

Name of the Company : CENTURY ENKA LIMITED

Registered Office : Plot No. 72 &amp; 72-A, MIDC, Bhosari, Pune - 411 026

**PROXY FORM**

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

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

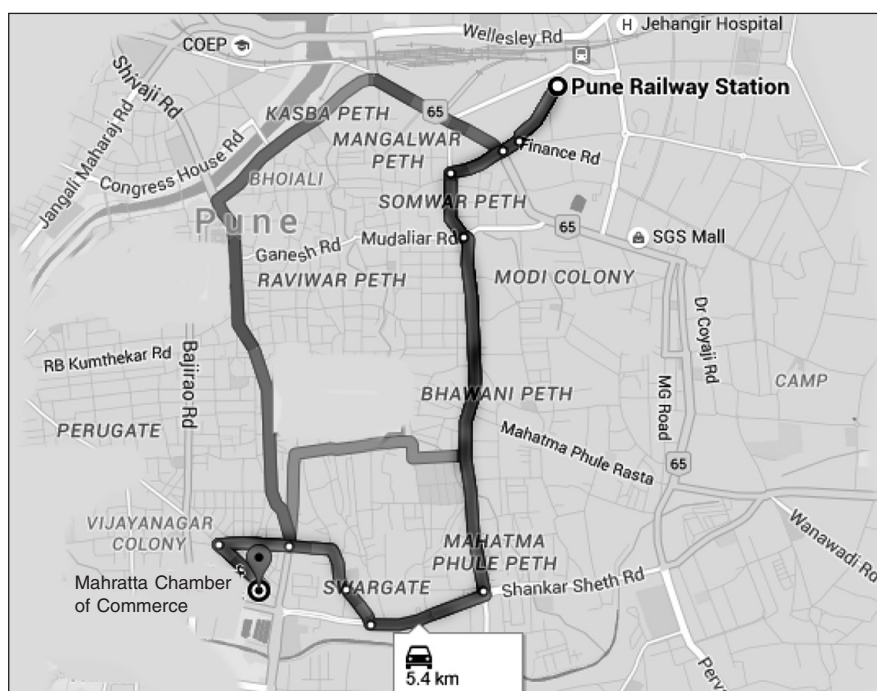
- (1) Name ..... Address .....  
E-mail Id ..... Signature ..... or failing him;
- (2) Name ..... Address .....  
E-mail Id ..... Signature ..... or failing him;
- (3) Name ..... Address .....  
E-mail Id ..... Signature .....

**P.T.O.**



## The Route Map to the AGM Venue

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



**Landmark :** Behind Ganesh Kala Krida Mancha

**Distance from Pune Railway Station : 5.4 Km.**

**Distance from Pune Airport : 12.8 Km.**

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 51<sup>st</sup> Annual General Meeting of the Company to be held on Saturday, the 5<sup>th</sup> August, 2017 at 12.30 P.M. at Pudumjee Hall, Mahratta 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 <sup>st</sup> March, 2017.		
2	Re-appointment of Mrs. Rajashree Birla as a Director of the Company, liable to retire by rotation.		
3	Declaration of Dividend on Equity Shares.		
4	Ratification of appointment of M/s. Khimji Kunverji & Co. Chartered Accountants as Statutory Auditors of the Company from the conclusion of 51 <sup>st</sup> Annual General Meeting until the conclusion of 52 <sup>nd</sup> Annual General Meeting.		
5	Appointment of Mr. O.R. Chitlange as a Director.		
6	Appointment of Mr. O.R. Chitlange as a Managing Director.		
7	Ratification of remuneration of M/s. D.C. Dave & Co., Cost Accountants for the financial year ended 31 <sup>st</sup> March, 2017.		
8	Offer or invitation to subscribe to Non-Convertible Debentures on private placement basis upto ₹ 150 crores.		

Signed this ..... day of ..... 2017.

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 Resolutions, Explanatory Statements and Notes, please refer to the Notice of the 51<sup>st</sup> Annual General Meeting.
- \* (3) It is optional to put a '✓' in the appropriate column against the Resolutions indicated in the Box, being a direction to proxy to vote accordingly. 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) at the back in box before submission.