



Century Enka Limited



54th Annual Report  
2019-20

TRUST &  
**QUALITY**

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#### Investor information

Market Capitalisation as at March 31, 2020	₹ 260 crores
CIN	L2304PN1965PLC139075
BSE Code	500280
NSE Symbol	CENTENKA
Dividend Declared	₹ 8 per share
AGM Date	August 13, 2020
AGM Mode	Video conferencing

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**Disclaimer:** This document contains statements about expected future events and financials of Century Enka Limited, which are forward looking. By their nature, forward-looking statements require the Company to make assumptions and are subject to inherent risks and uncertainties. There is significant risk that the assumptions, predictions and other forward-looking statements may not prove to be accurate. Readers are cautioned not to place undue reliance on forward-looking statements as a number of factors could cause assumptions, actual future results and events to differ materially from those expressed in the forward-looking statements. Accordingly, this document is subject to the disclaimer and qualified in its entirety by the assumptions, qualifications and risk factors referred to in the Management Discussion and Analysis section of this Annual Report.

## HOMAGE TO A LEGEND



### Shri Basant Kumar Birla

(January 12, 1921 to July 3, 2019)

Former Chairman  
CENTURY ENKA LIMITED

A Visionary. A Humanitarian. A legend.

His life was a rich tapestry of business acumen, arts, culture and philanthropy.

A beacon of inspiration. Always.

We live by his values.

उतिष्ठत । जाग्रत । प्राप्य वरान्निबोधत

(Arise. Awake. And stop not till the goal is reached)



## Chairperson's Message



**Your Company,  
given its legacy  
of performance  
and strong  
balance sheet,  
is well poised to  
overcome the  
challenges posed  
by the pandemic.**

### **Dear Shareholders,**

The world has witnessed unprecedented disruption over the last several months on account of Covid-19 and the associated lockdowns. Nations, society, corporations, and individuals are all being tested in ways that one could not have imagined at the turn of this decade.

The short-term impact of the pandemic is apparent by way of a collapse in economic activity, with the global economy estimated to contract by 4.9% in CY 2020, as per the recent forecast of the International Monetary Fund (IMF). The Indian economy is also tipped to contract in 2020-21 on account of the Covid-induced economic standstill in April and May.

Given the unparalleled nature of this crisis, governments across the economies have responded firmly and swiftly to cushion the blow. Stimulus aggregating to more than 1/10th of the global GDP has

been infused into the global system. The Government of India has also announced a series of bold and structural reforms as an antidote to the Covid-induced recession.

However, the magnitude and impact of the long-term scars inflicted by the pandemic are yet to be ascertained. Though, it is evident now that this pandemic will accelerate a few shifts that have already been at play—digitisation and de-globalisation.

As the world recalibrates to a new normal, businesses that are underpinned on sound fundamentals and robust leadership will emerge stronger.

Your Company, given its legacy of performance and strong balance sheet, is well poised to overcome the challenges posed by the pandemic.

### Financial Year 2019-20 Performance

In 2019-20, your Company, like most other businesses, had to navigate a challenging economic landscape. This was on account of the economic slowdown that was further exacerbated by the early-stage impact of Covid-19.

The performance of your Company was impacted due to lower sales volume of Nylon Tyre Cord Fabric (NTCF) and pressure on Nylon Filament Yarn (NFY) margins. The slump in automobile industry led to de-growth in the tyre industry, which in turn resulted in low demand for NTCF, a reinforcement material in tyre production. In case of NFY, the sales volume for the year was higher compared to last year, but margins were under pressure due to high dumping of cheap material from China as well as other Asian countries. Volatility in prices of key raw materials like Nylon chips and Caprolactum also impacted margins for both the products.

Your Company is cognizant of the challenging business environment and has developed a clear strategic roadmap to offset the impact of the current economic disruption. This entails conserving cash, optimising the cost of production, reducing the impact of volatility in raw material prices, controlling fixed costs, and widening the pool of NTCF customers. I am pleased to report that your Company is making considerable progress on all these fronts. This is largely due to the tremendous resilience and agility demonstrated by the leadership team with the active support of all employees.

Going forward, your Company expects NTCF demand to pick up on the back of a good monsoon which in turn should lead to the revival of rural demand, and increased fund allocation to the infrastructure sector. The revival of NFY demand could take longer, due to non-availability of labour, and the lingering effect of the lockdown on consumer demand.

The pandemic is also a reminder of our responsibility towards the community at large. Your Company continues to engage deeply with local communities to make a meaningful difference in their lives. Our CSR efforts have been focused in the areas of education, rural development, health, and women empowerment. For several decades, this community spirit has been embedded in the DNA of your Company. This will never change.

The goodwill of all stakeholders, resilience and agility of our employees and the strength of the balance sheet, will ensure that your Company emerges stronger in the post-Covid world.

I would like to thank all stakeholders for their continued faith and support and extend my appreciation to all the employees for their unflinching commitment in these challenging times.

Best Wishes  
**Rajashree Birla**



# Overview

## 5 Pointers on Century Enka Limited

### 1 PRODUCTS AND APPLICATIONS

#### Nylon Filament Yarn (NFY)

Apparel, saree, dupatta and dress material



Contribution to the revenue

**51%**

Domestic Market share

**25%**

#### Nylon Tyre Cord Fabric (NTCF)

Bias tyres



Contribution to the revenue

**49%**

Domestic Market share

**23%**

2

## WORLD-CLASS MANUFACTURING FACILITIES



The Company has two ISO 9001:2015 certified, state-of-the-art manufacturing facilities located at Pune (Maharashtra) and Bharuch (Gujarat). Both the facilities are well-equipped with modern machinery and adhere to strict environmental norms.

**0%**

Water discharge

3

## INTELLECTUAL CAPITAL



The Company possesses over five decades of experience and is led by veteran leaders and visionaries. Their continuous guidance has enabled the Company to emerge as one of the leading manufacturers of NTCF and NFY product.

**1595**

No. of employees

4

## STRONG CREDIBILITY



The Company is not only known for its quality products but also for maintaining a strong liquidity position. The testimony of the same is reflected in its positive rating by credit rating agency despite a weak consumer sentiment in the economy.

Crisil **A+ / Stable reaffirmed**

Long-term rating

Crisil **A1+ / Reaffirmed**

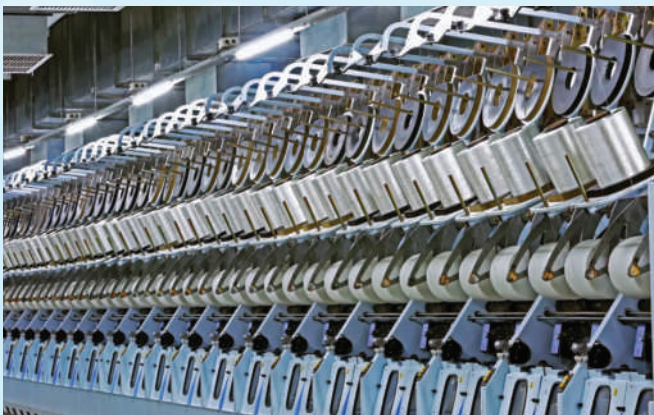
Short-term rating

5

## GOOD CORPORATE GOVERNANCE



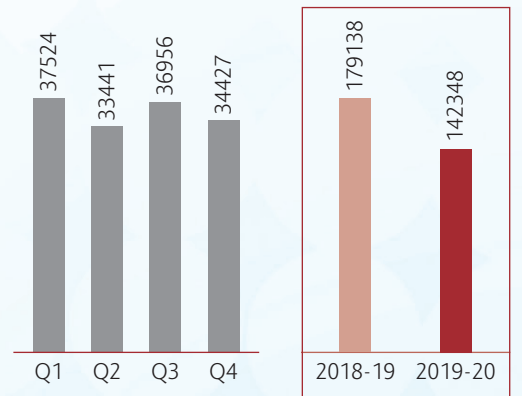
Century Enka has tailored itself according to the modern transformation with values of trusteeship. It adheres to the economic responsibility towards all its stakeholders by fairness and transparency in all its activities.



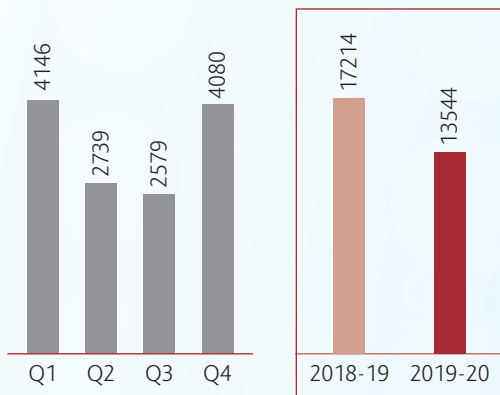
# Our Performance in 2019-20



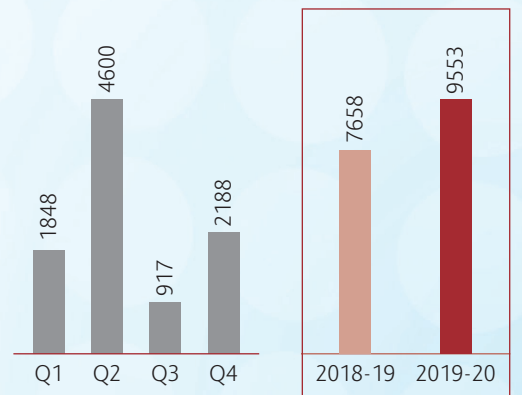
## Revenue (₹/Lacs)



## EBITDA (₹/Lacs)



## PAT (₹/Lacs)



**2.72**

P/E\* Ratio

**0.02**

Debt to Equity

**43.72**

EPS\*

**9.32%**

Return on Net Worth

EBITDA: Earnings before Interest Taxes Depreciation and Amortization. PAT: Profit After Tax.  
\*P/E: Price/Earnings. EPS: Earnings Per share



## Vison > Goals > Initiatives



Vision	Goals that will assist in achieving the vision	Initiatives taken in the last three fiscal years to achieve goals
<p>We aspire to be a leading and reliable organisation in the business of tyre reinforcement and man-made textile yarn.</p>	Cost rationalisation	<ul style="list-style-type: none"> <li>• Successful implementation of open power purchase arrangement and enhancement of renewable energy</li> <li>• Strict inventory management</li> </ul>
	Increase customer base	<ul style="list-style-type: none"> <li>• Product diversification</li> <li>• Quality improvisation</li> <li>• Export initiation</li> </ul>
	Improve plant efficiency	<ul style="list-style-type: none"> <li>• Modernisation of the plant with new technology-based machines</li> <li>• De-bottlenecking</li> </ul>
	Strengthen balance sheet	<ul style="list-style-type: none"> <li>• De-leveraging</li> <li>• Strengthening retained earnings</li> </ul>
	Premiumisation	<ul style="list-style-type: none"> <li>• Offering value-added products for better realisation</li> <li>• Focus on high margin business</li> </ul>



# Corporate Social responsibility

## 1. Promotion of education and vocational skills enhancement

₹ 45 Lacs

- Provided financial assistance for teaching staff at vocational training institute near Bharuch site
- Sponsored 30 volunteer teachers for primary schools in tribal area



## 2. Classrooms and school infrastructure

₹ 115 Lacs

- Strengthened infrastructure, provided playing equipment, constructed basketball court and assisted different schools financially



### 3. Educational material

- Distributed education material to more than 3,300 students of 22 schools and school uniforms to 4 schools

₹ 7 Lacs



### 4. Community development

- Constructed 4 borewells, 81 toilets, community hall and 300 meters of PCC road in a nearby village of Bharuch site

₹ 46 Lacs



## 5. Health, hygiene and medical programmes

- Eye check-up and cataract operation camp:** Organised operation camp set to operate more than 50 patients for free of cost
- General medical camp:** Conducted health check-up for 1,450 villagers from 15 different villages and also distributed free medicines
- Blood donation camp:** Organised blood donation camp where Company employees donated 112 blood units
- Covid-19 response:** Distributed essential items like sanitizer, soaps, masks, grocery and food items, among others, to about 6,000 people.

₹ 10 Lacs



## 6. Environment and sustainable livelihood

- Plantation and maintenance of trees on both sides of the 10 kms of Gujarat State Highway no. 64
- Generated source of income for three needy farmers by helping them in setting up vermin compost unit
- Organised beauty assistant course for 25 girls of a neighbouring village of the Bharuch site

₹ 10 Lacs



# Awards and Certificates



Integrated Management Systems (IMS) comprising Quality Management Systems, Health and Safety Management Systems and Environment Management Systems



Recycled content certification for Green Polymer from SCS Global services



**NABL**  
ACCREDITED LABORATORY

The Company's Laboratories are accredited by National Accreditation Board Testing and Calibration Laboratories (NABL)



2-IAO-QMC-01001

IATF Certification for quality management system as per International Automotive Standards



The Company's Nylon Filament Yarn is OEKO TEX S-100 Certified. Product does not contain any harmful substances.



National safety award received this year for 2017 accidental free year

# Corporate Information

## BOARD OF DIRECTORS

**Mrs. Rajashree Birla** (Chairperson)

**Mr. B. S. Mehta**

**Mr. S. K. Jain**

**Mr. K. S. Thar**

**Mrs. Usha Sangwan** (Appointed w.e.f February 5, 2020)

**Mr. O. R. Chitlange** (Managing Director)

## KEY MANAGERIAL PERSONNEL

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

**Mr. C. B. Gagrani**  
Company Secretary

## AUDITORS

**Messrs. Khimji Kunverji & Co LLP.**

## 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

## SURAT OFFICE

D-519,523 International Trade Center  
Ring Road, Majura Gate, Surat - 395 002  
Tel.No. 0261-2465032 / 33 / 39  
Fax No. 0261-2465036

## 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 / 02645-208555  
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. No. 022-49186270,  
Fax No. 022-49186060



# DIRECTORS' REPORT for the Year Ended 31st March, 2020

Dear Shareholders,

Your Directors present the 54<sup>th</sup> Annual Report and Audited Financial Statements of the Company for the year ended 31<sup>st</sup> March, 2020.

## FINANCIAL RESULTS

	₹/Lacs	
	This Year	Previous Year
Net Revenue from Operations	1,42,348	1,79,138
Profit before Depreciation, Finance Cost, Exceptional Items and Tax	13,544	17,214
<b>Add/(Less):</b>		
Depreciation	(4,550)	(4,504)
Finance Cost	(349)	(346)
Exceptional Item (Note 1)	-	(454)
Taxation (Net)	908	(4,252)
<b>Net Profit</b>	<b>9,553</b>	<b>7,658</b>

**Note 1:** Exceptional item in the previous year represents write down in carrying value of machinery not in use.

## DIVIDEND

We recommend a dividend at the rate of 80% (i.e. ₹ 8.00 per equity share of ₹ 10/- each) for the year ended 31<sup>st</sup> March, 2020 (previous year dividend at the rate of 70% i.e. ₹ 7.00 per equity share of ₹ 10/- each).

## TRANSFER TO RESERVES

It is proposed to transfer ₹ 1000 Lacs (previous year ₹ 1000 Lacs) to General Reserve.

## COURSE OF BUSINESS

Net Revenue from Operations decreased by 20.54% from ₹ 1,79,138 Lacs to ₹ 1,42,348 Lacs due to lower volume and realisation. The profit before depreciation, finance cost, exceptional items, and tax (PBIDT) was also lower by 21.32% from ₹ 17,214 Lacs to ₹ 13,544 Lacs. The Company's operating performance was impacted due to lower demand of Nylon Tyre Cord Fabric (NTCF) caused by slowdown in automobile sector, drop in Nylon Filament Yarn (NFY) prices due to dumping of NFY by China and other countries and volatility in raw material prices. The net profit increased by 24.75% from ₹ 7,658 Lacs to ₹ 9,553 Lacs due to lowering of corporate income tax rate by the Government.

## IMPACT OF COVID-19

To contain the spread of Covid-19, the Government of India, imposed nationwide lockdown from 24<sup>th</sup> March, 2020. Your Company's plants at Bharuch and Pune sites were shut down temporarily from 29<sup>th</sup> March, 2020, and 24<sup>th</sup> March, 2020 respectively. The plants received approval for resuming operations from 27<sup>th</sup> April, 2020 for Bharuch site and 17<sup>th</sup> May, 2020, for Pune site. Production at both the plants started in gradual manner after implementing necessary precautions as per various guidelines issued by the Government. Since there is significant uncertainty with respect to complete opening up of the economy, it is difficult to ascertain the extent of impact of Covid-19 on performance of the Company in the year 2020-21.

## EXCISE DUTY DEMAND

The Appellate Tribunal (CESTAT) vide its order dated 20<sup>th</sup> December, 2019, in the Company's Appeal against the demand of ₹ 229.27 Crs. raised by the Commissioner of Central Excise of Mahad Site (Konkan Synthetic Fibers - Processed Yarn) denied the benefit of Notification No. 6/2000-CE dated 1<sup>st</sup> March, 2000, which permit specific central excise duty of ₹ 2.87 per kg on texturised yarn as against ad-valorem duty at the rate of 36.80% with CENVAT/ MODVAT benefit. The Tribunal, in its order, considered that KSF-POY and KSF-Processed Yarn is a composite factory and not two separate factories. The Tribunal, in view of denying the benefit of above notification, directed the Commissioner of Central Excise to compute the correct excise duty demand on assessable value, extend the credit of CENVAT/ MODVAT which would be permissible, as Central Excise is to be levied at ad-valorem and other legitimate expenditures like sales tax, rebate, discount, and textile committee cess.

As regards penalty, the Tribunal considered to continue to levy of penalty that would be equal to demand of excise duty as determined on re-computation. Also levy of interest on recomputed excise duty demand.

The Company has filed an appeal against the Order of Tribunal before the Hon'ble Supreme Court of India, which awaits admission.

The legal experts have advised that the Company has a good case to succeed.

## EXPANSION AND MODERNISATION

Thrust of the Company during the year was on modernisation, debottlenecking and energy conservation. Capital expenditure was incurred for acquiring cable corders and loom for debottlenecking in NTCF conversion capacity, replacement of winders, control panels and programmable logic control (PLC) among others, for modernisation and equipment for energy conservation.

## ENVIRONMENT

Both the plant sites of the Company are environment compliant in terms of environment regulations.

## 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 as Annexure-I and forming part of the report.

## MANAGEMENT'S DISCUSSION AND ANALYSIS

The Management's Discussion and Analysis Report for the year under review, as stipulated under Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, forms a part of the Annual Report.

## CORPORATE GOVERNANCE

Your Company reaffirms its commitment to Corporate Governance and is fully compliant with the requirements relating to Corporate



Governance. A report on Corporate Governance, pursuant to Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, forms a part of the Annual 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 people 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 operates, 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 the 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**

Declarations have been received from Independent Directors, confirming meeting of the criteria and conditions of independence stipulated under sub-section (6) of Section 149 of the Companies Act, 2013, and Regulation 25(8) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

### **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:

- a) that in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departure;
- b) 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;

- c) 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;
- d) that the Directors had prepared the annual accounts on a going concern basis;
- e) 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
- f) 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**

Mr. K. S. Thar has been reappointed w.e.f. 27th November, 2019, as Non-Executive Independent Director of the Company, for a term of five years by passing a Special Resolution by the Members of the Company in the 53rd Annual General Meeting of the Company held on 13th July, 2019.

Mrs. Usha Sangwan was appointed as a Non-Executive Independent Director of the Company on 5th February, 2020, having integrity, requisite expertise and experience. She resigned w.e.f. 16th May, 2020, due to personal and health reason. The Board of Directors placed on record its appreciation for her valuable contribution.

In accordance with Section 152 of the Companies Act, 2013, and the 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.

### **NUMBER OF MEETINGS OF BOARD OF DIRECTORS**

The Board of Directors met 6 times. A meeting of the Independent Directors, during the year ended 31st March, 2020, was held over mobile phone due to lock-down imposed in the country by the Government of India to control Covid-19 pandemic.

### **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 Committee of Directors, and Share Transfer Committee of Directors, number of meetings held of each Committee of Directors, during the financial year 2019-20, and meetings attended by each member of the Committee, as required under the Companies Act, 2013, are provided in Corporate Governance Report, forming a part of Annual Report.

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

### **KEY MANAGERIAL PERSONNEL**

Following are the Key Managerial Personnel of the Company:

Mr. O. R. Chitlange - *Managing Director*  
 Mr. K. G. Ladsaria - *Chief Financial Officer*  
 Mr. C. B. Gagrani - *Company Secretary*



## **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, read with 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, 2020, and there are no outstanding deposits in terms of the Companies (Acceptance of Deposits) Rules, 2014.

## **COMPLIANCE OF SECRETARIAL STANDARDS**

Your Company complied with the applicable Secretarial Standards.

## **RISK MANAGEMENT**

Your Company has developed and implemented a Risk Management Policy, including identification of elements of risk and their severity, that may impact the existence of the Company. A dedicated Risk Management Committee of Senior Executives has been appointed by the Company, to evaluate the risk and mitigation plan and monitor them regularly. Based on their evaluation, there is no element of risk identified by the Management that may, in the opinion of the Board, threaten the existence of the Company.

## **WHISTLE BLOWER MECHANISM**

Your Company has put in place Whistle Blower Mechanism. The detailed mechanism is given in Corporate Governance Report.

## **PREVENTION OF SEXUAL HARASSMENT OF WOMEN AT WORKPLACE**

The Company has formulated a policy in respect of Sexual Harassment of Women at Workplace as per the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013. There was no complaint received by the Company, during the financial year 2019-20, under the aforesaid Act. The Company under the said Act has constituted internal committees for complaints.

## **CORPORATE SOCIAL RESPONSIBILITY**

Information on Corporate Social Responsibility (CSR) Policy and initiative taken by the Company during the financial year 2019-20, pursuant to Section 135 of the Companies Act, 2013, read with Rule 8 of the Companies (CSR Policy) Rules, 2014, is annexed herewith as Annexure-II and forming a part of the report.

## **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 as Annexure-III and forming part of the report.

## **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.

## **COST AUDITORS**

The Cost Accounts records maintained by your Company for Nylon and Polyester Products are subject to yearly audit by the Cost Accountant in practice. Your Company appointed M/s. D.C. Dave & Co., a firm of Cost Auditors, for conducting the audit of such records for the financial year 2019-20.

The cost records as specified by the Central Government under Sub-section (1) of Section 148 of the Companies Act, 2013 are made and maintained.

## **SECRETARIAL AUDIT REPORT**

A Secretarial Audit Report for the year ended 31st March, 2020, in prescribed form, duly audited by a firm of Practising Company Secretaries M/s. Sanjay Sangani & Co. forms a part of the Annual 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 as Annexure-IV and forming part of the report.

## **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 the Annual Return is annexed herewith as Annexure - V and forming part of the report.

The web link for the Annual Return placed on the Company's website is [www.centuryenka.com/investor-relations/index.html](http://www.centuryenka.com/investor-relations/index.html)

## **BUSINESS RESPONSIBILITY REPORT**

Pursuant to Regulation 34(2)(f) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, a Business Responsibility Report forms a part of the Annual Report.

For and on behalf of the Board of Directors  
S. K. Jain

DIN : 02843676

O.R. Chitlange

DIN : 00952072

Place: Mumbai

Date : 9<sup>th</sup> June, 2020

# ANNEXURE TO THE DIRECTORS' REPORT

(Annexure - I)

## INFORMATION ON CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO, PURSUANT TO SECTION 134(3)(m) OF 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 and impact of conservation of energy:

Steps Taken	Impact (Annualised Savings)
<b>Electricity</b>	<b>KWh (In Lacs)</b>
a. Asperator system stopped for machines in spinning 1 at Bharuch, to optimise power by saving compressed air	5.16
b. Replacement of the existing electrical heating system with thermic fluid for polycolumn at Pune	3.15
c. Power saving by installation of VFD's/other such devices	1.77
d. Replacement of existing equipment with energy efficient equipment (motors, fans, pumps, and capacitor, among others)	2.13
e. Installation of LED lights	0.70
<b>Steam</b>	<b>Tons</b>
a. Installation of ultrasonic humidifier to reduce the steam consumption in AHU	540

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

- Installation of briquette-based boiler for steam generation
- Replacement of heating system from electrical to thermic fluid in polymerisation

#### iii) Capital investments on energy conservation equipment during 2019-20 was ₹ 143 Lacs (previous year ₹ 551 Lacs)

### (B) TECHNOLOGY ABSORPTION

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

- Replacement of thickness tester from analog to digital
- Development of new PLC logic and winders upgradation with provision of SCADA for monitoring and controlling winders parameters
- Installation of automatic online image processing system for the monitoring and inspection of fabric on loom
- Upgradation of distributed control systems of polycolumn
- Obsolete drives and control systems replaced with latest system

#### ii) Benefits derived from the above efforts:

- New product development
- Improvement in safety, quality, and operating performance
- Cost reduction
- Upgradation of technology by replacement of obsolete technology

#### iii) Information regarding imported technology (imported during the last three 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 and development.

(₹/Lacs)

Particulars	2019-20	2018-19
Capital	See note below	
Revenue	174	226
<b>Total</b>	<b>174</b>	<b>226</b>

Note: The Company spent ₹ 113 Lacs (previous year ₹ 68 Lacs) which was shown as normal capital expenditure, but it was also used for R&D activities.

### (C) FOREIGN EXCHANGE EARNING AND OUTGO

Total foreign exchange used: ₹ 61,207 Lacs (previous year ₹ 79,987 Lacs) and earned ₹ 3,793 Lacs (previous year ₹ 3,713 Lacs)



# ANNEXURE TO THE 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 31ST MARCH, 2020.

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 by way of constructing classrooms, distribution of school stationery and uniform, e-learning facilities, contributing in operational expenditure of Vocational Training Institute. Under Healthcare, the Company carried out camps for Eye Checkup & Cataract operations, General Medical checkup and treatment near its Bharuch site. Rural community welfare projects such as infrastructure development in the villages near the Company's Bharuch site. Under women empowerment, training to women such as nursing, tailoring, beautician.

The company's CSR policy is available on [http://www.centuryenka.com/pdf/policies/Corporate\\_Social\\_Responsibility.pdf](http://www.centuryenka.com/pdf/policies/Corporate_Social_Responsibility.pdf)

2. Composition of CSR Committee:

Mr. B.S. Mehta (Independent Director and Chairman)

Mr. S.K. Jain (Independent Director)

Mr. O. R. Chitlange (Managing Director)

3. The Average Net Profit of the Company for last three financial years is ₹11,630.40 Lacs.

4. Prescribed CSR Expenditure for the financial year 2019-20 is ₹ 232.61Lacs (Previous Year ₹217.55Lacs) (Being two percent of the amount as in item 3)
5. Details of CSR spent during the year.

₹ / Lacs

Sr. No.	Particulars	Financial Year	
		2019-20	2018-19
i.	Total amount to be spent for the financial year	232.61	217.55
ii.	Amount Spent	233.01	218.02
iii.	Amount (Unspent) Overspent, if any	0.40	0.47
iv.	Manner in which the amount is spent during the Financial Year is detailed in statement herein below.		

6. 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.

O.R. Chitlange  
(Managing Director)  
DIN: 00952072

B.S.Mehta  
(Chairman CSR Committee)  
DIN: 00035019

Place: Mumbai  
Date : 9<sup>th</sup> June, 2020

## DETAILS OF CSR ACTIVITIES

₹/Lacs

Sr No.	CSR Project/ Programme	Sector in which Project/ Programme is covered	Projects/ Programmes (1) Local area or other (2) Specify the State and district where projects or programmes were undertaken	Amount outlay (budget) project/ programme wise	Amount spent on the project/ programme sub heads : (1) Direct expenditure on project/ programme (2) Overheads	Cumulative Expenditure upto reporting period i.e. 31.03.2020	Amount spent : Direct or through implementing agency
1	a) Vocational skills enhancement projects: i) Machine, Tools & Equipments ii) Cost of Teaching Staff (75%) and workshop consumables b) For Promotion of School Education: i) Distribution of School Stationery & Uniforms. ii) Engagement of Teachers (Volunteers) for Assisting Government Primary Schools & Posanvahinis for Aanganwadi (Assistants) iii) Upgradation of infrastructure - E-Learning Facilities, Play Ground Development, and Others - In Government Primary Schools / Classroom Construction - Construction of Class-Room alongwith Furniture - Public Address System & CCTV upgradation - Construction of Class-Room iv) Traveller Minibus for students transportation	Education	Gujarat - Bharuch Gujarat - Bharuch Gujarat - Narmada Gujarat - Bharuch Maharashtra - Raigadh Maharashtra - Satara Maharashtra - Pune	10.00 20.00 7.00 17.00 25.00 15.00 45.00 5.00 10.00 13.61	7.96 22.00 6.76 14.57 34.00 7.66 45.00 5.00 10.12 13.47	166.54	CENKA Samaj Kalyan Sanstha Direct Direct CENKA Samaj Kalyan Sanstha Direct CENKA Samaj Kalyan Sanstha Jayvant Institute Direct
2	Preventive Health Care Programme : - Eye Checkup & Treatment, Blood donation, General Medical Camps. - Covid-19 (Sanitizer, Soap, Rocery Kit etc.) - Support in Construction of Toilets - Drinking water facility (Bore well / Water cooler) - Sanitation facilities & road improvement	Preventive Healthcare	Gujarat - Bharuch Maharashtra - Pune	7.00 0.00 7.00 7.00 12.39	3.80 6.38 6.69 7.72 12.39	203.53	Direct Direct
3	Environment & Sustainable Livelihood - Consturction of Vermi compost units for villagers - Tree Plantation - Livelihood courses for women : Beauty Assistant - Prevention of River WaterPollution	Environ- ment Sustainabi- lity	Gujarat - Bharuch Maharashtra - Pune	1.30 2.00 3.40 3.00	1.26 2.31 3.30 3.10	213.51	Direct
4	Rural Infrastructure Development other than for the purpose of Health / Education / Livelihood - Approach roads /others as per local needs -Street light in villages - Support in construction of Community Hall	Rural Develop- ment	Gujarat - Bharuch	10.30 2.00 10.00	9.50 10.00	233.01	Direct
			TOTAL	233.00	233.01		



## ANNEXURE TO THE 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

- i. The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the financial year 2019-20, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2019-20 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	2019-20 (₹ / Lacs)			2018-19 (₹ / 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	1.27	**	0.31	5.30	2.91	1.25
2	Mrs. Rajashree Birla	Vice Chairman	5.60	0.00	1.38	5.60	8.74	1.32
3	Mr. B.S. Mehta	Independent Director	11.75	2.17	2.89	11.50	0.44	2.72
4	Mr. S.K. Jain	Independent Director	6.35	-0.78	1.56	6.40	0.79	1.51
5	Mr. K.S. Thar	Independent Director	6.70	4.69	1.65	6.40	0.79	1.51
6	Smt. Usha Sangwan	Independent Director w.e.f. 05.02.2020	0.92	**	0.22	**	**	**
7	Mr.O.R. Chitlange	Managing Director	368.10	7.39	90.44	342.77	48.15	81.03
8	Mr K.G. Ladsaria	Chief Financial Officer	108.76	-4.50	26.72	113.89	36.80	26.92
9	Mr. C.B. Gagrani	Company Secretary	50.39	7.42	12.38	46.91	8.26	11.09

\* Directors Remuneration is including sitting fees.

\*\* Shri B K Birla passed away on 03.07.2019 .Smt Usha Sangwan was appointed as Independent Director w.e.f. 05.02.2020

- ii. The median remuneration of employees of the Company during the financial year was ₹ 4.07 Lacs (Previous Year ₹ 4.23 Lacs)
- iii. During the financial year, there was a decrease of 3.70 % in the median remuneration of employees (Previous Year increase of 4.23%).
- iv. Number of permanent employees on the rolls of the Company as on 31st March, 2020 was 1595 Nos. and as on 31st March, 2019 was 1578 Nos.
- v. Average percentage increase made in the salaries of employees other than the managerial personnel in the financial year 2019-20 and 2018-19 was 9.83%, 3.91% respectively and the increase in the managerial remuneration for the financial year 2019-20 and 2018-19 was 7.39%, 21.28% respectively.
- vi. It is hereby affirmed that the remuneration paid is as per the Remuneration Philosophy / Policy of the Company.

## ANNEXURE TO THE DIRECTORS' REPORT

### STATEMENT CONTAINING INFORMATION AS PER SECTION 197(12) READ WITH THE RULES 5(2) AND 5(3) OF COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014 AND FORMING PART OF DIRECTORS' REPORT FOR THE YEAR ENDED, 31ST MARCH, 2020.

Name, Designation, Remuneration Received (₹), Nature of Employment, Qualification, Experience(Years), Date of Commencement of employment, Age(Years), Last Employment held, Equity Share held in 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. Mr. O.R. Chitlange, Managing Director, ₹3,68,10,669, Contractual, B.Com., F.C.A., 40, 16-05-2017, 62, Century Textile and Industries Limited, NIL.
  2. Mr. K. G. Ladsaria, Chief Financial Officer, ₹1,08,76,395, Non-Contractual, B.Com., A.C.A., 26, 01-12-2016, 49, Hindalco Industries 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, variable pay, long term incentive plan, 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 employees are not relative of any Director of the Company.

For and on behalf of the Board of Directors

O.R. Chitlange	S. K. Jain
(Managing Director)	(Director)
DIN: 00952072	DIN: 02843676

Place: Mumbai

Date : 9<sup>th</sup> June, 2020



**FORM NO. MGT-9  
EXTRACT OF ANNUAL RETURN**

**as on the financial year ended on 31<sup>st</sup> March, 2020**

[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: cel.registeredoffice@birlacentury.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: 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	47%
2	Nylon Filament Yarn	2030	49%

**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 01.04.2019				No. of shares held at the end of the year 31.03.2020				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual/HUF	136130	-	136130	0.62	136130	-	136130	0.62	0.00
b) Central Govt.	-	-	-	0.00	-	-	-	0.00	0.00
c) State Govt(s)	-	-	-	0.00	-	-	-	0.00	0.00



Category of Shareholders	No. of shares held at the beginning of the year 01.04.2019				No. of shares held at the end of the year 31.03.2020				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
d) Bodies Corp.	5381918	-	5381918	24.63	5281918	-	5281918	24.18	(0.45)
e) Banks/FI	-	-	-	0.00	-	-	-	0.00	0.00
f) Any other	-	-	-	0.00	-	-	-	0.00	0.00
Sub-Total (A) (1) :	5518048	-	5518048	25.25	5418048	-	5418048	24.80	(0.45)
<b>(2) Foreign</b>									
a) NRI/Individuals	-	-	-	0.00	-	-	-	0.00	0.00
b) Other-individuals	-	-	-	0.00	-	-	-	0.00	0.00
c) Bodies Corp.	-	-	-	0.00	-	-	-	0.00	0.00
d) Banks/FI	-	-	-	0.00	-	-	-	0.00	0.00
e) Any other	-	-	-	0.00	-	-	-	0.00	0.00
Sub-total (A) (2) :	-	-	-	0.00	-	-	-	0.00	0.00
<b>Total Shareholding of Promoter (A)=(A)(1)+(A)(2)</b>	<b>5518048</b>	<b>-</b>	<b>5518048</b>	<b>25.25</b>	<b>5418048</b>	<b>-</b>	<b>5418048</b>	<b>24.80</b>	<b>(0.45)</b>
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds	-	4365	4365	0.02	0	4365	4365	0.02	0.00
b) Banks/FI	1194510	16085	1210595	5.54	1139825	15970	1155795	5.29	(0.25)
c) Central Govt.	-	-	-	0.00	-	-	-	0.00	0.00
d) State Govt(s)	-	-	-	0.00	-	-	-	0.00	0.00
e) Venture Capital funds	-	-	-	0.00	-	-	-	0.00	0.00
f) Insurance Companies	128390	80	128470	0.59	128390	80	128470	0.59	0.00
g) FIs	-	-	-	0.00	-	-	-	0.00	0.00
h) Foreign Venture Capital Funds	-	-	-	0.00	-	-	-	0.00	0.00
i) Others (Specify)									
(i) Foreign Portfolio Investor	576247	-	576247	2.64	433650	-	433650	1.98	(0.66)
(ii) Foreign Mutual Fund	-	1770	1770	0.01	-	1770	1770	0.01	0.00
(iii) Foreign Financial Institution	-	1475	1475	-0.00	-	1475	1475	-0.00	0.00
<b>Sub -Total (B)(1):</b>	<b>1899147</b>	<b>23775</b>	<b>1922922</b>	<b>8.80</b>	<b>1701865</b>	<b>23660</b>	<b>1725525</b>	<b>7.89</b>	<b>(0.91)</b>
<b>2. Non-Institutions</b>									
a) Bodies Corp.									
(i) indian	1305018	18035	1323053	6.05	1075431	17185	1092616	5.00	(1.05)
(ii) overseas	237159	1255000	1492159	6.83	237159	1255000	1492159	6.83	0.00
(b) individuals									
(i) individual Shareholders holding nominal share capital upto ₹ 1 lac	6618993	499978	7118971	32.58	6930503	451136	7381639	33.78	1.20
(ii) individual Shareholders holding nominal share capital in excess of ₹1 lac	3290626	-	3290626	15.06	3494496	-	3494496	16.00	0.94
(c) Other									
1) NRIs	250696	5975	256671	1.18	221221	5575	226796	1.04	(0.14)
2) HUF	572962	265	573227	2.62	702376	265	702641	3.22	0.60
3) Trust	89305	-	89305	0.41	89265	-	89265	0.41	0.00
4) Director / Relatives	8540	125	8665	0.04	8540	125	8665	0.04	0.00



Category of Shareholders	No. of shares held at the beginning of the year 01.04.2019				No. of shares held at the end of the year 31.03.2020				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
5) Clearing Members	76955	0	76955	0.35	27540	0	27540	0.12	(0.23)
6) IEPF	169158	0	169158	0.78	185734	0	185734	0.85	0.07
7) NBFCs registered with RBI	10589	0	10589	0.05	5225	0	5225	0.02	(0.03)
8) Foreign Nationals	240	0	240	0.00	240	0	240	0.00	0.00
<b>Sub-total (B)(2) :</b>	<b>12630241</b>	<b>1779378</b>	<b>14409619</b>	<b>65.95</b>	<b>12977730</b>	<b>1729286</b>	<b>14707016</b>	<b>67.31</b>	<b>1.36</b>
<b>Total Public Shareholding (B)=(B)(1)+(B)(2)</b>	<b>14529388</b>	<b>1803153</b>	<b>16332541</b>	<b>74.75</b>	<b>14679595</b>	<b>1752946</b>	<b>16432541</b>	<b>75.20</b>	<b>0.45</b>
<b>C. Shares held by custodian for GDRs &amp; ADRs</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>
<b>Grand Total(A+B+C)</b>	<b>20047436</b>	<b>1803153</b>	<b>21850589</b>	<b>100.00</b>	<b>20097643</b>	<b>1752946</b>	<b>21850589</b>	<b>100.00</b>	

(ii) **Shareholding of Promoters**

Sr No	Shareholder's Name	Shareholding at the beginning of the year 01.04.2019			Shareholding at the End of the year 31.03.2020			% change in share holding during the year
		No of Shares	% of the Total of the Company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of the Total of the Company	% of Shares Pledged / encumbered to total shares	
1	TGS Investment & Trade Private Limited (* Note-1)	3114970	14.26	0	0	0.00	0	(14.26)
2	Century Textiles and Industries Ltd	1266887	5.80	0	1266887	5.80	0	0.00
3	Prakash Educational Society	277360	1.27	0	277360	1.27	0	0.00
4	Trapti Trading and Investments Private Limited (* Note-1)	260820	1.19	0	0	0.00	0	(1.19)
5	Turquoise Investment and Finance Private Limited (* Note-1)	242900	1.11	0	0	0.00	0	(1.11)
6	Jayantika Investment & Finance Limited	100000	0.45	0	0	0.00	0	(0.45)
7	Birla Education Trust	75000	0.33	0	75000	0.34	0	0.00
8	Mr. Basant Kumar Birla	71360	0.32	0	71360	0.33	0	0.00
9	Aditya Vikram Kumarmangalam Birla Huf .	29760	0.14	0	29760	0.14	0	0.00
10	Padmavati Investment Limited	28891	0.13	0	28891	0.13	0	0.00
11	Mrs. Rajashree Birla	26080	0.12	0	26080	0.12	0	0.00
12	B. K. Birla Foundation	15090	0.07	0	15090	0.07	0	0.00
13	Mrs. Vasavadatta Bajaj	8930	0.04	0	8930	0.04	0	0.00
14	Birla Group Holdings Private Limited (Note-1)	0	0.00	0	3618690	16.56	0	16.56
	Total	5518048	25.25	0	5418048	24.80	0	(0.45)

**\*Note-1**

TGS Investment And Trade Private Limited, Trapti Trading And Investments Private Limited and Turquoise Investment And Finance Private Limited have been amalgamated with Birla Group Holdings Private Limited through the scheme of Amalgamation approved by Hon'ble National Company Law Tribunal, Mumbai Bench vide its order dated May, 09 2019

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

Sl. No.		Shareholding at the beginning of the year 01.04.2019				Cumulative Shareholding during the year	
		Date	No. of shares	% of total shares of the company	Reason	No. of shares	% of total shares of the company
	At the beginning of the year	01.04.2019	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.)						
	Jayantika Investment & Finance Limited (Formely Parvati Tea Company Pvt. Ltd.)	21.11.2019	(40824)	0.19	Transfer	5477224	25.06
		22.11.2019	(3086)	0.00	Transfer	5474138	25.06
		25.11.2019	(56090)	0.26	Transfer	5418048	24.80
	At the end of the year	31.03.2020	5418048	24.80	-	5418048	24.80

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

Sl. No.	Name of Shareholder	Shareholding at the beginning of the year 01.04.2019		Date wise Increase(Decrease) in Shareholding during the year			Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	Date	No. of shares	Reason	No. of shares	% of total shares of the company
1	Life Insurance Corporation of India	1150886	5.27	27.12.2019	(5000)	Transfer	1145886	5.24
				31.12.2019	(40000)	Transfer	1105886	5.06
				03.01.2020	(35000)	Transfer	1070886	4.90
				10.01.2020	(16441)	Transfer	1054445	4.83
				17.01.2020	(33618)	Transfer	1020827	4.67
2	Mr. Hitesh Ramji Javeri*	619900	2.84	24.01.2020	(10885)	Transfer	1009942	4.62
				20.03.2020	4093	Transfer	623993	2.86
3	Mrs. Harsha Hitesh Javeri*	472000	2.16	20.03.2020	1500	Transfer	473500	2.17
4	Malingos International Holdings Limited	450000	2.06	-	-	-	450000	2.06
5	Larsin Enterprises Corp	450000	2.06	-	-	-	450000	2.06
6	French Wilbert Ltd.	250000	1.14	-	-	-	250000	1.14
7	Mr.Sanjeev Vinodchandra Parekh	13035	0.06	22.11.2019	3673	Transfer	16708	0.08
				29.11.2019	89990	Transfer	106698	0.49
				06.12.2019	49246	Transfer	155944	0.71
				13.12.2019	7409	Transfer	163353	0.75
				06.03.2020	4902	Transfer	168255	0.77
				13.03.2020	16849	Transfer	185104	0.85
8	IEPF Authority	169158	0.77	20.03.2020	20000	Transfer	205104	0.94
				30.08.2019	16676	Transfer	188994	0.86
				30.09.2019	(25)	Transfer	188969	0.86
				10.01.2020	(75)	Transfer	188894	0.86
9	Devi Investment and Development Corporation Inc.	177689	0.81	-	-	-	177689	0.81
10	Morelia Enterprises Ltd.	164470	0.75	-	-	-	164470	0.75
11	Mr.Sohan Samdani	134376	0.61	-	-	-	134376	0.61
12	Ms.Priti Agarwal	220000	1.01	05.04.2019	(66000)	Transfer	154000	0.70
				12.04.2019	(51456)	Transfer	102544	0.47
				26.04.2019	(102444)	Transfer	100	0.00
				02.08.2019	2100	Transfer	2200	0.01
				25.10.2019	8800	Transfer	11000	0.05
				01.11.2019	(3346)	Transfer	7654	0.04
				08.11.2019	(7654)	Transfer	0	0.00

Shareholding in different folios is consolidated on the basis of Permanent Account Number (PAN) of Shareholder.



(v) **Shareholding of Directors and Key Managerial Personnel:**

Sl. No	For Each of the Directors and KMP	Shareholding at the beginning of the year 01.04.2019		Date wise Increase/ Decrease in Shareholding during the year			Cumulative Shareholding during the year		Shareholding at the end of the year 31.03.2020	
		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 (Director) (ceased w.e.f. 03.07.2019)	71360	0.33	-	-	-	71360	0.33	71360	0.33
2	Mrs. Rajashree Birla (Director)	26080	0.12	-	-	-	26080	0.12	26080	0.12
3	Mr. Bansidhar S. Mehta (Director)	8540	0.04	-	-	-	8540	0.04	8540	0.04
4	Mr. Sohanlal Kundalmal Jain (Director)	125	0.00	-	-	-	125	0.00	125	0.00
5	Mr. Krishnagopal Ladsaria (CFO)	31	0.00	-	-	-	31	0.00	31	0.00

**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	3256	--	--	3256
(ii) Interest due but not paid	-	-	-	-
(iii) Interest accrued but not due	24	--	--	24
<b>Total (i+ii+iii)</b>	<b>3280</b>	<b>--</b>	<b>--</b>	<b>3280</b>
<b>Change in Indebtedness during the financial year</b>				
• Addition	522	--	--	522
• Reduction	(2065)	--	--	(2065)
<b>Net Change</b>	<b>(1543)</b>	<b>--</b>	<b>--</b>	<b>(1543)</b>
<b>Indebtedness at the end of the financial year</b>				
(i) Principal Amount	1724	--	--	1724
(ii) Interest due but not paid	--	--	--	--
(iii) Interest accrued but not due	13	--	--	13
<b>Total (i+ii+iii)</b>	<b>1737</b>	<b>--</b>	<b>--</b>	<b>1737</b>

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**

**A Remuneration to Managing Director Mr. O. R. Chitlange**

₹/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	347.60
	(b) Value of perquisites under section 17(2) of Income Tax Act, 1961	10.41
	(c) Profits in lieu of salary under section 17(3) Income Tax, 1961	-
2	Stock Options	-
3	Sweat Equity	-
4	Commission	-
	- As % of profit	-
	- Others, specify	-
5	Others, Please specify	
	Provident Fund(Co's Contribution),	8.59
	Superannuation (Exempted Portion)	1.50
	Total Remuneration	368.10
	Ceiling as per the Act, 5% of the net profit of company	391.05
	Net Profit of the Company for the year 2019-20 as per Section 198 of Companies Act, 2013	7821
	5% of Net Profit	391.05

**B. Remuneration to Other Directors****I. Independent Directors**

(₹/Lacs)

Sr. No.	Particulars of Remuneration	Mr. B S Mehta	Mr S K Jain	Mr. K S Thar	Smt. Usha Sangwan	Total Amount
1	Fee for attending board and other committee meetings	1.75	1.35	1.70	0.15	4.95
2	Commission	10.00	5.00	5.00	0.77	20.77
3	Others, Please specify	0.00	0.00	0.00	0.00	0.00
	<b>Total of (I)</b>	<b>11.75</b>	<b>6.35</b>	<b>6.70</b>	<b>0.92</b>	<b>25.72</b>

**II. Other Non Executive Directors**

(₹/Lacs)

Sr.	Particulars of Remuneration	Mr. B K Birla	Mrs. Rajashree Birla	Total Amount
1	Fee for attending board and other committee meetings	0.00	0.60	0.60
2	Commission	1.27	5.00	6.27
3	Others, Please specify	0.00	0.00	0.00
	<b>Total of (II)</b>	<b>1.27</b>	<b>5.60</b>	<b>6.87</b>
	<b>Total (I) + (II) Total Remuneration to Other Directors</b>			<b>32.59</b>
	<b>Total Managerial Remuneration (A + B)</b>			<b>400.69</b>
	<b>Overall Ceiling as per the Act of the net profit of the company</b>			<b>469.26</b>
Notes:				(₹/Lacs)
Net Profit of the Company for the year 2019-20 as per Section 198 of Companies Act, 2013				
1% of Net Profit = 78.21 x 1/ 100 =				0.78

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

(₹/Lacs)

Sr. No.	Particulars of Remuneration	Mr K Ladsaria Chief Financial Officer	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	104.04	44.81	148.85
	(b) Value of perquisites under section 17(2) of Income Tax Act, 1961	0.22	1.70	1.92
	(c) Profits in lieu of salary under section 17(3) Income Tax, 1961	-	-	-
2	Stock Options	-	-	-
3	Sweat Equity	-	-	-
4	Commission	-	-	-
	- As % of profit	-	-	-
	- Others, specify	-	-	-
5	Others, Please specify			
	Provident Fund(Co's Contribution)	4.50	2.38	6.88
	Superannuation (Exempted Portion)	0.00	1.50	1.50
	<b>Total Remuneration</b>	<b>108.76</b>	<b>50.39</b>	<b>159.15</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

The financial year 2019-20 was quite challenging. The bitter US- China trade war impacted economies globally, leading to a change in the interest rate, currency fluctuations and uncertainties of tariff, among others. Our raw material (caprolactam) price, being directly linked to oil, also experienced a sharp volatility. Dumping of Nylon Filament Yarn (NFY) by China and a sharp contraction in automobile demand, resulted in declining prices of NFY and under utilization of NTCF capacity, further impacting the Company's performance. Unfortunately, towards the end of the financial year, the world witnessed the outbreak of the Covid-19 pandemic. This resulted in a total lockdown in India and other parts of the world, creating uncertainties like never before.

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

### Industry

Century Enka Limited is the largest manufacturer of Nylon Filament Yarn (NFY) and the second-largest manufacturer of Nylon Tyre Cord Fabric (NTCF) in India. It manufactures NFY for the apparel industry and NTCF for the tyre industry. The NTCF is used as a reinforcement material in Bias/Cross ply tyres which are primarily used in trucks, buses, 2/3-wheelers, and for Off The Road (OTR) vehicles like mining, forestry, farming, heavy earth moving.

Over the last few years, the tyre industry has been witnessing a continuous shift from Bias tyres to Radial tyres, largely because of higher life and better riding comfort. Radial tyres are made using Steel Tyre Cord and Polyester Tyre Cord fabric as its reinforcement material. Going ahead, this shift is expected to continue into the major segments of medium and heavy vehicles.

The year 2019-20 witnessed demand contraction in tyres, resulting in reduced demand for NTCF. Apart from overall slowdown in the economy, other factors like liquidity crunch, crisis in the Non-Banking Finance Companies (NBFC) sector, increase in third party insurance and road tax and expectations of GST reduction further contributed to the slowdown in automobile demand. The economic impact of Covid-19 is further anticipated to affect market sentiments. It will take some time before its impact on business can be truly assessed. However, a surge in demand for 2 and 3 wheelers, as well as OTR, may contribute to retaining the overall consumption of NTCF in India at reasonable level.

NFY is mainly used in sarees, dupattas, dress material and ethnic dresses. The Indian NFY segment witnessed strong traction

in recent years. This was due to its wide range of application across varied fabric varieties as warp knits, circular knits, and narrow weaves along with its use on rapier and water-jet looms. Nylon remains a preferred yarn for ethnic dress material and sarees with *Jari* due to its superior comfort, stretch, softness, touch, and easy dyeing. NFY is also gaining fast demand and acceptance in body-hugging apparels, workwear, active and functional wear.

The industry, however, is dominated by small unorganised players who keep switching between Nylon and Polyester and indulge in opportunistic selling. The Company, therefore, suffers from low margins because of such intense competition from small unorganised players and imports.

The trade war between US and China, as stated earlier, has resulted in increased dumping of cheap NFY by China, further impacting the company's margins. As China was impacted by Covid-19 ahead of India, there was a disruption in production and delivery from China. This resulted in a better offtake in the market in the month of February and March 2020.

### Company Performance

The poor off-take of NTCF led to a decrease in the volume by 16.05% Metric Tons from 33,050 Metric Tons in 2018-19 to 27,745 Metric Tons in the 2019-20. To optimally utilise its capacities, the Company has been working on broadening its customer base. The Company, after a successful technical audit, is qualified for supplying to 2 internationally reputed tyre companies, based in India. The Company is also exploring the opportunities for exporting Nylon industrial yarn, instead of dipped NTCF, to enhance its capacity utilization.

The Company has also been working closely with NTCF customers to develop products for import substitution while increasing its share in value-added products. The Company's technical team and their untiring efforts have successfully helped enhance the product quality, making it comparable to international standards.

In NFY, the Company leads the market with over 25% market share. Disruption in China, since January 2020, due to an outbreak of Covid-19, helped the Company achieve a higher sales volume of about 2% as compared to the previous year. Due to increased dumping, an application was filed by the Industry Trade Association for the imposition of Anti-Dumping Duty (ADD) and after investigations, Director General of Trade Remedies, recommended imposition of Anti-Dumping Duty (ADD) on NFY imports from China, Taiwan, South Korea and Thailand. However, final notification by the Government is awaited. To improve the margin and to reduce the competitive

intensity, the Company continued its efforts in developing export markets and new products. Efforts were also made to augment production of Green Polymer to maintain its leadership position in export to USA and China.

Prices of the Company's key raw material (Caprolactam) witnessed sharp volatility and prices corrected from USD 1,735 / MT in March 2019 to USD 1,105 / MT in March 2020. This volatility in raw material prices also adversely impacted the Company's performance.

In the month of March 2020, the business was impacted due to lock-down imposed by the Government to contain the spread of Covid-19.

### Company Outlook

The year 2020-21 would be a year of challenges for the Company. Uncertainties arising due to the economic impact of Covid-19 are expected to continue at least for the first six months of the current financial year. The first quarter of the year is anticipated to be adversely impacted as the country remained in lockdown for the most part of it. The recovery of both, the domestic and global market, will guide the capacity utilisation with its direct bearing on the performance.

The intense fluctuation in crude oil prices results in unprecedented volatility in caprolactam prices and that may impact the company's performance adversely. Further impact may be severe due to sudden nation wide lock down that laid to temporary shut down of the Company's operations resulting in high inventory of raw material and finished goods. The substantially lower prevailing prices will impact the performance negatively.

The issue of migrant labourers will be a serious challenge, particularly for NFY sale. Surat happens to be a major consumer centre and the city has seen a huge number of migrant labourers leave, and it may not see normalcy in operations in the near term.

However, due to the strength of our balance sheet, the reputation of the Company and the product and institutionalized processes that we carry, we expect to recover faster than competitor. The Company operations has been resumed gradually post relaxation in lockdown announced by Central/State Government so that uninterrupted supplies to customers can resume. Quality enhancement drive undertaken by the Company, coupled with the Prime Minister's message of '**vocal for local**' is expected to lead to better consumption of the company's products.

The Company expects a surge in demand for 2-wheelers, as many people would like to use their vehicles for transportation and conveyance, and this may provide an opportunity for enhancing sales of NTCF. In addition to this, with the prediction of good monsoon, the demand in OTR is also anticipated to

see a surge which will be beneficial for NTCF. Similarly, an unprecedented low level of Caprolactam prices, which has led to lower prices of NFY, may boost more consumption leading to faster recovery. All in all, the financial year 2020-21 is expected to be difficult and challenging.

### 3. RISK MANAGEMENT

Risk Management is one of the most important business aspects in the current economic environment in which the Company is operating. Its objective is to identify, monitor and take mitigation measures on a timely basis for the unforeseen events that may be potential business risks.

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 analyzed by the Management are as under:

#### (a) Dependency on imports of raw material with highly volatile prices coupled with foreign currency fluctuations:

Gujarat State Fertilizers and Chemicals Limited (GSFC) is the sole domestic manufacturer of Caprolactam and it does not have the capacity to meet the total demand of the domestic industry. Hence, the industry is dependent on imports. This results not only in higher inventory carrying cost but also a risk of additional cost due to currency fluctuations. The Company is continuously working on increasing its supplier base to reduce cost and lead time and ensure uninterrupted supplies. The Company simultaneously reviews its policies and practices to adjust the inventory levels of both raw materials and finished goods in line with changing demand to reduce the impact of volatility in raw material prices while ensuring the availability of enough stocks for optimum production plans and supply of finished goods.

The Company has been successful in negotiating with all its suppliers of Caprolactam and Chips, where it has annual contracts/long business relationship, to change the pricing formula which will significantly reduce the impact of raw material price volatility.

The Company is also engaged with another local Caprolactam manufacturer who plans to restart its closed plant.

The Company covers its foreign currency exposures in the forward market based on the business cycle to minimize the impact of currency fluctuations.



**(b) High Energy Cost:**

The Company is continuously working on various options including power purchase under open access to reduce the cost of power.

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

The Company invested in renewable energy generation equipment to reduce power cost. The Company has a robust system where internal people and external experts interact on a regular basis to generate ideas for energy saving and on evaluation, it does make regular investments to conserve energy. The initiatives on this front are considered satisfactory.

**(c) Technology Risk:**

Technology obsolescence may adversely impact the production process and technical support from original equipment manufacturers, leading to losses. The Company regularly makes investments in upgrading the technology to mitigate this risk and ensure efficiency in improvement.

**(d) Accident Risk:**

The Company has a dedicated team for Safety which reviews practices and processes regularly. All Personal Protective Equipment (PPE) and firefighting equipment are examined on regular basis for their condition and adequacy. The Company engages external experts for regular audits for fire and safety, among others, and acts on the recommendations of these experts.

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

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

**Safety:**

Safety is one of the key focus areas of the Company. It strives to make its plants and process operations safe. The Company, to ensure the effectiveness of safety management, gets its fire safety system, electricity system, job safety analysis (HIRA) and (IMS) surveillance systems audited by external agencies. The Company also conducts various safety awareness programmes and trainings, for all categories of employees, to impart basic skill and knowledge on safety.

**Health:**

The Company actively pursues healthy and conducive work environment for all employees. Medical services are

assessable to all employees at both the Plant sites. Periodical health check-ups are conducted across the workforce as per the Factories Act. Specific health check-up like audiometry for high noise is also conducted. Adequate and personal protective equipment are provided. Emphasis is given to cleanliness, personal hygiene, and good housekeeping. Mechanical means of control like dust extraction, fume exhaust system and noise absorbers are also used. Occupational Health and Safety Management System of both, Pune and Bharuch sites are certified by an International Body British Standard for Occupational Health and Safety Assessment Series 18000:2007.

**Environment and Sustainability:**

The Company has a well-organised Environment Management System 14005:2015 certified by BVQA/DQS audit agencies. Strict monitoring over effluent treatment, stack emission and ambient air is always in place to ensure that these are within the stipulated parameters set out by State Pollution Control Board. Sample checking at quarterly interval by the Government approved laboratory is also undertaken.

Some of the measures for environment protection and sustainability undertaken are:

- a) Disposal of waste generation in compliance with State Pollution Control Board guidelines
- b) Undertook various energy-saving projects and monitored their effectiveness and efficiency with the help of the energy conservation cell of the Company
- c) Adopted advanced energy conservation approach for waste heat recovery and vapour absorption
- d) Used biomass for a major part of steam generation for production
- e) Installed solar power panels for lighting and borewell water pump
- f) Fully equipped effluent treatment plant to treat waste water along with tertiary treatment facility to make the water suitable for recycling and conserving natural resources and zero waste water discharge for the Company
- g) Recycled Nylon waste to convert into Caprolactam, the basic raw material and then to Nylon-6 chips, known as Green Chips for internal consumption and exports
- h) Reused old paper tubes
- i) A lot of significance is given to reduction of manufacturing waste, recycling, reusing, co-processing and its eco-friendly disposal. To reduce disposal of ETP waste, the Company has installed Paddle Drier to dry ETP sludge that reduces waste quantity to one fifteenth.



- j) Conversion of green waste into manure for gardening
- j) 5<sup>th</sup> June is celebrated as Tree Plantation Day by planting saplings of trees at both the Plant sites of the Company to promote awareness about pollution and importance of conservation of environment
- k) Refrigerants with Ozone Depleting Substance (ODS) have been replaced with non-ODS refrigerants

NFY produced by the Company is certified by OEKO TEX S-100, REACH and ECHA. NTCF produced by the Company is certified by REACH and ECHA.

## 5. HUMAN RESOURCE AND INDUSTRIAL RELATIONS

The employees of the Company are its core strength and a key driver in achieving the business performance and goals. The Company focuses on upgradation of knowledge and skill and providing conducive work environment.

The Company has well defined HR policies in place, which enable it in building a strong performance-oriented culture, a sense of belongingness and commitment to work.

The Company has various welfare schemes for employees and their families, like healthcare and term insurance policies.

The industrial relations at both the sites of the Company are cordial.

The strength of the permanent employees of the Company as on 31<sup>st</sup> March, 2020 was 1,595.

## 6. INTERNAL CONTROL SYSTEM AND ITS ADEQUACY

The Company has a robust internal control system commensurate to 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 designed to provide a reasonable assurance and are well supported by ERP (SAP) system. Apart from self-monitoring of internal controls, Internal Auditors have also expressed their satisfaction about the adequacy of the internal control systems.

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

## 7. INFORMATION TECHNOLOGY

Robust but responsive information systems play a key role in driving business process efficiently and effectively. The Company is continuously transforming its information systems and utilising it at its best to achieve key business initiatives.

Business process re-engineering was the Company's key focus area in previous year. It helped improve operational efficiency of various internal business processes.

The Company ensured business continuity through its agile information systems and implemented adequate security measures to maintain Information Security and Data Protection.

Various digital initiatives are being planned in the times to come with the perspective of business process integration, enhancing work efficiency, facilitating swift and accurate business decisions, seamless business transaction, to support business growth and be responsive to the evolving IT scenario.

## 8. FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

### I. Highlights

	2019-20	2018-19
Net Revenue from Operations	1,42,348	1,79,138
Profit before Depreciation, Financial Cost, Exceptional Items and Tax	13,544	17,214
Depreciation	4,550	4,504
Finance Cost	349	346
Exceptional Items	-	(454)
Taxation (Net)	(908)	4,252
Net Profit After Tax	9,553	7,658
Earnings per Share (₹)	43.72	35.04
Cash Earnings per Share (₹)	51.37	57.63

₹ / In Lacs

#### a. Net Revenue from Operations:

Net revenue for the year was lower by 20.54%. Sales in terms of volume (MT) was lower by about 6.62%. Lower Revenue for the year reflects the lower volumes, mainly due to NTCF and lower realisations.

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

PBIDT was lower on account of lower volumes and losses on account of volatility in raw material prices

#### c. Finance Cost:

Finance cost continued to remain low owing to lower borrowings.

#### d. Exceptional Items:

Exceptional item in previous year represents, write down in carrying value of machinery not in use.



## II. Key Financial Ratios:

Ratio	2019-20	2018-19	Explanation for change
Debt / Equity Ratio	0.02	0.03	Lower Debt due to scheduled repayments/prepayments
Net Profit Margin	6.71%	4.27%	Lower tax expenses

## III. Return on Net Worth:

Ratio	2019-20	2018-19	Explanation for change
Return on Net Worth	9.32%	8.02%	Higher net profit due to lower expense

## 9. CORPORATE SOCIAL RESPONSIBILITY (CSR)

The Company's primary focus under Corporate Social Responsibility is on skill development, education, infrastructure, healthcare, community development, environment and women empowerment.

### 1. SKILL DEVELOPMENT AND EDUCATION:

#### a. Vocational Training Institute

The Company continued financial support to meet a part of the cost of teaching staff and workshop consumables for a Vocational Training Institute situated in the vicinity of its Bharuch site.

#### b. Shiksha Sathi Project and Poshanvahini Project

The Company collaborated in the project Shiksha Sathi (Volunteer Teacher) launched by the Collector, Narmada District (Gujarat). The Company sponsored 30 volunteer teachers for primary schools in tribal area to meet the scarcity.

The Company also collaborated in the project *Poshanvahini* (assistance) launched by the Collector, Narmada District (Gujarat) to strengthen the *Anganwadi* centers by engaging one assistant at each center. The Company sponsored 50 assistants for the project.

#### c. Educational Material and School Uniform

*Kanya Kelvani* (Girl Education) and *Shala Praveshotsav* (School Admission) are the ambitious annual events organised by the Government of Gujarat at the beginning of new academic session to promote education among the girl child. It also celebrates the enrolment of new children of Anganwadi and Standard 1<sup>st</sup> as a festival.

The Company participated in the celebrations and distributed educational material to more than 3,300 students of 22 schools and uniforms to students of 4 different schools located in the surrounding area of the Company's Bharuch site.

#### d. School Infrastructure

- Provided playing equipment like swings, sliders, see-saw, animal MGR to 14 Gujarat Government schools located close to the Company's site.
- Provided infrastructure like cupboards, chairs, tables, notice boards, green boards, bulletin boards and water tanks, among others.
- Installed 8 water coolers to government schools in the vicinity of Bharuch Site.
- Constructed basketball court and provided playing equipment to schools in the vicinity of Bharuch site.
- Provided CCTV Camera/upgradation of system of 2 schools, ensuring student safety. Also provided computers, UPS, and software for managing school activities systematically.
- Provided financial support for construction of 4 classrooms at Mahad (Maharashtra).
- Provided financial support to equip laboratories of a college in a hilly region of Satara (Maharashtra) with a strength of about 3,000 students, 60% of which are girls students.
- Constructed sheet roof at a school's entrance to protect students from getting wet in monsoon.
- Provided a minibus to an organisation in Pune, Maharashtra, for ferrying children of poor farmers to school.

### 2. HEALTH, HYGIENE AND MEDICAL PROGRAMMES:

#### a. General Medical Camp:

- The Company has organised a general health checkup camp in collaboration with Shree Narmada Khand Udhog Sahakari Mandali Ltd. and Anekant Community Center, USA. During the camp, more than 1,450 villagers from the surrounding 15 villages of Bharuch site were examined by doctors. Free medicines were also distributed.
- A Medical camp organised near Bharuch site, with Doctors from different fields, examined more than 80 villagers and 3 women were operated for gynecologic disease at no cost.

**b. Eye Checkup and Cataract Operation Camp:**

During the year, four camps for eye checkup and the cataract operations were organised near the Company's Bharuch site. This was done to help and treat the poor and the aged villagers with their eye problems. More than 850 people were checked and more than 50 cataract patients were operated free of cost.

**c. Blood Donation Camp:**

To tackle the shortage of blood in the tribal area, the Company organised two blood donation camps in the premises of its Bharuch site. These camps were organised in association with Indian Red Cross Society, Rajpipla, wherein the Company employees donated 112 blood units.

**d. Sanitizer Kit Distribution:**

The Company has launched Covid-19 awareness campaign in villages close to its Bharuch site. The Company distributed sanitizer, soaps, and masks, among others. Essential grocery and food items were also distributed to about 6,000 poor people.

**3. COMMUNITY DEVELOPMENT****a. Borewell Construction:**

The Company constructed 4 borewells in a village in the vicinity of Bharuch Site, to solve the water problem, benefitting about 400 people.

**b. Community Hall:**

The Company extended a support of ₹ 10 Lacs towards the construction of community hall in a village in the vicinity of Bharuch site. This hall will be used by about 1,400 villagers for the purpose of community development and social functions.

**c. Toilet Construction:**

The Company supported construction of 81 toilets in a village in the vicinity of Bharuch site.

**d. Plain Cement Concrete (PCC) Road Construction:**

The Company constructed about 300 meters of PCC Road in a nearby village of Bharuch site to help the villagers overcome commute problems during monsoon.

**4. ENVIRONMENT AND SUSTAINABLE LIVELIHOOD****a. Beauty Assistant Course:**

A Beauty Assistant Course has been organised for the girls from the surrounding villages of Bharuch site as an initiative to empower them financially. A total 25 girls benefited from this course.

**b. Vermin Compost Project:**

The Company selected three needy farmers from two different villages for setting up Vermin Compost unit. It helped them to eliminate the use of organic fertilizer and generate income. This inspired other farmers for setting up Vermin Composite units.

**c. Tree Plantation and Maintenance:**

The Company organized tree plantation on both sides of the 10 kms of Gujarat State Highway no. 64, in the Vicinity of Bharuch site. The Company also undertook the responsibility for the upkeep, watering, and maintenance of the plantations.

The Company also planted and nurtured about 2,000 trees in the area near Pune Site, Maharashtra.

**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 provided as follows:

### 1. BOARD OF DIRECTORS

#### Composition

The Board of Directors as on 31<sup>st</sup> March, 2020 comprises of six Directors out of which five Directors are Non-Executive Directors including two women Directors and one Director is Managing Director who is entrusted with substantial powers of management of the affairs of the Company. The Chairperson of the Company is a Non-Executive Director. Out of six Directors, four Directors are Independent Directors which include one independent woman director. The total strength of independent directors comprises more than half of the total strength of the Board. The Non-Executive Directors are eminent persons having considerable experience in their respective fields of industry, management, 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 <sup>1</sup>	Membership held in Committee of Directors <sup>2</sup>	Chairmanship held in Committee of Directors <sup>2</sup>
Mr.B.K. Birla (ceased w.e.f. 03.07.2019)	00055856	Non-Executive and Promoter	71,360	4	0	0
Mrs. Rajashree Birla	00022995	Non-Executive and Promoter	26,080	6	0	0
Mr.B.S.Mehta	00035019	Non-Executive and Independent	8,540	4	3	1
Mr.S.K. Jain	02843676	Non-Executive and Independent	125	1	1	-
Mr.K.S. Thar	00390137	Non-Executive and Independent	-	-	-	-
Mrs.Usha Sangwan (appointed w.e.f.05.02.2020)	02609263	Non-Executive and Independent	-	3	-	-
Mr. O.R. Chitlange	00952072	Executive - Managing Director	-	-	-	-

- Mr.B. K. Birla (ceased w.e.f. 03.07.2019) and Mrs.Rajashree Birla were related as in-laws (except these, no director is related to any other director on the Board)
- The Company through periodical presentation to Board of Directors and various committee of Directors and individually 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://www.centuryenka.com/pdf/policies/Familiarisation\\_Programme.pdf](http://www.centuryenka.com/pdf/policies/Familiarisation_Programme.pdf)
- Core skills/expertise/competencies of the Board of Directors.

The relevant skill/expertise/competencies of the Board of Directors of the Company in the context of its business man made fibre shall be finance, industry experience, law, risk management and corporate governance and these are available with the Board.

The Board of Directors of the Company possesses the requisite skill/expertise/ competencies in the context of its business Man Made Fibre to function effectively. The core skill/expertise/ competencies that are available with respective directors are as under:

No.	Director	Skill/Expertise/Competencies
1	Mrs. Rajashree Birla	Corporate Governance, Entrepreneur, Leadership and Corporate Social Responsibility
2	Mr. B.S.Mehta	Corporate Governance, Taxation, Finance and Account
3	Mr. S.K.Jain	Corporate Governance, Law
4	Mr. K.S.Thar	Corporate Governance, Finance and Account
5	Mrs. Usha Sangwan	Corporate Governance, Risk Management and Corporate Management.
6	Mr. O.R.Chitlange	Corporate Governance and Corporate Management

- D. The Company has informal plan for orderly succession for appointment to the Board of Directors and Senior Management.
- E. 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 a system to ratify any instance of non-compliance. The Board also reviews the compliance reports periodically.
- F. The terms and conditions of appointment of independent director is also available on the Company's website: [http://www.centuryenka.com/pdf/Independent\\_directors\\_terms\\_conditions.pdf](http://www.centuryenka.com/pdf/Independent_directors_terms_conditions.pdf)
- 1 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.
  - 2 Membership/Chairmanship in Committee of Directors includes Audit Committee and Stakeholders' Relationship Committee of Directors only. This does not include Membership/Chairmanship in Committee of Directors of Century Enka Limited.

#### Directorship held in Listed Companies and the category of directorship:

Name of the Director	Name of listed companies in which also holds directorship	Category of directorship
Mr.B.K. Birla (ceased w.e.f. 03.07.2019)	Century Textiles and Industries Limited Jay Shree Tea & Industries Limited Kesoram Industries Limited Pilani Investment & Industries Corporation Limited	Non-Executive- Non-Independent Director Non-Executive- Non-Independent Director Non-Executive- Non-Independent Director Non-Executive- Non-Independent Director
Mrs. Rajashree Birla	Grasim Industries Ltd Hindalco Industries Limited UltraTech Cement Limited Century Textiles and Industries Limited Pilani Investment and Industries Corporation Limited	Non-Executive- Non-Independent Director Non-Executive- Non-Independent Director Non-Executive- Non-Independent Director Non-Executive- Non-Independent Director Non-Executive- Non-Independent Director
Mr.B.S. Mehta	Pidilite Industries Limited Gillette India Limited Procter & Gamble Hygiene and Health Care Ltd. Atul Limited	Non-Executive- Independent Director Non-Executive- Independent Director Non-Executive- Independent Director Non-Executive- Independent Director
Mr.S.K. Jain	Century Textiles and Industries Limited	Non-Executive- Independent Director
Mr.K.S. Thar	-	-
Mrs.Usha Sangwan	Ultra Tech Cement Limited Grasim Industries Ltd.	Non-Executive- Independent Director Non-Executive - Non Independent Director
Mr.O.R. Chitlange	-	Managing Director

## 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 2019-20 as well as attendance of Directors at the Board Meetings and the last AGM are given here below:

#### Details of Board Meetings:

Number of Board Meetings held during the year 2019-20 : 6			
Sr. No.	Date of Board Meeting	Sr. No.	Date of Board Meeting
1.	21.05.2019	4.	29.07.2019
2.	13.07.2019	5.	07.11.2019
3.	20.07.2019	6.	05.02.2020

#### Attendance Record of Directors :

Name of the Director	Number of Board Meetings held	Number of Board Meetings Attended	Whether attended last AGM held on 13.07.2019
Mr.B.K. Birla (Ceased w.e.f. 03.07.2019)	1	0	NA
Mrs. Rajashree Birla	6	4	No
Mr. B. S. Mehta	6	6	Yes
Mr. S. K. Jain	6	5	Yes
Mr. K. S. Thar	6	6	Yes
Mrs.Usha Sangwan (Appointed w.e.f. 05.02.2020)	1	1	NA
Mr. O. R. Chitlange	6	6	Yes



### Meeting of Independent Directors and Attendance Record:

Independent Directors are required 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.

A meeting of Independent directors took place over mobile phone on 27<sup>th</sup> March, 2020 as permitted by Ministry of Corporate Affairs vide General Circular no.11/2020 dated 24<sup>th</sup> March, 2020 due to lockdown imposed in the country by the Government of India to control COVID-19 pandemic and exchanged their views on the above said matters.

### 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 Managing 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 Committee /Share Transfer Committee	₹ 5,000/-

##### (ii) Commission

Pursuant to special resolution passed by the shareholders in the 53<sup>rd</sup> Annual General Meeting of the Company held on 13<sup>th</sup> July, 2019, 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 2019-20:

Name	Sitting Fee for Board/ Committee Meetings Attended	Commission
Mr. B. K. Birla (Ceased w.e.f. 03.07.2019)	₹ Nil	₹ 1,27,049/- (*)
Mrs. Rajashree Birla	₹ 60,000/-	₹ 5,00,000/-
Mr. B. S. Mehta	₹ 1,75,000/-	₹ 10,00,000/-
Mr. S. K. Jain	₹ 1,35,000/-	₹ 5,00,000/-
Mr. K. S. Thar	₹ 1,70,000/-	₹ 5,00,000/-
Mrs. Usha Sangwan (Appointed w.e.f. 05.02.2020)	₹ 15,000/-	₹ 76,503/- (*)

(\*) for proportionate period

#### (b) Managing Director

Remuneration of Mr. O. R. Chitlange, Managing Director for the financial year 2019-20 comprises Salary and Allowances ₹ 299.50 lacs, Perquisites ₹ 1.18 lacs and Contribution to Provident Fund ₹ 8.59 lacs & Superannuation Fund ₹ 10.73 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. He is also entitled to annual variable pay of ₹ 48.10 lacs p.a. linked to the achievement of business and individual performance as may be decided by the Board of Directors from time to time. There are no stock option and pension. The employment is on contractual basis and subject to termination by either party giving to the 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://www.centuryenka.com/pdf/code-of-conduct-2015.pdf>

#### 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/audited) 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, capital expenditure budget, 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 2019-20	21.05.2019	29.07.2019	07.11.2019	05.02.2020
<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		3	
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, Managing Director, Chief Financial Officer and partners/other representatives of the firms of Statutory Auditors and Internal Auditors were also present (except where leave of absence was requested) at the meetings to answer the queries raised by the Committee Members. The cost Auditors remains present in the meeting in which cost statements are presented for Board approval.

The Chairman of Audit Committee was present at 53<sup>rd</sup> Annual General Meeting of the Company held on 13<sup>th</sup> July, 2019.

#### 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, as may be amended / modified from time to time which interalia includes recommendation to Board of Directors remuneration policy for the Company, formulation of criteria for performance evaluation of Directors, Chairman, Board and Committee of Directors, appointment of Director, appointment and remuneration of Managing 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 meetings during the year 2019-20	21.05.2019	07.11.2019	05.02.2020
--	------------	------------	------------

Name of Committee Member	No. of Meetings held	No. of Meetings attended
Mr. B. S. Mehta (Chairman) Non-Executive and Independent Director	3	3
Mr. S. K. Jain Non-Executive and Independent Director	3	3
Mr. K. S. Thar Non-Executive and Independent Director	3	3

## 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 2019-20	21.05.2019	07.11.2019
---	------------	------------

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. O. R. Chitlange Executive - Managing Director	2	2

## 9. STAKEHOLDERS' RELATIONSHIP COMMITTEE OF DIRECTORS:

The Board of Directors has reconstituted a Stakeholders' Relationship Committee increasing its members from three to four directors w.e.f. 5<sup>th</sup> February, 2020. 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 which inter alia includes complaints related to transfer/transmission of shares/non-receipt of dividend warrants/annual reports/issue of duplicate share certificates/effective exercise of voting rights/initiatives taken to reduce the quantum of unclaimed dividend. 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 Committee of Directors.

The Secretary of the Company is the Compliance Officer.

The shareholders/investors can send shares/debentures related complaints, if any, through e-mail: [cel.investor@birlacentury.com](mailto:cel.investor@birlacentury.com) designated exclusively for this purpose.

The Committee consists of four 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 2019-20	07.11.2019
--	------------

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. K. S. Thar Non-Executive and Independent Director	1	1
Mrs. Usha Sangwan Non-Executive and Independent Director (Appointed w.e.f. 05.02.2020)	-	-
Mr. O. R. Chitlange Executive - Managing Director	1	1

Status of Shareholders'/Investors' Complaints for the period 01.04.2019 to 31.03.2020

Nature of complaint	No. of complaints received	No. of complaints resolved	No. of complaints pending
Exchange of Share Certificates	2	2	-
Issue of Duplicate Share Certificate	1	1	-
Dividend	2	2	-
Others	3	3	-
Total	8	8	-

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 and transfer of shares

There is also a delegation of authorities to Senior Executives to attend share transfer formalities and register within stipulated time, provided all the documents are valid and complete in all respects.

Share transfers approved by the delegated authorities are placed before the Share Transfer Committee/Board for its review. As on 31<sup>st</sup> March, 2020, no shares were pending for transfer.

As per Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, with effect from 1<sup>st</sup> April, 2019 except in case of transmission or transposition of securities, requests for effecting transfer of securities shall not be processed unless the securities are held in the dematerialized form with a depository.

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:

Date of Share Transfer Committee meetings during the year 2019-20	25.04.2019	20.08.2019	22.11.2019	10.02.2020
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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
2017	05.08.2017	12:30 PM	Pudumjee Hall, Mahratta Chamber of Commerce, Industries and Agriculture, Tilak Road, Pune-411002.
2018	14.07.2018	12.30 PM	Pudumjee Hall, Mahratta Chamber of Commerce, Industries and Agriculture, Tilak Road, Pune-411002.
2019	13.07.2019	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 51<sup>st</sup> Annual General Meeting held on 5th August, 2017 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 ₹ 150 Crs.
- (ii) In the 52<sup>nd</sup> Annual General Meeting held on 14<sup>th</sup> July, 2018 there was no special resolution to be passed by the shareholders.
- (iii) In the 53<sup>rd</sup> Annual General Meeting held on 13<sup>th</sup> July, 2019 following special resolution was passed :
  - (a) Reappointment of Mr. K.S. Thar (DIN 00390137) as a Non-Executive Independent Director of the Company for a second term of five years w.e.f. 27<sup>th</sup> November, 2019.
  - (b) Consent of the Company was accorded to pay remuneration by way of commission to its directors except directors in whole time employment of the company at a rate not exceeding one percent of the net profits of the Company in each year, computed in accordance with the provisions of Sections 197 and 198 of the Companies Act, 2013. The payment is subject to ceiling, if any, as the Board of Directors may, from time to time fix within the limit of one percent for each year and the same be divided amongst them in such manner as the Board of Directors may, from time to time fix in that behalf for each year

### C) Resolutions passed through Postal Ballot:

There was no resolution passed in the financial year 2019-20 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 Transactions Policy (the policy) regulates the transactions between the Company and its related parties. The policy as approved by the Board of Directors is available on the website of the Company [http://www.centuryenka.com/pdf/policies/Policy\\_Related\\_Party\\_Transaction.pdf](http://www.centuryenka.com/pdf/policies/Policy_Related_Party_Transaction.pdf).

## 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://www.centuryenka.com/pdf/policies/Whistle Blower\\_Policy.pdf](http://www.centuryenka.com/pdf/policies/Whistle Blower_Policy.pdf).

## 14. STATUS OF INDEPENDENT DIRECTORS

The Independent Directors in the opinion of the Board fulfill the conditions specified in the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and are independent of the management.

**15. THE BOARD HAS ACCEPTED ALL THE RECOMMENDATIONS OF COMMITTEES DURING THE FINANCIAL YEAR 2019-20.****16. TOTAL FEES PAID/ PAYABLE TO STATUTORY AUDITORS FOR THE FINANCIAL YEAR 2019-20 IS ₹ 47 LACS.**

(There is no subsidiary company/ network firm/ network entity.)

**17. CREDIT RATINGS OBTAINED DURING THE FINANCIAL YEAR 2019-20**

Particulars	₹ in crores	Credit Ratings
Bank Facilities (for debt instruments/facilities)		
Long Term Ratings	279	CRISIL A+/Stable (Reaffirmed)
Short Term Ratings	266	CRISIL A1+/(Reaffirmed)
<b>Total Bank Facilities</b>	<b>545</b>	

**18. DISCLOSURES UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013**

Number of complaints filed during the financial year	Number of complaints disposed of during the financial year	Number of complaints pending as on end of the financial year
Nil	Nil	Nil

**19. 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 except National Stock Exchange of India Limited and BSE Ltd. have issued notice both dated 3<sup>rd</sup> February, 2020 on non-compliance of Composition of Board of Directors under Regulation 17(1) of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 as the total number of directors required under the said regulations has come down from six directors to 5 directors and as per the SEBI circular No. SEBI/HO/CFD/CMD/CIR/P/2018/77 dated 3<sup>rd</sup> May, 2018 Stock Exchange are required to levy fine and intimated to pay a fine of ₹ 4,50,000/- plus GST of ₹ 81,000/- by each one. The Company vide its letter dated 13<sup>th</sup> February, 2020 has replied the notice and clarified that there is no non-compliance, as it has appointed a director within prescribed time and meet the compliance of Composition of Directors as required under the aforesaid regulations within time.

**20. 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.

**21. MANAGEMENT'S DISCUSSION AND ANALYSIS REPORT FORMS A PART OF THE ANNUAL REPORT****22. GENERAL SHAREHOLDER INFORMATION****Annual General Meeting**

Day, Date and Time : Thursday, the 13<sup>th</sup> August, 2020 at 12.30 PM (IST)

Venue : Through video conferencing

Financial Year : 1st April - 31st March

Financial Calendar

Financial reporting for the quarter ending 30th June, 2020 : On or before 14th August, 2020

Financial reporting for the quarter ending 30th September, 2020 : On or before 14th November, 2020

Financial reporting for the quarter ending 31st December, 2020: On or before 14th February, 2021

Financial reporting for the quarter ending 31st March, 2021: On or before 30th May, 2021

Book Closure : The Register of Members and Share Transfer Register will remain closed from Monday, 3<sup>rd</sup> August, 2020 to Wednesday, 5<sup>th</sup> August, 2020 (both days inclusive) for the purpose of payment of dividend.



**Dividend Payment Date** : On or after 17<sup>th</sup> August, 2020

**Registered Office** : Plot No.72 & 72-A, MIDC, Bhosari, Pune- 411 026.  
Tel. No.(020) 66127300/27120423 Fax No.(020) 27120113  
E-mail : cel.investor@birlacentury.com  
Company's Website : www.centuryenka.com

**Listing at Stock Exchanges** : The Company's Equity Shares are listed at the following Stock Exchanges

- BSE Limited, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400001.
- The National Stock Exchange of India Limited "Exchange Plaza", Bandra-Kurla Complex, Bandra (East), Mumbai - 400051.

**Payment of Annual Listing Fees** : The Annual Listing Fees for the year 2020-21 have been paid.

**Stock Code** : BSE Limited : 500280  
National Stock Exchange : CENTENKA

**ISIN allotted to Equity Shares** : INE485A01015

### STOCK MARKET DATA

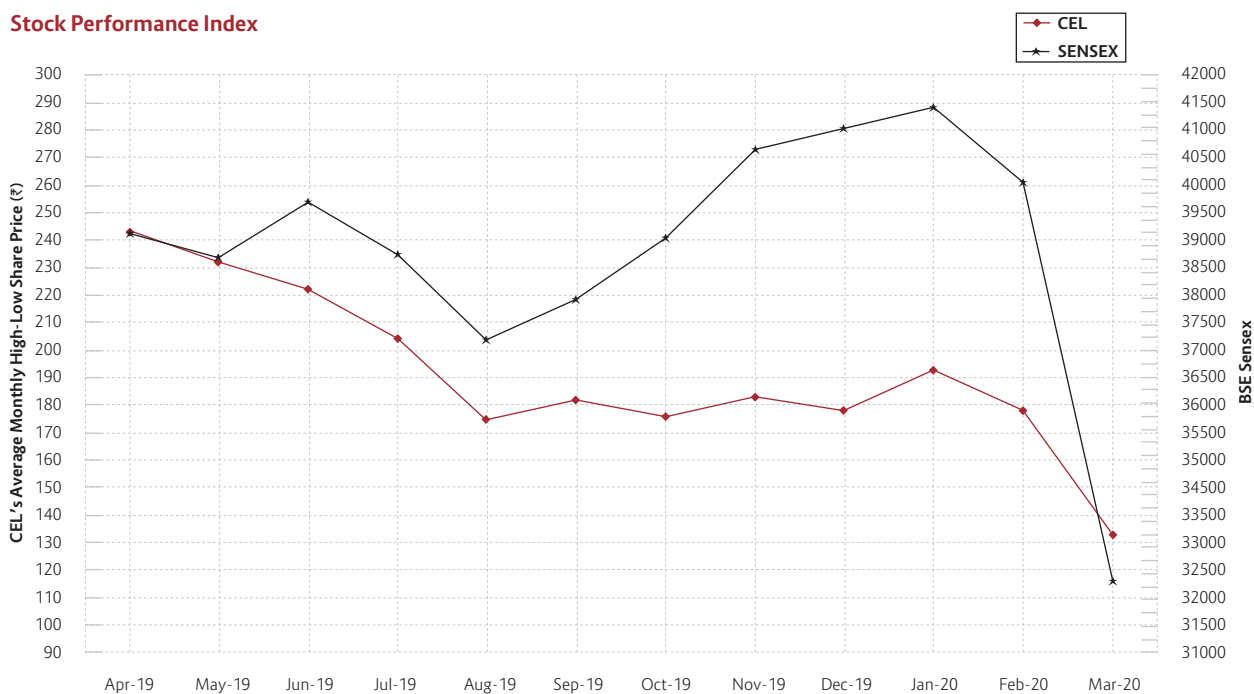
Monthly high and low prices of equity shares of the Company quoted at BSE Ltd (BSE). and The National Stock Exchange of India Ltd. (NSE) during the year 2019-20 :

(Amount in ₹)\*

Month	BSE		NSE	
	High	Low	High	Low
April 2019	259	226	259	227
May	245	218	245	218
June	230	215	230	215
July	238	170	237	177
August	189	161	189	161
September	198	165	199	165
October	185	166	185	166
November	190	176	191	175
December	185	171	186	170
January 2020	219	167	219	154
February	199	157	198	158
March	165	100	166	95

(\*) Rounded-off to nearest Rupee

### Stock Performance Index



**Distribution of Shareholding as on 31st March, 2020**

No. of equity shares held	No. of shareholders	% of shareholders	No. of equity shares held	% of shareholding
1 to 10	10996	25.25	64646	0.30
11 to 50	15147	34.78	460320	2.11
51 to 100	5989	13.75	535225	2.45
101 to 500	8012	18.40	2037886	9.33
501 to 1000	1639	3.76	1277753	5.85
1001 to 5000	1449	3.33	3152525	14.43
5001 and above	322	0.74	14322234	65.55
<b>Total</b>	<b>43554</b>	<b>100.00</b>	<b>21850589</b>	<b>100.00</b>

**Categories of Shareholding as on 31st March, 2020**

Category	No. of shareholders	% of shareholders	No. of shares held	% of shareholding
Individuals	42242	96.98	11676706	53.44
Bodies Corporate	697	1.60	1120156	5.13
Non-Resident Bodies Corporate	3	0.01	1150000	5.26
FII's	11	0.03	436895	2.00
NRIs/OCBs	527	1.20	568955	2.60
Mutual Funds	12	0.03	4365	0.02
Banks, Financial Institutions & Insurance Companies	46	0.11	1284265	5.88
Investor Education and Protection Fund	1	0.00	185734	0.85
NBFC's registered with RBI	3	0.01	5225	0.02
Foreign Nationals	1	0.00	240	0.00
<b>Total</b>	<b>43543</b>	<b>99.97</b>	<b>16432541</b>	<b>75.20</b>
Promoters	11	0.03	5418048	24.80
Non-Promoters	43543	99.97	16432541	75.20
<b>Total</b>	<b>43554</b>	<b>100.00</b>	<b>21850589</b>	<b>100.00</b>

- Dematerialisation of Shares and Liquidity** : 91.97% of Equity Shares have been dematerialized as on 31st March, 2020. Trading in shares of Century Enka Limited is available in dematerialised form.
- Outstanding GDRs ADRs Warrants or any convertible instruments** : The Company has not issued any GDRs/ADRs Warrants/Convertible Instruments.
- Foreign Exchange Risk & Hedging activities** : It is the policy of the Company to cover its foreign currency exposure for imports to avoid currency exchange fluctuation. There is no hedging available in Caprolactam, the raw material of the Company.
- Plant Locations** : Pune, Rajashree Nagar (Bharuch) and Mahad (Not in operation)
- Share Transfer Agent** : 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
- Share Transfer System** : Share Transfer System is explained in Share Transfer Committee of Directors.
- Address for Correspondence** : Century Enka Limited  
Plot No.72 & 72-A,  
MIDC, Bhosari, Pune- 411 026.  
Tel. No.(020) 66127300/27120423  
Fax No.(020) 27120113  
E-mail : cel.investor@birlacentury.com



### **Transfer of Equity Shares to Investor Education and Protection Fund Authority**

Pursuant to Section 124 of the Companies Act, 2013 read with Rule 6 of Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 as amended from time to time, shares in respect of which dividends had not been claimed for 7 (seven) consecutive years were required to be transmitted to Investor Education and Protection Fund Authority (IEPF Authority). Accordingly, 16,676 equity shares of ₹ 10/- each face value of 628 shareholders who had not encashed dividend warrants for 7 (seven) consecutive years from the financial year 2011-12 were transmitted to IEPF Authority on 27<sup>th</sup> August, 2019.

(24,686 equity shares of ₹ 10/- each face value of 676 shareholders were transmitted to IEPF Authority on 1<sup>st</sup> September, 2018 in the financial year 2017-18).

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

### **24. DISCRETIONARY REQUIREMENTS**

#### **i) The Board**

At present, there is no separate office in the Company for use of Chairperson nor any expenditure reimbursed in performance of her 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 endeavor is made to make the financial statements without qualification.

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

The Chairperson of the Company is a Non-Executive Director. A separate person is Managing 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 PERSON PROPOSED TO BE RE-APPOINTED AS DIRECTOR OF THE COMPANY  
AT THE ANNUAL GENERAL MEETING**

Name	Mrs.Rajashree Birla
Director Identification Number	00022995
Date of Birth	15.09.1945
Qualification	B.A.
Nature of expertise	Industrialist
Name of the listed companies in which also holds directorship	Grasim Industries Limited Hindalco Industries Limited UltraTech Industries Limited Century Textiles and Industries Limited Pilani Investment and Industries Corporation Limited
Name of the companies in the committees of which also holds membership/ chairmanship	Member of Corporate Social Responsibility Committee of following companies: Grasim Industries Limited Hindalco Industries Limited UltraTech Industries Limited Century Textiles and Industries Limited
Other activities	Associated with charitable trusts & educational institutions
No. of shares held in the Company	26,080

**CERTIFICATE**

To,

The Members of Century Enka Limited

We have examined the compliance of the conditions of Corporate Governance by Century Enka Limited ("the Company") for the year ended 31st March, 2020, as stipulated in Regulations 17-27, clauses (b) to (i) of Regulation 46 (2) and paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time ('Listing Regulations').

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 and as explained in para 19 of the Corporate Governance Report, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Regulations, as applicable.

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

UDIN : F004090B000327017

Mumbai, 9th June, 2020

**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 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, 2020.

**O.R. Chitlange**

Managing Director

DIN: 00952072

Place : Mumbai

Date : June 09, 2020



## SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2020

[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') for the financial year ended 31st March, 2020. 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 the Company'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, 2020, 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, 2020 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, 2018 (Not Applicable to the Company during the Audit Period);
  - d) 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, 2018 (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 {'SEBI (LODR) Regulations, 2015'};

We report that 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**

In response to the Notices dated 3rd February, 2020 issued by National Stock Exchange of India Limited and BSE Ltd. intimating levy of fine in respect of non-compliance of Regulation 17(1) of the SEBI (LODR) Regulations, 2015, as the composition of the Board was reduced from 6 Directors to 5 Directors, the Company has replied vide its letter dated 13th February, 2020 to both Stock Exchanges that there is no non-compliance as it has appointed a new director within the prescribed time and it meets the compliance of Composition of Directors as required under the aforesaid regulations within time.

### **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.

As per the minutes of the meetings duly recorded and signed by the Chairman, the decisions of the Board and Committees of the Board were unanimous and no dissenting views have been recorded.

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.

Note : This Report is issued on the basis of information / documents / material, etc. ('data') seen/ verified / made available to us. However, due to the current lock down situation under COVID 19 pandemic, some of

the data was made available to us in electronic form by the Company and relied thereon.

For **Sanjay Sangani & Co.**

Company Secretaries

**Sanjay H. Sangani**

Proprietor

M. No. : FCS 4090

C.P. No. : 3847

Mumbai, 9th June, 2020

UDIN : F004090B000326995

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.

- 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.
- 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.
- We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.

- Wherever required, we have obtained the Management Representation about the compliance of laws, rules and regulations and happening of events, etc.
- 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.
- 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, 9th June, 2020

UDIN : F004090B000326995

### CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

[Pursuant to Regulation 34(3) and Schedule V Para C Clause 10(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

To,

The Members of Century Enka Limited

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Century Enka Limited, having CIN L24304PN1965PLC139075 and having registered office at Plot No. 72 & 72-A MIDC, Bhosari, Pune - 411026. (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para C clause 10(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company and its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ended on 31st March, 2020 has been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

Sr. No.	Name of Director	DIN	Date of appointment in Company
1.	Mr. Basant Kumar Birla (ceased w.e.f. 03.07.2019)	00055856	17/11/1965
2.	Mrs. Rajashree Birla	00022995	05/05/2015
3.	Mr. Bansidhar Sunderlal Mehta	00035019	13/02/1978
4.	Mr. Sohanlal Kundanmal Jain	02843676	11/11/2009
5.	Mr. Krishna Shantilal Thar	00390137	27/11/2014
6.	Mr. Omprakash Ramlal Chitlange	00952072	16/05/2017
7.	Mrs. Usha Sangwan	02609263	05/02/2020

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate 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 June, 2020

UDIN : F004090B000331362



# BUSINESS RESPONSIBILITY REPORT

## Section A: General Information about the Company

1.	Corporate Identity Number (CIN) of the Company	: L24304PN1965PLC139075
2.	Name of the Company	: Century Enka Limited
3.	Registered address	: Plot No. 72 & 72-A MIDC, Bhosari, Pune, Maharashtra- 411026
4.	Website	: <a href="http://www.centuryenka.com/">http://www.centuryenka.com/</a>
5.	E-mail id	: <a href="mailto:cel.investor@birlacentury.com">cel.investor@birlacentury.com</a>
6.	Financial Year reported	: 2019-20

7. Sector(s) that the Company is engaged in (industrial activity code-wise):

Sector(s)	Industrial Activity Code		
	Group	Class	Description
Yarn	139	1399	Nylon Tyre Cord Fabric
	203	2030	Nylon Filament Yarn

8. List three key products/services that the Company manufactures/ provides (as in the balance sheet):

- Nylon Tyre Cord Fabric
- Nylon Filament Yarn

9. Total number of locations where business activity is undertaken by the Company :

- (a) Number of International Locations: Century Enka does not have any manufacturing unit outside India
- (b) Number of National Locations:
1. Pune (Maharashtra)
  2. Rajashree Nagar Bharuch (Gujarat) and
  3. Mahad, Raigad (Maharashtra) (Not in operation).
- Depots:
1. Mau (UP)
  2. Amritsar (Punjab)
  3. Vareli, Surat (Gujarat)
  4. Bangalore (Karnataka)

10. Markets served by the Company Local/State/National/ International :

Local	State	National	International
✓	✓	✓	✓

## Section B: Financial Details of the Company

1.	Paid up Capital (INR)	:	2185 lacs
2.	Total Turnover (INR)	:	142348 lacs
3.	Total profit after taxes (INR)	:	9553 lacs
4.	Total Spending on Corporate Social Responsibility (CSR) as percentage of average net profit of last three years (%)	:	₹ 233 lacs (2%)
5.	List of activities in which expenditure in 4 above has been incurred: -		<ol style="list-style-type: none"> <li>Vocational Skill Enhancement Projects</li> <li>Prevention Health Care Programme</li> <li>Environment and Sustainable Livelihood</li> <li>Rural Infrastructure Development other than Health Education &amp; Livelihood</li> </ol>

## Section C: Other Details

1.	Does the Company have any Subsidiary Company/ Companies?	No.
2.	Do the Subsidiary Company/ Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)	Not Applicable
3.	Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]	Other entity/entities (e.g., suppliers, distributors, etc.) that the Company does business with, do not participate in the Business Responsibility initiatives of the Company

## Section D: BR Information

### 1. Details of Director/Directors responsible for BR

a) Details of the Director/Directors responsible for implementation of the BR policy/policies

Sr. No.	Particulars	Details
1	DIN Number (if applicable)	00952072
2	Name	Mr. Omprakash R. Chitlange
3	Designation	Managing Director

b) Details of the BR head:

Sr. No.	Particulars	Details
1	DIN Number (if applicable)	NA
2	Name	Mr. Krishna G. Ladsaria
3	Designation	CFO
4	Telephone number	022-66127300
5	e-mail id	krishna.ladsaria@birlacentury.com

## 2. Principle-wise (as per NVGs) BR Policy/policies:

- P1: Businesses should conduct and govern themselves with Ethics, Transparency and Accountability. (Code of Conduct)
- P2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle. (Product Responsibility)
- P3: Businesses should promote the well-being of all employees. (Employee Well-being)

- P4: Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized. (Stakeholders Relationship)
- P5: Businesses should respect and promote human rights. (Human Rights)
- P6: Business should respect, protect, and make efforts to restore the environment (Environment Protection)
- P7: Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner. (Public Policy)
- P8: Businesses should support inclusive growth and equitable development. (Corporate Social Responsibility)
- P9: Businesses should engage with and provide value to their customers and consumers in a responsible manner. (Customer Relationship)

### a. Details of compliance (Reply in Y/N)

Sr. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Do you have a policy/ policies for....	✓	✓	✓	✓	✓	✓	✓	✓	✓
2	Has the policy being formulated in consultation with the relevant stakeholders?	✓	✓	✓	✓	✓	✓	✓	✓	✓
3	Does the policy conform to any national / international standards? If yes, specify? (50 words)*	✓	✓	✓	✓	✓	✓	✓	✓	✓
4	Has the policy being approved by the Board? Is yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director? **	✓	✓	✓	✓	✓	✓	✓	✓	✓
5	Does the company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	✓	✓	✓	✓	✓	✓	✓	✓	✓
6	Indicate the link for the policy to be viewed online?	Restricted view								
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Communication is an ongoing process								
8	Does the company have in-house structure to implement the policy/ policies?	The concerned department have its own procedure to implement the same								
9	Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/ policies?	The Company for Shareholders have Stakeholders Relationship Committee of Directors in place to address grievances of shareholders								
10	Has the company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	Conduct internal evaluation on implementation								

\* The policies have been framed considering brief description and core elements mentioned in National Guidelines on Responsible Business Conduct issued by Ministry of Corporate affairs, Government of India.

\*\* Signed by Managing Director



**(b) If answer to the question at serial number 1 against any principle, is 'No', please explain why: (Tick up to 2 options)**

No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	The company has not understood the Principles									
2	The company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles									
3	The company does not have financial or manpower resources available for the task									
4	It is planned to be done within next 6 months									
5	It is planned to be done within the next 1 year									
6	Any other reason (please specify)									

3. Governance related to BR

- (a) Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year

The Management annually assesses the Business Responsibilities performances of the Company.

- (b) Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?

Business Responsibility Report forms a part of Annual Report of the Company which is published annually. The report can be viewed on the website of the Company - <http://www.centuryenka.com/>

The Company manufacture two products Nylon Tyre Cord Fabric & Nylon Filament Yarn, which are environment friendly.

2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional):

- a) Reduction during sourcing/ production/ distribution achieved since the previous year throughout the value chain?  
 b) Reduction during usage by consumers (energy, water) has been achieved since the previous year?

3. Does the company have procedures in place for sustainable sourcing (including transportation)?

- (a) If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.

We are buying steam from the supplier who are using renewable energy as a source. Further, we are in process of identifying more supplier who are using renewable energy as a source. No sustainable sourcing in case of transportation.

4. Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work?

- (a) If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

The Company is procuring goods and services from local vendor & small producers and helping them to increase the efficiency of services and goods by providing feedback. The Company is also working with them for improving the quality of service and product.

5. Does the company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.

Yes, The Company is doing Recycling of production waste i.e PA6 at our Pune Plant. (Recycling is > 10 %)

**Section E: Principle-wise Performance**

**Principle 1**

1. Does the policy relating to ethics, bribery and corruption cover only the company? Yes/ No. Does it extend to the Group/Joint Ventures/ Suppliers/Contractors/NGOs/Others?

Yes, the Company has a policy on Code of Conduct which covers principles on ethics, bribery and corruption. The code of conduct is applicable to all employees of the Company.

No, it does not extend to the Group/Joint Ventures/ Suppliers/ Contractors/NGOs /Others.

2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.

No complaint has been received from any stakeholders during the year, except from shareholders of the nature of non-receipt of dividend, non-receipt of share certificate duly transferred etc.

**Principle 2**

1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.

**Principle 3**

1. Please indicate the Total number of employees:1595 as on 31st March 2020
2. Please indicate the Total number of employees hired on temporary/contractual/casual basis: 1,090 as on 31st March 2020
3. Please indicate the Number of permanent women employees:10 as on 31st March 2020
4. Please indicate the Number of permanent employees with disabilities: 16 as on 31st March 2020
5. Do you have an employee association that is recognized by management: Yes
6. What percentage of your permanent employees is members of this recognized employee association: 34%
7. Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year

No.	Category	No of complaints filed during the financial year	No of complaints pending as on end of the financial year
1	Child labour/ forced labour/ involuntary labour	Nil	Nil
2	Sexual harassment	Nil	Nil
3	Discriminatory employment	Nil	Nil

1. What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?
  - (a) Permanent Employees - 68%
  - (b) Permanent Women Employees - 20%
  - (c) Casual/Temporary/Contractual Employees - 72%
  - (d) Employees with Disabilities - 100%

**Principle 4**

1. Has the company mapped its internal and external stakeholders?  
Yes
2. Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders.  
Yes
3. Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders? If so, provide details thereof, in about 50 words or so.  
Yes, the company take initiative towards the benefit of disadvantaged, vulnerable and marginalised stakeholders such as livelihood, healthcare, education women empowerment

**Principle 5**

1. Does the policy of the company on human rights cover only the company or extend to the Group/Joint Ventures/Suppliers/

Contractors/NGOs/Others?

Yes, to the Company only.

2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?

No complaints received from stakeholders. 13 complaints received from shareholders and all have been resolved.

**Principle 6**

1. Does the policy relate to Environment Protection cover only the company or extends to the Group/Joint Ventures/Suppliers/Contractors/NGOs/others?

Yes, covers only the Company.

2. Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc.

Yes. The hyperlink is provided in Annual Report.

3. Does the company identify and assess potential environmental risks? Y/N

Yes,

The Company has in place an Environment Management System (EMS) certified by International Body for ISO 14001: 2015. The adequacy of the EMS has been audited internally once in every six months by qualified internal auditors and performance is reviewed by top management and half-yearly by BVQA.

4. Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?

The Company has:

- a) installed the Briquette (Biomass) boiler with (ESP) Electro Static Precipitator with auto ash collection system at the bottom of the ESP and saw dust (Biomass) HTM with bag filters. Environmental Compliance is not applicable for this.
- b) filled Environment Compliance reports regularly.
- c) Taking initiative in solar Power system

5. Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.

The steps taken by the Company towards Energy Conservation, renewable energy and installation of energy efficient equipment's are being published in the Annual Report every year. The Annual Report can be downloaded from our website <https://www.centuryenka.com>

6. Are the Emissions/Waste generated by the Company within the permissible limits given by CPCB/SPCB for the financial year being reported?

Yes.



7. Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.

Nil

**Principle 7**

1. Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:

- (a) Maharashtra Chamber of Commerce Industries and Agriculture, Pune (MCCIA)
- (b) Association of Synthetic Fibre Industry (ASFI)
- (c) Indian Technical Textile Association (ITTA)

2. Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/ No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)

Yes, Sustainable Business Principles.

**Principle 8**

1. Does the company have specified programmes/initiatives/projects in pursuit of the policy related to Corporate Social Responsibility. If yes, details thereof.

The Company's primary focus under Corporate Social Responsibility is on skill development, education, infrastructure, healthcare, community development and women empowerment.

Inclusive growth is at the core of Company's community development strategy. We address the local needs and do the necessary work for the development of local areas. we have assisted in setting up ITI in backward area.

The core focus area of the Company remains on supporting educational facilities by way of constructing classrooms, distribution of school stationery and uniform, e-learning facilities, contributing in operational expenditure of Vocational Training Institute Under Healthcare, the Company carried out camps for Eye Checkup & Cataract operations, General Medical checkup and treatment near its Bharuch site.

Rural community welfare projects such as infrastructure development in the villages near the Company's Bharuch site. Under women empowerment, training to women such as beauty assistant, nursing, tailoring is provided.

To know more about our CSR initiatives please visit: <https://www.centuryenka.com> to download our Annual Report for the year ended 31st March, 2020.

2. Are the programmes/projects undertaken through in-house team/own foundation/external NGO/government structures/any other organization?

CSR programmes and projects are deployed directly by the

Company, through NGO and partnering with Government. We have assisted in setting up ITI in backward area.

3. Have you done any impact assessment of your initiative?

The company's CSR executive internally assess the impact of CSR initiatives.

4. What is your company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken?

The Company's direct contribution to community development projects are as under:

Sr. No.	Details of the Projects	Amount Spent (INR lacs)
1.	School infrastructure	21.13
2.	Educational Material	21.33
3.	Rural Infrastructure Development	19.50
4.	Health, Hygiene and Medical programmes	36.99

5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.

Yes, the Company adopts a collaborative and participatory approach with communities / beneficiaries in conceiving and deploying CSR projects. We are also taking feedback from Community on regular basis.

**Principle 9**

1. What percentage of customer complaints/consumer cases are pending as on the end of financial year?

No

2. Does the company display product information on the product label, over and above what is mandated as per local laws? Yes/ No/N.A. /Remarks (additional information)

The Company manufacture two type of product Nylon Tyre Cord Fabric (NTCF) and Nylon Filament Yarn (NFY). NTCF is the Industrial Product and information provided on the product is customer specific. In NFY, the Company provide the general information with regards to product.

3. Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behavior during the last five years and pending as on end of financial year? If so, provide details thereof, in about 50 words or so.

No

4. Did your company carry out any consumer survey/ consumer satisfaction trends?

The Company conducts customer survey regularly. The customer shares periodic vendor ratings / markings on various aspects such as Delivery/Cost/Quality etc. These information is compiled for future improvement.

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

## Report on the audit of the Ind AS Financial Statements

### Opinion

We have audited the accompanying Ind AS financial statements of Century Enka Limited ("the Company"), which comprise the Balance Sheet as at 31 March 2020, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Cash Flow Statement for the year then ended, and notes to the Ind AS financial statements, including a summary of the significant accounting policies and other explanatory information (herein after referred to as "Ind AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the Ind AS financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2020, its profit (including other comprehensive income), changes in equity and its cash flows for the year ended on that date.

### Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing ("SAs") specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Ind AS financial statements section of our report. We are independent of the Company in accordance with the Code

of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Emphasis of Matter

We draw attention to Note 46(b) of the Ind AS financial statement regarding the CESTAT order dated 20 December 2019 relating to the excise duty demand aggregating ₹22,927 lakh plus interest thereon and penalty equivalent to demand amount. CESTAT in its order, upheld the denial of applicability of notification No. 6/2000 dated 1 March 2000 and remanded back the matter to Central Excise Department to redetermine the assessable value and applicable interest and penalty. The Company has filed an appeal against the order of CESTAT in the Supreme Court on 22 February 2020 and await for admission. Based on expert legal advice and merits of the case, no provision has been considered necessary by the Company. Our opinion is not modified in respect of this matter.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the Ind AS financial statements of the current year. These matters were addressed in the context of our audit of the Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

### Description of Key Audit Matters:

Key Audit Matters	How the matter was addressed in our audit
<p><b>Impairment of Property, Plant and Equipment (PPE)</b></p> <ul style="list-style-type: none"> <li>The Company has significant balances of PPE as on 31 March 2020 (refer note 3 to the Ind AS financial statements). The Company has policy to review PPE to assess impairment in carrying value of PPE, if any.</li> <li>Evaluation of impairment involves significant management judgements to estimate recoverable amount of PPE (refer note 2(A) Critical accounting judgements and key sources of estimation uncertainty).</li> <li>Given the judgement required to estimate the recoverable amount of PPE, this is considered key audit matter</li> </ul>	<p><b>Our procedures included:</b></p> <ul style="list-style-type: none"> <li>Reviewing the PPE schedule and analyse the management's assessment for impairment in the value of property, plant and equipment (due to changes in production, or underutilization, external information, obsolescence and damage) in accordance with Ind AS</li> <li>Assessing the reliability of management's judgements used to estimate the recoverable amount of PPE</li> <li>On sample basis, physically sighting the PPE to assess whether they are operating and in a good condition</li> <li>Reviewed the valuation report and discussing with management the future plans for the assets not in the operating condition</li> </ul>
<p><b>Inventory Valuation</b></p> <ul style="list-style-type: none"> <li>The Company has significant balances of inventory as on 31 March 2020 (refer note 9 to the Ind AS financial statements)</li> <li>Inventories are valued at lower of cost or net realizable value (NRV). Cost is determined using weighted average cost method</li> <li>Valuation of inventories can be subjective due to inherent uncertainty due to volatility in prices of raw material and volatility in prices of finished goods due to changes in consumer demands</li> <li>Determination of whether inventory will be realized for value less than cost requires management to exercise judgement and apply assumption</li> <li>Because of size, inherent uncertainty in volatility in prices of raw material, assumption and complexities involved in inventory valuation, this is considered key audit matter</li> </ul>	<p><b>Our procedures included:</b></p> <ul style="list-style-type: none"> <li>Obtaining understanding of production process and testing of key controls over recognition and measurement of inventory</li> <li>For sample locations, conducted physical verification of inventories at date later than the date of financial statements and checked movement in inventories between the date of financials statement and date of physical verification of inventory.</li> <li>For sample of inventory items, re-performed the weighted average cost calculation</li> <li>Obtaining management's calculation and relevant supporting for inventory valuation, validated mathematical accuracy of production costs and agreed the same with financial statements</li> <li>Assessing reasonableness of assumption and judgements applied by management in inventory valuation including evaluating consistencies with management's prior period estimations</li> <li>Assessing appropriateness of NRV estimated by management, on sample basis, by comparing NRV to recent market prices</li> <li>Obtaining and re-performing the calculation of inventory write down based on ageing and NRV of inventory</li> <li>Comparing historical trend of prices of raw material and finished goods to determine appropriateness of valuation of inventory</li> </ul>



## Other Information

The Company's management and Board of Director are responsible for the Other Information. The Other Information comprises the information included in the company's annual report, but does not include the financial statements and our auditor's report thereon. The Other Information is expected to be made available to us after the date of this auditor's report.

Our Opinion on the accompanying Ind AS financial statements does not cover the Other Information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the accompanying Ind AS financial statements, our responsibility is to read the Other Information and, in doing so, consider whether the Other Information is materially inconsistent with accompanying Ind AS financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the Other Information included in the Company's annual report, if we concluded that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

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

The Company's management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these Ind AS financial statements that give a true and fair view of the state of affairs, profit or loss and other comprehensive income, changes in equity and cash flows 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. 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; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and 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.

In preparing the Ind AS financial statements, management and Board of Director are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Company's management and Board of Directors are also responsible for overseeing the Company's financial reporting process.

## Auditor's Responsibility for the Audit of the Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the Ind AS financial statements as whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and

are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Ind AS Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the Ind AS financial statements, including the disclosures, and whether the Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Ind AS financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government 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, to the extent applicable.
2. 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 (including other comprehensive income), the Statement of Changes in Equity and Cash Flow Statement and 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 specified under Section 133 of the Act,
  - e) On the basis of the written representations received from the directors as on 31 March 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2020 from being appointed as a director in terms of Section 164(2) of the Act, and
  - f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
3. With respect to the other matters to be included in the Auditor's 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:
  - a) The Company has disclosed the impact of pending litigations as at 31 March 2020 on its financial position in its Ind AS financial statements - Refer Note 46(a) to the Ind AS financial statements.
  - b) The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long term contracts including derivative contracts Refer Note 45 to the Ind AS financial statements. The Company did not have any other long-term contracts for which there were any material foreseeable losses.
  - c) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
  - d) The disclosure in the Ind AS financial statements regarding holdings and well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in these Ind AS financial statements since they do not pertain to the financial year ended 31 March 2020
4. With respect to the matter to be included in the Auditors' Report under Section 197(16) of the Act, in our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

For **Khimji Kunverji & Co LLP**  
(formerly Khimji Kunverji & Co)  
Chartered Accountants  
(FRN: 105146W/ W100621)

Date : 9<sup>th</sup> June, 2020  
Place : Mumbai

**Gautam V Shah**  
Partner (F-117348)

### Annexure A to the Independent Auditors' Report of even date on the Ind AS financial statements

- 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, except for goods-in-transit has been physically verified by the management at reasonable intervals during the year. In our opinion, the frequency of such verification is reasonable. For goods- in- transit, verified bill of entry and subsequent goods receipt for good received in factory. The discrepancies noticed on verification between the physical stocks and the book records were not material.
- 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 Section 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, Goods and service tax, Duty of Customs, 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, Goods & Service Tax, Duty of Customs, Cess and other material statutory dues were in arrears as at 31 March 2020 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, Goods & Service Tax, Duty of Customs, Duty of Excise and Value added tax which have not been deposited as on 31 March 2020 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
Central Excise Act, 1944	Excise Duty and Penalty	Custom, Excise and Service Tax Appellate Tribunal	2000 to 2003	45154#
			2007-08 to 2010-2011	185
Finance Act, 1994	Service Tax	Custom, Excise and Service Tax Appellate Tribunal	2009-10 to 2013-14	141
Gujarat Sales Tax Act, 1969	Sales Tax including interest & Penalty	The Supreme Court of India	2000-2001	599

^ Exclude matters in respect of which favourable order has been received at various appellate authorities.

\* 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 LLP**  
(formerly Khimji Kunverji & Co)  
Chartered Accountants  
(FRN: 105146W/ W100621)

Date : 9<sup>th</sup> June, 2020  
Place : Mumbai

**Gautam V Shah**  
Partner (F-117348)

## Annexure B to the Independent Auditors' Report of even date on the Ind AS financial statements

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

We have audited the internal financial control over financial reporting of the Century Enka Limited ("the Company") as at 31<sup>st</sup> March 2020 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 and Board of Directors are 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 Accountant 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 Companies Act, 2013 ("the Act").

#### Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to Ind AS financial Statements 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, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to Ind AS financial statements. 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 with reference to Ind AS financial Statements were established and maintained and whether 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 with reference to Ind AS financial statements and their operating effectiveness. Our audit of internal financial controls with reference to Ind AS financial statements included obtaining an understanding of such internal financial controls, 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 with reference to Ind AS financial statements.

### Meaning of Internal Financial Controls with reference to Ind AS financial statements

A Company's internal financial control with reference to Ind AS financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Ind AS financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control with reference to Ind AS financial statements include 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 Ind AS 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 Ind AS financial statements.

### Inherent Limitations of Internal Financial Controls with reference to Ind AS financial statements

Because of the inherent limitations of internal financial with reference to Ind AS financial statements, 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 with reference to Ind AS financial statements to future periods are subject to the risk that the internal financial control with reference to Ind AS financial statements 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<sup>st</sup> March 2020, 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 LLP**  
(formerly Khimji Kunverji & Co)  
Chartered Accountants  
(FRN: 105146W/ W100621)

Date : 9<sup>th</sup> June, 2020  
Place: Mumbai

**Gautam V Shah**  
Partner (F-117348)



# BALANCE SHEET

As at 31st March, 2020

₹ in Lacs

Particulars	Note No.	31st March, 2020	31st March, 2019
<b>(A) ASSETS</b>			
<b>Non-current assets</b>			
Property, Plant and Equipment	3	51545	54289
Capital work-in-progress		316	173
Right-of-use Assets	4	771	-
Intangible Assets	5	441	548
Financial assets			
Investments	6	315	1039
Others	7	219	207
Other non-current assets	8	1127	938
<b>Total Non Current Assets</b>		<b>54734</b>	<b>57194</b>
<b>Current assets</b>			
Inventories	9	23241	21709
Financial assets			
Investments	10	25874	15806
Trade Receivables	11	15236	20492
Cash and Cash Equivalents	12	418	478
Bank balances other than Cash & Cash Equivalents	13	190	178
Others	14	1530	135
Current Tax Assets (Net)		28	491
Other current assets	15	3953	4943
<b>Total Current Assets</b>		<b>70470</b>	<b>64232</b>
Assets held for sale	16	1183	1696
<b>TOTAL ASSETS</b>		<b>126387</b>	<b>123122</b>
<b>(B) EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity Share Capital	17	2185	2185
Other Equity		100289	93302
<b>Total Equity</b>		<b>102474</b>	<b>95487</b>
<b>Non-current liabilities</b>			
Financial liabilities			
Borrowings	18	974	2102
Lease Liabilities	19	495	-
Others	20	257	234
Provisions	21	985	961
Deferred tax liabilities (Net)	22	8275	11153
Other non-current liabilities	23	277	292
<b>Total Non-Current Liabilities</b>		<b>11263</b>	<b>14742</b>
<b>Current liabilities</b>			
Financial liabilities			
Borrowings	24	22	-
Trade payables	25		
i) total outstanding dues of Micro and Small enterprises		403	295
ii) total outstanding dues of Creditors other than above		10002	9041
Lease Liabilities		44	-
Others	26	1378	2560
Other current liabilities	27	572	628
Provisions	28	207	194
Current tax liabilities (Net)	29	22	175
<b>Total Current Liabilities</b>		<b>12650</b>	<b>12893</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>126387</b>	<b>123122</b>
Significant Accounting Policies	1 & 2		

The accompanying notes are an integral part of these Financial Statements

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

For and on behalf of the Board of Directors

For **Khimji Kunverji & Co. LLP**  
(Formerly Khimji Kunverji & Co.)  
Chartered Accountants  
Firm Registration No: - FRN 105146W/100621

**S. K. Jain**  
Director  
DIN: 02843676

**O. R. Chitlange**  
Managing Director  
DIN: 00952072

Place: Mumbai  
Date : 9<sup>th</sup> June, 2020

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

Place: Mumbai  
Date : 9<sup>th</sup> June, 2020  
**K. G. Ladsaria**  
Chief Financial Officer

**C. B. Gagrani**  
Secretary

# STATEMENT OF PROFIT & LOSS

For the year ended 31st March, 2020

		₹ in Lacs	
Particulars	Note No.	31st March, 2020	31st March, 2019
<b>INCOME</b>			
Revenue From Operations	30	142348	179138
Other Income	31	4223	2163
<b>TOTAL INCOME</b>		<b>146571</b>	<b>181301</b>
<b>EXPENSES</b>			
Cost of Materials Consumed	32	86067	116757
Purchases of Stock-in-Trade		1977	484
Changes in inventories of Finished goods, Stock-in -Trade and work-in-progress	33	(68)	(357)
Employee Benefits Expense	34	9961	9445
Power and Fuel		19240	21946
Finance Costs	35	349	346
Depreciation and Amortization Expense	3, 4 & 5	4550	4504
Other Expenses	36	15850	15812
<b>TOTAL EXPENSES</b>		<b>137926</b>	<b>168937</b>
<b>PROFIT BEFORE EXCEPTIONAL ITEMS AND TAX EXPENSE</b>		<b>8645</b>	12364
Exceptional Items	45	-	(454)
<b>PROFIT BEFORE TAX</b>		<b>8645</b>	11910
Tax expense:	40		
(1) Current tax		1974	4360
(2) (Excess)/Short Provision of Tax relating to earlier years		(4)	(84)
(3) Deferred tax		(2878)	(24)
<b>PROFIT FOR THE YEAR</b>		<b>9553</b>	<b>7658</b>
<b>Other Comprehensive Income</b>			
A (i) Items that will not be reclassified to profit or loss		(722)	(369)
(ii) Income tax relating to items that will not be reclassified to profit or loss		-	(47)
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>		<b>8831</b>	<b>7242</b>
(Comprising Profit and Other Comprehensive Income for the year)			
<b>EARNINGS PER EQUITY SHARE IN ₹ (FACE VALUE PER SHARE ₹ 10 EACH):</b>			
(1) Basic	44	43.72	35.05
(2) Diluted		43.72	35.05
Significant Accounting Policies	1 & 2		

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 and on behalf of the Board of Directors

For **Khimji Kunverji & Co. LLP**  
(Formerly Khimji Kunverji & Co.)  
Chartered Accountants  
Firm Registration No: - FRN 105146W/100621

**S. K. Jain**  
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**O. R. Chitlange**  
Managing Director  
DIN: 00952072

Place: Mumbai  
Date : 9<sup>th</sup> June, 2020

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

Place: Mumbai  
Date : 9<sup>th</sup> June, 2020

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

**C. B. Gagrani**  
Secretary



# STATEMENT OF CHANGE IN EQUITY

## For the year ended 31st March, 2020

### (A) EQUITY SHARE CAPITAL

₹ in Lacs

FOR THE YEAR ENDED 31ST MARCH, 2020		
Balance as at 1st April, 2019	Changes in equity shares capital during the year ended	Balance as at 31st March, 2020
2185	-	2185

₹ in Lacs

For the year ended 31st March, 2019		
Balance as at 1st April, 2018	Changes in equity shares capital during the year ended	Balance as at 31st March, 2019
2185	-	2185

### (B) OTHER EQUITY

₹ in Lacs

#### For the year ended 31st March, 2020

Particulars	Reserves and Surplus					FVOCI-Equity Instruments	Total
	Capital Reserve	Capital redemption Reserve	Securities Premium	General Reserve	Retained Earnings		
Balance at 1st April, 2019	48	186	3,225	38,566	51,091	186	93,302
Profit for the Year (1)	-	-	-	-	9,553	-	9,553
Other Comprehensive Income:							
Remeasurement of the net defined benefit liability/asset, net of tax liability (₹ 0.18 Lacs) effect (2)	-	-	-	-	-	-	-
Equity instruments through other comprehensive income (3)	-	-	-	-	-	(722)	(722)
Total Comprehensive Income ( 1+ 2+ 3 )	-	-	-	-	9,553	(722)	8,831
Dividends Paid (including corporate dividend tax ₹ 314 Lacs) 18-19	-	-	-	-	(1,844)	-	(1,844)
Transfer to General Reserves	-	-	-	1,000	(1,000)	-	-
<b>Balance as at 31st March, 2020</b>	<b>48</b>	<b>186</b>	<b>3,225</b>	<b>39,566</b>	<b>57,800</b>	<b>(536)</b>	<b>100,289</b>

#### For the year ended 31st March, 2019

Particulars	Reserves and Surplus					FVOCI-Equity Instruments	Total
	Capital Reserve	Capital redemption Reserve	Securities Premium	General Reserve	Retained Earnings		
Balance at 1st April, 2018	48	186	3,225	37,566	46,189	691	87,905
Profit for the Year (1)	-	-	-	-	7,658	-	7,658
Other Comprehensive Income:							
Remeasurement of the net defined benefit liability/asset, net of tax benefit (₹ 47 Lacs) effect (2)	-	-	-	-	88	-	88
Equity instruments through other comprehensive income (3)	-	-	-	-	-	(505)	(505)
Total Comprehensive Income ( 1+ 2+ 3 )	-	-	-	-	7,746	(505)	7,241
Dividends Paid (including corporate dividend tax ₹ 314 Lacs) 17-18	-	-	-	-	(1,844)	-	(1,844)
Transfer to General Reserves	-	-	-	1,000	(1,000)	-	-
Balance at 31st March, 2019	<b>48</b>	<b>186</b>	<b>3,225</b>	<b>38,566</b>	<b>51,091</b>	<b>186</b>	<b>93,302</b>

The Description of the nature and purpose of reserves within equity is as follows:

- Capital Reserve - Comprise of Capital Subsidy received for setting up manufacturing plant at Mahad and profit on sale of assets over the original cost of assets.
- Capital Redemption Reserve - Created on cancellation of equity shares under the scheme of arrangement and redemption of preference shares. It can be utilised as per the provision of Section 63 of the Companies Act, 2013.
- Security Premium - Premium received on issue of equity shares credited to Securities Premium Reserve. It can be utilised as per the provision of Section 63 of the Companies Act, 2013.

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 and on behalf of the Board of Directors

For **Khimji Kunverji & Co. LLP**  
(Formerly Khimji Kunverji & Co.)  
Chartered Accountants  
Firm Registration No: - FRN 105146W/100621

**S. K. Jain**  
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**O. R. Chitlange**  
Managing Director  
DIN: 00952072

Place: Mumbai  
Date : 9<sup>th</sup> June, 2020

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

Place: Mumbai  
Date : 9<sup>th</sup> June, 2020  
**K. G. Ladsaria**  
Chief Financial Officer

**C. B. Gagrani**  
Secretary

# CASH FLOW STATEMENT

For the year ended 31st March, 2020

₹ in Lacs

Particulars	31st March, 2020	31st March, 2019
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
<b>Net Profit Before Tax</b>	<b>8645</b>	11910
Adjustment for:		
Depreciation and amortisation	<b>4550</b>	4504
Finance cost	<b>349</b>	346
Unrealised Exchange Loss / (Gain)	<b>98</b>	(78)
Allowances for Credit Losses on debts	<b>177</b>	-
Fair value movement in derivative instruments	<b>(310)</b>	156
Interest Income	<b>(3)</b>	(473)
Dividend Received on Mutual Funds	<b>(56)</b>	(27)
Fair Value of Investments through Statement of Profit and Loss	<b>(1057)</b>	(161)
Profit on sale of Current and Non Current Investments (Net)	<b>(370)</b>	(782)
Liabilities/Provisions no longer required written back	<b>(93)</b>	(49)
Amortization of Government Grant (TUF Capital Subsidy)	<b>(15)</b>	(15)
(Profit) / Loss on sale / write off of Property, Plant and Equipments (Net)	<b>(347)</b>	(67)
Exceptional Item (Refer Note 45)	-	454
<b>Operating Profit Before Working Capital Changes</b>	<b>11568</b>	<b>15718</b>
Adjustment for:		
Trade payable and other liability	<b>1191</b>	2381
Trade Receivables	<b>5090</b>	213
Inventories	<b>(1532)</b>	167
Financial and other Assets	<b>(496)</b>	(1810)
<b>Cash Generated From Operations</b>	<b>15821</b>	16669
Direct Taxes Paid (net of refunds)	<b>(1660)</b>	(4423)
<b>Net Cash From Operating Activities</b> (A)	<b>14161</b>	<b>12246</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Property, Plant and Equipments	<b>(2823)</b>	(3941)
Sale of Property, Plant and Equipments	<b>970</b>	168
Interest received	<b>3</b>	473
Dividend Received on Mutual Funds	<b>56</b>	27
Deposit with Bank (Maturity period more than 12 Months)	<b>(12)</b>	
(Purchase)/Sale of Non-Current Investments (Net)	<b>2</b>	(3)
(Purchase)/Sale of Current Investments (Net)	<b>(8641)</b>	(7743)
<b>Net Cash From Investing Activities</b> (B)	<b>(10445)</b>	<b>(11019)</b>



₹ in Lacs

Particulars	31st March, 2020	31st March, 2019
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from Long Term Borrowings	500	910
Repayment of Long Term Borrowings	(2054)	(1769)
Repayment of Lease Liability	(40)	-
Proceeds/(Repayment) in Short Term Borrowings (Net)	22	(1)
Payment of Interest on Lease Liability	(46)	
Payment of Interest on Borrowings	(314)	(356)
Equity Dividends paid (including Dividend Distribution Tax)	(1844)	(1844)
<b>Net Cash From Financing Activities</b> (C)	<b>(3776)</b>	<b>(3060)</b>
<b>D. NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>(60)</b>	<b>(1833)</b>
Closing Balance of Cash and Cash Equivalents	418	478
Opening Balance of Cash and Cash Equivalents	478	2311
<b>Reconciliation of Closing Cash and Cash Equivalents with Balance Sheet</b>		
Cash on hand [Including Cheques ₹ Nil Lacs ( Previous Year Rs 12 Lacs )]	3	14
With Banks		
In Current Accounts	172	464
In Deposit Accounts maturing within 3 months	243	-
<b>Total</b>	<b>418</b>	<b>478</b>

**Notes:**

- 1 The above cash flow statement has been prepared under the “indirect method “ set out in indian accounting standard (INDAS) - 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.

The accompanying notes are an integral part of these financial statements

This is the cashflows statement referred to in our report of even date.

For and on behalf of the Board of Directors

For **Khimji Kunverji & Co. LLP**  
(Formerly Khimji Kunverji & Co.)  
Chartered Accountants  
Firm Registration No: - FRN 105146W/100621

**S. K. Jain**  
Director  
DIN: 02843676

**O. R. Chitlange**  
Managing Director  
DIN: 00952072

Place: Mumbai  
Date : 9<sup>th</sup> June, 2020

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

Place: Mumbai  
Date : 9<sup>th</sup> June, 2020  
**K. G. Ladsaria**  
Chief Financial Officer

**C. B. Gagrani**  
Secretary



## 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 (referred to as "Ind AS") prescribed under section 133 of the Companies Act, 2013 ("the Act") read with Companies (Indian Accounting Standards) Rules as amended from time to time and other relevant provisions of the Act and guidelines issued by the Securities and Exchange Board of India (SEBI), as applicable.

The financial statements are authorized for issue by the Board of Directors of the Company at their meeting held on 09<sup>th</sup> June, 2020.

### (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
- (iv) Assets held for sale measured at lower of carrying value and fair value less costs to sell.

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 PPE are stated at cost less accumulated depreciation and accumulated impairment loss.

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.

Any gain or loss on disposal of an item of PPE is recognized in statement of Profit and Loss.

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:

Sr.No.	Nature	Useful life
1	Leasehold Assets - Plant & Machinery	Upto 25 years
2	Leasehold Assets - Other than Plant & Machinery	Lease Period
3	Stores and Spares Parts in the nature of PPE	5 to 25 Years
4	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:**

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:**

Sr.No.	Nature	Useful life
1	Software	6 Years

Residual value for the intangible assets is considered as Nil.

- (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) **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.

In case of financial assets at amortised costs, interest income, foreign exchange gain or loss and impairment are recognized in Statement of Profit and Loss.

**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. 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 Company recognises a loss allowance for expected credit losses on financial asset. The Company's trade receivables do not contain significant financing component and loss allowance on trade receivables is measured at an amount equal to life time credit expected losses. The Company calculates the expected credit losses on trade receivables using a provision matrix on the basis of its historical credit loss experience and other credit information available.

**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 associated liabilities.

On derecognition of a financial asset, other than equity 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 instruments classified as FVOCI, accumulated gains or loss recognized in OCI is transferred to retained earnings.

**(i) 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.

**(j) Derecognition of Financial Liabilities:**

The Company de-recognises financial liabilities when and only when, the Company's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability de-recognised and the consideration paid and payable is recognised in the statement of profit and loss.

**(k) Inventories:**

Inventories are valued as follows:

▪ **Raw materials, Fuel, Store & Spare Parts and Packing materials**

Raw materials are 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. Fuel, Stores & Spare parts and Packing materials are valued at 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.

**(l) 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.

**(m) Assets held for Sale:**

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and sale is considered highly probable. They are measured at the lower of its carrying amount and fair value less costs to sell.



An impairment loss is recognised for any initial or subsequent write-down of the assets to fair value less cost to sell. A gain is recognised for any subsequent increases in fair value less cost to sell of an asset, but not in excess of any cumulative impairment loss previously recognised.

No depreciation or amortization is charged for assets classified as held for sale.

**(n) 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, loan processing charges, 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.

**(o) 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.

**(p) Leases:**

Ministry of Corporate Affairs (MCA) has vide notification dated March 30, 2019 has mandated applicability of Ind AS 116 (Leases) from April 1, 2019

**Company as a Lessee**

The company recognizes right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the right-of-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs incurred. The right-of-use asset is depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the statement of profit and loss.

The Company measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the company uses incremental borrowing rate. The lease payments shall include fixed payments, variable lease payments, residual value guarantees, exercise price of a purchase option where the Company is reasonably certain to exercise that option and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

The Company elected to use the recognition exemptions for lease contracts that, at the commencement date, have a lease term of 12 months or less and do not contain a purchase option ('short-term leases') and lease contracts for which the underlying asset is of low value (low-value assets).

**Company as a Lessor**

Leases for which the Company is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

The Company recognises lease payments received under operating leases as income on a straight-line basis over the lease term.

**Under Ind AS 17**

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.

**(q) 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.

**(r) Revenue Recognition:****Sale of goods:**

The company derives revenue primarily from manufacturing and selling of Synthetic Yarn and related goods.

Revenue on sales of goods are recognized when the customer obtains control of the specified goods.

To recognize revenues, company applies the following five step approach: (1) identify the contract with a customer, (2) identify the performance obligations in the contract, (3) determine the transaction price, (4) allocate the transaction price to the performance obligations in the contract, and (5) recognize revenues when a performance obligation is satisfied.

The Company accounts for variable considerations like, volume discounts, rebates and pricing incentives to customers as reduction of revenue on a systematic and rational basis over the period of the contract. Revenues are shown net of goods and services tax and applicable discounts and allowances.

The Company does not expect to have any contracts where the period between the transfer of goods and payment by customer exceeds one year. Hence, the Company does not adjust revenue for the time value of money.

**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 recognized in statement of profit or loss on sale / redemption on investment on trade date of transaction.

**(s) Employee benefits:****Gratuity:**

Gratuity being defined benefit plan, 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.



The 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
- re-measurement

The present value of the gratuity 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.

#### **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 and Loss in the year in which it arises.

#### **Other 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 en cashed 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 en cashed 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.

#### **(t) 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.

**(u) Income Taxes:**

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.

Current tax assets and liabilities are offset when there is a legally enforceable right to set off recognized amount and there is intention to settle the assets and liabilities on net basis.

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. Minimum Alternate Tax (MAT) is recognized as an asset to the extent there is convincing evidence that the Company will pay normal income tax during the specified period.

**(v) 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.

**(w) 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.



## 2 (A) 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 plans gratuity and provident fund, and the present value of the gratuity and provident fund 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.

#### **(iv) Leases:**

The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. The Ind AS 116 requires lessees to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Company uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate.

#### **(v) 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 assess impairment. In case of certain assets independent external valuation has been carried out to compute recoverable values of these assets.

#### **(vi) Asset held for sale:**

The company has used certain judgements and estimates to determine fair value of asset held for sale. Fair value has determined on basis of independent external valuation and quotes from dealer of similar assets.

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

₹ in Lacs

	Land	Leasehold Land	Buildings (Refer Note a & b)	Plant & Machinery (Refer Note c)	Plant & Machinery (Leasehold)	Furniture & Fixtures	Office equipments	Vehicles	Total
For the year 2018-19									
As at 1st April, 2018	336	224	8526	58852	-	61	92	282	68373
Add: Additions	-	-	701	2715	610	20	28	-	4074
Less: Disposals/Adjustment	-	-	-	93	-	1	-	37	131
Less: Asset classified as held for sale (Refer Note 16)	-	-	203	3576	-	-	-	-	3779
As at 31st March, 2019	336	224	9024	57898	610	80	120	245	68537
Accumulated Depreciation:									
As at 1st April, 2018	-	12	1399	9966	-	19	32	92	11520
Add: Depreciation during the year	-	5	372	3914	19	15	25	37	4387
Less: Disposals/Adjustment	-	-	-	10	-	1	-	19	30
Less: Asset classified as held for sale (Refer Note 16)	-	-	203	1880	-	-	-	-	2083
Add: Write down (Refer Note 45)	-	-	-	454	-	-	-	-	454
As at 31st March, 2019	-	17	1568	12444	19	33	57	110	14248
<b>Net carrying amount as at 31st March, 2019</b>	<b>336</b>	<b>207</b>	<b>7456</b>	<b>45454</b>	<b>591</b>	<b>47</b>	<b>63</b>	<b>135</b>	<b>54289</b>
<b>For the year 2019-20</b>									
<b>As at 1st April, 2019</b>	336	224	9024	57898	610	80	120	245	68537
Add: Additions	-	-	117	2351	-	21	13	74	2576
Less: Disposals/Adjustment	-	-	12	843	-	2	1	25	883
Less: Reclassified to Right-of-use Assets (Ind AS 116)	-	224	-	-	610	-	-	-	834
As at 31st March, 2020	336	-	9129	59406	-	99	132	294	69396
Accumulated Depreciation:									
As at 1st April, 2019	-	17	1568	12444	19	33	57	110	14248
Add: Depreciation during the year	-	-	376	3936	-	17	28	41	4398
Less: Disposals/Adjustment	-	-	-	743	-	1	1	14	759
Less: Reclassified to Right-of-use Assets (Ind AS 116)	-	17	-	-	19	-	-	-	36
As at 31st March, 2020	-	-	1944	15637	-	49	84	137	17851
<b>Net carrying amount as at 31st March, 2020</b>	<b>336</b>	<b>-</b>	<b>7185</b>	<b>43769</b>	<b>-</b>	<b>50</b>	<b>48</b>	<b>157</b>	<b>51545</b>

- a) Includes Land ₹ 2 Lacs 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.
- c) Rupee Term Loans are secured by hypothecation of specific Plant and Machinery against which Loans have been taken.



#### 4 RIGHT OF USE ASSETS

₹ in Lacs

	Land	Plant & Machinery	Total
<b>For the year 2019-20</b>			
Reclassified as per Ind AS 116 at 1st April, 2019	207	591	798
Add: Additions	-	-	-
As at 31st March, 2020	207	591	798
Accumulated Depreciation:			
Depreciation during the year	4	23	27
As at 31st March, 2020	4	23	27
<b>Net carrying amount as at 31st March, 2020</b>	<b>203</b>	<b>568</b>	<b>771</b>

#### 5 INTANGIBLE ASSETS

₹ in Lacs

	Computer Softwares
<b>For the year 2018-19</b>	
As at 1st April, 2018	652
Add: Additions	49
Less: Disposals	-
As at 31st March, 2019	701
Accumulated Amortisation:	
As at 1st April, 2018	36
Add: Amortisation during the year	117
Less: Disposals	-
As at 31st March, 2019	153
<b>Net carrying amount as at 31st March, 2019</b>	<b>548</b>
<b>For the year 2019-20</b>	
As at 1st April, 2019	701
Add: Additions	17
Less: Disposals	-
<b>As at 31st March, 2020</b>	<b>718</b>
<b>Accumulated Amortisation:</b>	
<b>As at 1st April, 2019</b>	<b>153</b>
Add: Amortisation during the year	124
Less: Disposals	-
<b>As at 31st March, 2020</b>	<b>277</b>
<b>Net carrying amount as at 31st March, 2020</b>	<b>441</b>

			₹ in Lacs	
			As at 31st March 2020	As at 31st March 2019
<b>6</b>	<b>NON-CURRENT INVESTMENTS</b>	Number of	Face Value	
	<b>Investments in Equity Shares (fully paidup)</b>	Shares	Per Share	
	<b>1) Quoted Investments</b>			
	<b>Fair value through Other Comprehensive Income</b>			
	Kesoram Industries Limited	1403985 (1403985)	10	258 1022
	Kesoram Textiles Mills Limited (Received during the year 1999-2000 without any consideration pursuant to scheme of arrangement of Kesoram Industries Limited)	584994 (584994)	2	- -
	Birla Tyres Limited (Received during the year 2019-20 without any consideration pursuant to scheme of arrangement for demerger of Tyre Unit from Kesoram Industries limited)	1403985 (-)	10	42
	<b>2) Unquoted Investments</b>			
	<b>Fair Value through profit or loss</b>			
	Bharuch Enviro Infrastructure Limited	10220 (10220)	10	1 1
	MMA CETP Co-oprative Society Limited	12895 (12895)	100	13 13
	Bhadreshwar Vidyut Private Limited	777000 (1440000)	0.10	1 3
				<b>315</b> <b>1039</b>
	Note: Figures in bracket represents previous year numbers			
	Aggregate amount of:			
	Quoted Investments			300 1022
	Unquoted Investments			15 17
	Aggregate market value of Quoted Investment			300 1022
<b>7</b>	<b>OTHER NON-CURRENT FINANCIAL ASSETS</b>			
	<b>(Unsecured Considered Good)</b>			
	Security Deposits			187 187
	Others			32 20
	<b>(Unsecured Considered Doubtful)</b>			
	Subsidy Receivable under Technology Upgradation Fund Scheme*			- 622
	Less: Provision for Impairment			- (622)
				<b>219</b> <b>207</b>
	* Written off during the year			
<b>8</b>	<b>OTHER NON-CURRENT ASSETS</b>			
	Capital Advances			104 6
	Others			
	Balances with Government authorities			1020 920
	Prepaid Expense			3 12
				<b>1127</b> <b>938</b>



₹ in Lacs

	<b>As at 31st March 2020</b>	As at 31st March 2019
<b>9 INVENTORIES</b>		
(Valued at lower of cost or Net Realisable Value) (Unless otherwise stated)		
Raw Material	10441	9213
[Including in transit ₹ 5778 Lacs (Previous Year ₹ 581 Lacs)]		
Stock-in-Process	2612	3213
Finished goods	7890	7221
[Provision for the year is ₹ 392 Lacs (31st March 2019 ₹ 133 Lacs)]		
Stores Spares and Packing Material & Fuel (at cost)	2298	2062
[Including in transit ₹ 27 Lacs (Previous Year ₹ 67 lacs)]		
	<b>23241</b>	<b>21709</b>
Refer Note 2(k) for mode of valuation of Inventories		
<b>10 CURRENT INVESTMENTS</b>		
<b>Unquoted Investments</b>		
<b>Investments in Mutual Funds</b>		
Units of Debt Schemes of Various Mutual Funds	<b>25874</b>	<b>15806</b>
Aggregate amount of Unquoted Investments	25874	15806
<b>11 TRADE RECEIVABLES</b>		
Considered good - Unsecured	15236	20492
Significant increase in Credit Risk	177	-
	15413	20492
Less: Allowance for credit losses	(177)	-
	<b>15236</b>	<b>20492</b>
<b>12 CASH AND CASH EQUIVALENTS</b>		
Cash and Cash equivalents		
Cash on Hand	3	2
Cheques on Hand	-	12
Bank Balances		
In Current Accounts	172	464
In Deposits Accounts Maturing within 3 months	243	-
	<b>418</b>	<b>478</b>
<b>13 BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS</b>		
Unpaid Dividends Accounts	<b>190</b>	<b>178</b>
<b>14 OTHER CURRENT FINANCIAL ASSETS</b>		
Subsidy Receivable under Technology Upgradation Fund (TUF) Scheme*	-	53
Insurance Claims Receivables	1306	15
Others	224	67
	<b>1530</b>	<b>135</b>

\* Written off TUF subsidy receivable of ₹ 53 Lacs upto 31st March 2019.

	As at 31st March 2020	As at 31st March 2019
₹ in Lacs		
<b>15 OTHER CURRENT ASSETS</b>		
Advances to Suppliers	734	493
Prepaid Expense	97	93
Statutory Receivables	2828	4008
Others	294	349
	<b>3953</b>	<b>4943</b>

**16 ASSETS CLASSIFIED AS HELD FOR SALE**

Plant & Machinery*	1183	1696
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\*The Company has identified certain assets to be disposed of which are not in use. The Company is in process of selling these assets and expects the disposal in due course.

**17 SHARE CAPITAL**

<b>Authorised:</b>		
100000 Redeemable Cumulative Preference Shares of ₹100.00 each (As at 31st March 2019 - 100000 Shares)	100	100
33000000 Equity Shares of ₹10.00 each (As at 31st March 2019 - 33000000 Shares)	3300	3300
100000 Unclassified Shares of ₹100.00 each (As at 31st March 2019 - 100000 Shares)	100	100
<b>Issued Subscribed and Fully Paid - Up:</b>		
21850589 Equity Shares of ₹10 each (Refer Notes below) (As at 31st March 2019 - 21850589 Shares)	2185	2185

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

Particulars	31st March 2020		31st March 2019	
	No. of Shares	Amount ₹ in Lacs	No. of Shares	Amount ₹ in Lacs
Outstanding as at the beginning of the year	21850589	2185	21850589	2185
Share issued during the year	-	-	-	-
Outstanding as at the end of the year	<b>21850589</b>	<b>2185</b>	<b>21850589</b>	<b>2185</b>

**b) Rights Preferences and Restrictions attached to Equity Shares**

The Company has only one class of Equity Shares having a par value of 10/- per share. Each holder of the Equity Shares is entitled to one vote per share. The Company declares dividend in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the Shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company the holders of Equity Shares will be entitled to receive remaining assets of the Company after distribution of all preferential amounts. The distribution will be in proportion to the number of Equity Shares held by the Shareholders.



**c) The details of Shareholders holding more than 5% Equity Shares:**

S. No.	Name of Shareholder	31st March 2020		31st March 2019	
		%	No. of Shares	%	No. of Shares
1	Birla Group Holdings Private Limited	16.56	3618690	-	-
2	TGS Investment and Trade Private Limited	-	-	14.26	3114970
3	Century Textiles and Industries Limited	5.80	1266887	5.80	1266887
4	Life Insurance Corporation of India	4.62	1009092	5.27	1150886

**d) No bonus shares have been issued during five years immediately preceding 31st March 2020**

**e) Dividend Proposed Declared and Paid [Refer Note 39A]**

**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

	As at 31st March 2020	As at 31st March 2019
		₹ in Lacs
<b>18 NON-CURRENT BORROWINGS</b>		
Secured:		
Rupee term Loans from Banks	974	1563
Finance Lease Obligation (Refer Note 41)	-	539
	<b>974</b>	<b>2102</b>

**Nature of Security Repayment Terms and Breakup of Current and Non-Current**

Particulars	Terms of Repayment	Month in which last Installment is due	Prevailing Interest Rate Per Annum %	Balance As at 31st March 2020 ₹ in Lacs	Balance as at 31st March 2019 ₹ in Lacs
Secured:					
Rupee Term Loans					
Axis Bank	Quarterly	February 2020	-	-	1086
Bank of Maharashtra	Monthly	October 2020	8.40%	371	1082
HDFC Bank	Annual	January 2023	8.25%	591	788
HDFC Bank	Annual	March 2024	8.25%	240	300
HDFC Bank	Annual	March 2025	8.25%	500	-
Finance Lease Obligation	Monthly	May 2028			579
<b>Sub-Total</b>				<b>1702</b>	<b>3835</b>
Less: Current Maturities of Long Term Debt (Refer Note 26)				<b>(728)</b>	(1693)
Less: Current Maturities of Finance Lease Obligation (Refer Note 26)				-	(40)
<b>Total</b>				<b>974</b>	<b>2102</b>

1. Rupee Term Loans are secured by hypothecation of specific Plant and Machinery against which Loans have been taken.
2. Finance Lease obligation is secured by hypothecation of Plant and Machinery taken on lease.



₹ in Lacs

	<b>As at 31st March 2020</b>	As at 31st March 2019		
<b>19 NON-CURRENT LEASE LIABILITY</b>				
Finance Lease Obligation (Refer Note 41)	<b>495</b>	-		
<b>20 OTHER NON-CURRENT FINANCIAL LIABILITIES</b>				
Security Deposits	<b>257</b>	<b>234</b>		
<b>21 NON-CURRENT PROVISIONS</b>				
Provision for Employee Benefits				
Gratuity (Refer Note 42)	180	201		
Compensated Absences	651	585		
Provision for Disputed Matters	154	175		
	<b>985</b>	<b>961</b>		
<b>22 DEFERRED TAX LIABILITIES (NET)</b>				
The balances comprises of temporary differences attributable to:				
Property Plant and Equipments	8031	11214		
Financial Assets at Fair value through Profit or loss	377	56		
Others	(133)	(117)		
Deferred Tax (Assets)/Liabilities	<b>8275</b>	<b>11153</b>		
Movement in Deferred Tax Liabilities (Refer Note 40)				
Description	Property Plant and Equipments	Financial Assets at FVTPL	Others	Total
As at 1st April 2018	11624	97	(544)	11177
Charged / (Credited)				
- To Profit and Loss	(410)	(41)	427	(24)
- To OCI	-	-	-	-
<b>As at 31st March 2019</b>	<b>11214</b>	<b>56</b>	<b>(117)</b>	<b>11153</b>
Charged / (Credited)				
- To Profit and Loss	(3183)	321	(16)	(2878)
- To OCI	-	-	-	-
<b>As at 31st March 2020</b>	<b>8031</b>	<b>377</b>	<b>(133)</b>	<b>8275</b>
<b>23 OTHER NON-CURRENT LIABILITIES</b>				
Deferred Income on Government Grant	<b>277</b>			<b>292</b>



₹ in Lacs

	<b>As at 31st March, 2020</b>	As at 31st March, 2019
<b>24 SHORT TERM BORROWINGS</b>		
Secured:		
Working capital borrowings repayable on demand	<b>22</b>	-
Note: Working Capital borrowings		
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 9.15% per annum		
c) Working Capital Borrowings are renewed based on contract with bankers.		
<b>25 TRADE PAYABLES</b>		
Total outstanding dues of Micro and Small enterprises (Refer Note 49)	403	295
Total outstanding dues of Creditors other than above	10002	9041
	<b>10405</b>	<b>9336</b>
<b>26 OTHER CURRENT FINANCIAL LIABILITIES</b>		
Current Maturity of Non-Current Financial Borrowings (Rupee Term Loans)	728	1693
Current Maturity of Non-Current Finance Lease	-	40
Interest accrued but not due on borrowings	13	24
Unpaid Dividend Accounts *	190	178
Capital Goods Liability	133	136
Others	314	489
	<b>1378</b>	<b>2560</b>
* There is no amount required to be credited to Investor Education and Protection Fund.		
<b>27 OTHER CURRENT LIABILITIES</b>		
Advances from Customers	146	72
Advances received against sale of Property, Plant & Equipment	-	113
Others		
Statutory dues	396	418
Deferred Income on Government Grant	15	15
Other Liabilities	15	10
	<b>572</b>	<b>628</b>
<b>28 CURRENT PROVISIONS</b>		
Employee Benefits		
Compensated Absences	<b>207</b>	<b>194</b>
<b>29 CURRENT TAX LIABILITIES</b>		
Current Tax Payable (Net)	<b>22</b>	<b>175</b>

		₹ in Lacs	
		Year Ended 31st March, 2020	Year Ended 31st March, 2019
<b>30</b>	<b>REVENUE FROM OPERATIONS</b>		
	<b>Revenue from Contract with Customers (Refer Note 51)</b>		
	<b>Sale of Products</b>		
	Finished Goods	139615	177853
	Traded Goods	2088	504
		<b>141703</b>	<b>178357</b>
	Other Operating Revenue		
	Scrap Sales	645	781
	<b>Revenue from Operations</b>	<b>142348</b>	<b>179138</b>
<b>31</b>	<b>OTHER INCOME</b>		
	<b>Interest Income</b>		
	Tax Refunds	34	459
	From Customers	106	132
	Others	3	14
		<b>143</b>	<b>605</b>
	Profit on Sale of Property, plant and equipment (Net)	347	67
	Profit on Sale of Current Investments (Net)	370	782
	Gain on Fair Valuation of Investments through Profit and Loss	1057	161
	Dividend Received on Mutual Fund Units	56	27
	Liabilities / Provisions no longer required written back	93	49
	Government Grant	15	15
	Insurance Claims	1419	23
	Miscellaneous Income	723	434
		<b>4223</b>	<b>2163</b>
<b>32</b>	<b>COST OF MATERIALS CONSUMED</b>		
	Opening Stock of Raw Materials	9213	10145
	Add: Purchases	87295	115825
		<b>96508</b>	<b>125970</b>
	Less: Closing Stock of Raw Materials	10441	9213
	<b>Cost of Raw Materials Consumed</b>	<b>86067</b>	<b>116757</b>
<b>33</b>	<b>CHANGE IN INVENTORIES OF FINISHED GOODS, STOCK-IN-PROCESS AND STOCK-IN-TRADE</b>		
	Opening Stock		
	Finished Goods	7221	6445
	Stock-in-Process	3213	3632
		<b>10434</b>	<b>10077</b>
	Less: Closing Stock		
	Finished Goods	7890	7221
	Stock-in-Process	2612	3213
		<b>10502</b>	<b>10434</b>
	<b>(Increase) / Decrease in Stocks</b>	<b>(68)</b>	<b>(357)</b>



₹ in Lacs

	<b>Year Ended 31st March, 2020</b>	Year Ended 31st March, 2019
<b>34 EMPLOYEE BENEFITS EXPENSE</b>		
Salaries, Wages and Bonus	8484	8102
Contribution to Provident and other funds (Refer Note 42)	738	676
Workers and Staff Welfare Expenses	739	667
	<b>9961</b>	<b>9445</b>

<b>35 FINANCE COSTS</b>		
Interest Expense on borrowings*	284	277
Interest on Lease Liabilities	46	41
Other (Including interest on deposits)	19	28
	<b>349</b>	<b>346</b>

\* Written off TUF Subsidy receivable of ₹ 53 Lacs upto 31st March, 2019.

<b>36 OTHER EXPENSES</b>		
Stores and Spare Parts Consumed	3997	3301
Packing Material Consumed	2884	3129
Processing Charges	1164	1249
Building & Machinery Maintenance	2240	2120
Rent	126	137
Rates and taxes	111	101
Insurance	293	141
Directors' Sitting Fees	6	5
Directors' Commission	27	30
Auditors Remuneration (Refer Note 50)	48	47
Commission on Sales	1129	1467
Transport and Handling	1724	1821
Expenditure on Corporate Social Responsibility (CSR) Activities (Refer Note 48)	233	218
Allowances for Credit Losses	177	-
Legal and Professional Fees	684	629
Miscellaneous Expenses	1007	1417
	<b>15850</b>	<b>15812</b>

Note: Subsidy receivable of ₹ 622 Lacs written off during the year, which were fully provided in earlier years (Refer Note 7)

### **37 FINANCIAL RISK MANAGEMENT OBJECTIVES (IND AS 107):**

The Company's principal financial liabilities, other than derivatives, comprises of borrowings, lease, 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, deposit with banks, 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>A. Market Risk</b>			
1) <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
2) <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
3) <b>Commodity Price Risk</b>	Movement in prices of commodities	Sensitivity Analysis, Commodity price tracking	Active inventory management, Sales Price linked to purchase price
<b>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>C. Liquidity Risks</b>	Borrowings, lease liabilities, Other Liabilities and Liquid investments	Rolling cash flow forecasts Broker Quotes	Adequate unused credit lines and borrowing facilities Portfolio Diversification
<b>D. COVID-19 Risk</b>	Financial Assets & Liabilities	Impairment testing	Efficient and optimum use of resources and maintaining liquidity position to meet any unforeseen developments

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.

#### **A. Market Risk Management:**

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.

##### **1) 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 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, 2020	As at 31st March, 2019
Trade receivables		
USD	4	4
Trade Payables (Incl. in-transit)		
EURO	*	*
YEN	130	299
USD	72	76
<b>Total Foreign Currency - EURO</b>	<b>*</b>	<b>*</b>
<b>Total Foreign Currency - YEN</b>	<b>130</b>	<b>299</b>
<b>Total Foreign Currency - USD</b>	<b>76</b>	<b>80</b>

Out of USD 76 Lacs Foreign Currency Exposure as at 31<sup>st</sup> March 2020, USD 71 Lacs was hedged and out of USD 80 Lacs as at 31<sup>st</sup> March 2019, USD 74 Lacs were hedged by forward contracts.

\*EURO 1,330 as at 31<sup>st</sup> March, 2020 (17,691 as at 31<sup>st</sup> March, 2019)

#### Forward Exchange Contracts:

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

Particulars	Purpose	Currency	As at 31st March, 2020	As at 31st March, 2019
Forward Contracts	Imports	USD	73	83
Forward Contracts	Imports	Euro	4	-
Forward Contracts	Imports	Yen	35	-

#### Foreign currency sensitivity on unhedged exposure (Net):

100 bps increase in foreign exchange rates will have the following impact on profit before tax.

₹ in Lacs

Particulars	As at 31st March, 2020	As at 31st March, 2019
USD	2	2
Euro	-	-
Yen	(1)	(2)

Note: If the rate is decreased by 100 bps impact on profit will (increase)/decrease by an equal amount.

## 2) 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. Since all the borrowings are on floating rate, no significant risk of change in interest rate.

#### INR Interest rate exposure:

Particulars	Total borrowings ₹ in Lacs	Floating rate borrowings ₹ in Lacs	Average Interest rate %
<b>Total as at 31st March 2020</b>	<b>1724</b>	<b>1724</b>	<b>8.29%</b>
Total as at 31st March 2019	3835	3256	7.34%

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

₹ in Lacs

Particulars	As at 31 <sup>st</sup> March 2020	As at 31 <sup>st</sup> March 2019
INR	17	33

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.

**3) Commodity price risk**

Commodity price risk for the Company is mainly related to fluctuations of raw materials prices linked to various external factors, which can affect the production cost of the Company. Company actively manages inventory and in many cases sale prices are linked to major raw material prices. Energy costs is also one of the primary costs' drivers, any fluctuation in fuel prices can lead to drop in operating margin. To manage this risk, the Company enters into long-term supply agreement for power, identifying new sources of supply etc. Additionally, processes and policies related to such risks are reviewed and managed by senior management on continuous basis.

**B. Credit Risk Management:**

Credit risk arises when a customer or counter party 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 customers which represents 81% receivables as on 31<sup>st</sup> March, 2020 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.

The Company makes provision for the trade receivable as per the following matrix:

Age of Debtors	Provision (%)
Upto 1 Year	Nil
More than 1 Year but less than 2 years	25%
More than 2 Years but less than 3 Years	50%
More than 3 Years	100%

Movement in expected credit loss allowance on trade receivables:

₹ in Lacs

Particulars	As at 31 <sup>st</sup> March, 2020
Opening Balance	-
Add: Provision made during the year	177
Less: Provision utilization during the year	-
Closing Balance	177

**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, 2020 is ₹26,189Lacs (31st March, 2019 - ₹16,845 Lacs).

### C. Liquidity risk management:

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 based on 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.

	₹ in Lacs			
<b>As at 31st March, 2020</b>	Less than 1 Year	1 to 5 Years	More than 5 Years	<b>Total</b>
Borrowings (including current maturities of long-term debts)	750	974	-	<b>1724</b>
Trade payables	10405	-	-	<b>10405</b>
Interest accrued but not due on borrowings	13	-	-	<b>13</b>
Other financial liabilities (excluding derivative liability)	637	257	-	<b>894</b>
Derivative liability/ (Assets)	(174)	-	-	<b>(174)</b>
Finance lease obligation	86	345	323	<b>754</b>
Investments	25874	-	315	<b>26189</b>
<b>As at 31st March, 2019</b>				
Borrowings (including current maturities of long-term debts)	1693	1563	-	<b>3256</b>
Trade payables	9336	-	-	<b>9336</b>
Interest accrued but not due on borrowings	24	-	-	<b>24</b>
Other financial liabilities (excluding derivative liability)	667	234	-	<b>901</b>
Derivative liability/ (Assets)	136	-	-	<b>136</b>
Finance lease obligation	40	199	340	<b>579</b>
Investments	15806	-	1039	<b>16845</b>

### D. COVID-19 Risk

The spread of COVID-19 has affected the business from mid-March 2020, which culminated into suspension of plant operations, post imposition of national lock down. The Company had taken various measures in consonance with Central and State Government advisories to contain the pandemic, which included closing of manufacturing facilities, warehouses and adopting work from home policy for employees across locations. Pursuant to the relaxed lockdown guidelines by Central and State Governments, the Company has resumed its manufacturing operations as allowed in strict compliance with Government advisories.

Given the uncertainty of quick turnaround to normalcy post lifting of the lock down, the Company has carried out a comprehensive assessment of possible impact on its business operations, financial assets, contractual obligations and its overall liquidity position, based on the internal and external sources of information and application of reasonable estimates. The Company does not foresee any significant incremental risk to the recoverability of its assets or in meeting its financial obligations over the foreseeable future. Since the situation is continuously evolving, the impact assessed may be different from the estimates made as at the date of approval of these financial Statements. Management will continue to monitor any material changes arising due to the impact of this pandemic on financial and operational performance of the Company and take necessary measures to address the situation.



**37 (A) - CLASSIFICATIONS OF FINANCIAL ASSETS AND LIABILITIES (IND AS 107):**

₹ in Lacs

Particulars	Fair Value	
	As at 31st March, 2020	As at 31st March, 2019
<b>Financial Assets at amortised cost#</b>		
Trade receivables	15236	20492
Other Financial Assets	1575	342
Cash and Cash Equivalents	418	478
Bank Balance other than Cash & Cash Equivalents	190	178
<b>Financial Assets at fair value through profit or loss</b>		
Investments	25889	15823
<b>Financial Assets at fair value through other comprehensive income</b>		
Investments (non-current)	300	1022
<b>Total</b>	<b>43608</b>	<b>38335</b>
<b>Financial Liabilities at amortised cost #</b>		
Term Loan from Banks	974	1563
Finance Lease Obligation	495	539
Other Non-Current Finance Liabilities	257	234
Cash Credits/Working Capital Borrowings	22	-
Trade payables	10405	9336
Other financial liabilities (including Current Maturities of Long term borrowing & finance lease obligation)	1378	2424
<b>Fair Value Hedging Instruments</b>		
Derivative liability/(Asset)	(174)	136
<b>Total</b>	<b>13357</b>	<b>14232</b>

# Considering nature of financial assets and financial liabilities, fair value is same as amortized cost.

**37 (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 categorizes 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.

₹ in Lacs

Particulars	Fair Value	
	As at 31st March, 2020	As at 31st March, 2019
<b>Financial Assets at fair value through profit or loss</b>		
Investments -Level 2	25889	15823
<b>Financial Assets at fair value through other comprehensive income</b>		
Investments -Level 1	300	1022
<b>Fair Value derivative</b>		
Derivative liability/ (Asset) -Level 2	(174)	136



The management assessed that fair value of cash and bank balances, trade receivables, trade payables, cash credits 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 values of unquoted investments are based on 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.

### 38 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.

### 39 (A)- DISTRIBUTION MADE AND PROPOSED (IND AS 1):

₹ in Lacs

Particulars	<b>As at 31<sup>st</sup> March, 2020</b>	As at 31 <sup>st</sup> March, 2019
Cash dividends on equity shares declared and paid:		
Final dividend for the year ended on 31 <sup>st</sup> March, 2019: ₹ 7.00 per share (31 <sup>st</sup> March, 2018: ₹ 7.00 per share)	1530	1530
DDT on final dividend	314	314
<b>Total Dividend paid</b>	<b>1844</b>	<b>1844</b>
Proposed dividends on Equity shares:		
Final dividend for the year ended on 31 <sup>st</sup> March, 2020: ₹ 8.00 Per share. (31 <sup>st</sup> March, 2019: ₹ 7.00 per share)	1748	1530
DDT on proposed dividend	-	314
<b>Total Dividend proposed</b>	<b>1748</b>	<b>1844</b>

Proposed dividends on equity shares are subject to approval at the annual general meeting and are not recognized as a liability.

### 39 (B)- CAPITAL MANAGEMENT (IND AS 1):

Note 39(B)- 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.

₹ in Lacs

Particulars	<b>As at 31<sup>st</sup> March, 2020</b>	As at 31 <sup>st</sup> March, 2019
Total Debt (Bank and other borrowings)	1724	3835
Equity	102474	95487
Debt to Equity (Net)	0.02	0.04

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.

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

₹ in Lacs

Particulars	As at 31 <sup>st</sup> March, 2020	Year ended 31 <sup>st</sup> March, 2019
Profit before Tax	8645	11910
Tax Expense	(908)	4252
Effective Tax Rate (in %)	(10.503)	35.702
Effect of Non-Deductible expenses (in %)	(0.678)	(0.640)
Effect of Allowances for tax purpose (in %)	0.163	0.080
Effect of Increase/Decrease in Tax Rate (in %)	36.102	(0.910)
Others (in %)	0.085	0.712
<b>Applicable Tax Rate (in %)</b>	<b>25.169</b>	<b>34.944</b>

The Government of India, on 20th September, 2019 vide the Taxation Laws (Amendment) Ordinance 2019, inserted a new section 115BAA in the Income Tax Act, 1961 which provides an option to the Company for paying income tax at reduced rates subject to compliance of the conditions stipulated therein. The Company has opted for reduce rate of Tax in September 2019 and accordingly computed tax expenses. The Company has also re-measured its Deferred Tax Liability resulting in reduction by ₹ 3120 Lacs.

**41 LEASES (IND AS 116):**

The Company has implemented Indian Accounting Standard for Leases ("Ind AS 116") with effect from April 1, 2019 using the modified retrospective approach. Except for the disclosure requirement, the new standard has not impacted the company's financial statement as all leases other than finance lease are short term leases and leases for which the underlying asset is of low value.

- (i) There is no difference between the future minimum lease rental commitments towards non-cancellable operating leases and finance leases reported as at March 31st, 2019 compared to the lease liability as accounted as at April 1, 2019 on account of adoption of Ind AS 116.

₹ In Lacs

Particulars	Amount
Lease commitments as at 31st March, 2019	579
Add: Impact of assessment of lease commitments under Ind AS 116	-
Add/(Less): Contracts reassessed as lease contracts	-
Lease Liabilities as on 01st April, 2019	579

- (ii) Lease Expenses recognized in the Statement of Profit and Loss not included in the measurement of lease liabilities:

₹ In Lacs

Particulars	Year Ended 31st March, 2020
Variable lease payments	-
Expenses relating to short-term lease	(250)
Expenses relating to leases of low value assets, excluding short term lease of low value assets	(124)

- (iii) Maturity analysis of lease liabilities - Contractual undiscounted cash flows:

₹ In Lacs

Particulars	Year Ended 31st March, 2020
Less than one year	86
One to five years	345
More than five years	323
<b>Total undiscounted lease liabilities at March 31st, 2020</b>	<b>754</b>
<b>Discounted lease liabilities included in the statement of financial position at March 31st, 2020</b>	<b>539</b>
Current lease liability	44
Non-current lease liability	495

- (iv) The weighted average incremental borrowing rate of 8.5% p.a. has been applied for measuring the lease liability at the date of initial application.



- (v) The total cash outflow for leases for year ended March 31st, 2020 is ₹86 lacs.
- (vi) Disclosures as per Ind AS 17 as a Lessee for the year ended March 31st, 2019  
Future minimum lease payments and their present values under finance lease in respect of Plant & Machinery for the year ended 31st March 2019 are as follows:

₹ In Lacs

Sr. No.	Particulars	Minimum Lease Payments	Present Value of Minimum Lease Payments	Future interest
(i)	Not later than one year	86	40	46
(ii)	Later than one year and not later than five years	345	199	146
(iii)	More than five years	410	340	70

#### Operating Lease:

The Company does not have non-cancellable lease agreements. The operating lease payments recognized in the statement of profit and loss is ₹ 137 Lacs for the year ended 31st March 2019.

General description of leasing agreements:

- Leased assets: Land, Plant & Machinery, Godowns, Offices, Flats.
- Future lease rentals are determined based on 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 agreement are generally cancellable and are renewed by mutual consent on mutually agreed terms.

#### 42 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:**

₹ in Lacs

Particulars	31st March 2020	31st March 2019
Employer's Contribution to Provident Fund and Employee's Pension Scheme, 1995	469	414
Employer's Contribution to Superannuation Fund	58	56
Employer's Contribution to Employee's State Insurance	34	32
<b>Total</b>	<b>561</b>	<b>502</b>

- 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):

₹ in Lacs

Particulars	Gratuity	
	As at 31st March, 2020	As at 31st March, 2019
Opening DBO	3537	3417
Current Service Cost	163	162
Past Service Cost	-	-
Interest on DBO	252	210
Remeasurement due to:		
Actuarial loss/ (gain) arising from change in financial assumption	111	(52)
Actuarial loss/ (gain) arising from change in demographic assumption	-	-
Actuarial loss/ (gain) arising on account of experience change	(89)	(45)
Benefits Paid	(181)	(155)
<b>Closing DBO</b>	<b>3793</b>	<b>3537</b>

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

Opening Fair Value of Plan Assets	3336	3114
Interest on Plan Assets	237	198
Remeasurement due to:		
Actuarial loss/ (gain) arising on account of experience change	24	39
Contribution by the Employer	197	140
Benefits Paid	(181)	(155)
<b>Closing Fair Value of Plan Assets</b>	<b>3613</b>	<b>3336</b>

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:

Particulars	₹ in Lacs	
	As at 31st March, 2020	As at 31st March, 2019
Present value of Defined Benefit Obligation	3793	3537
Fair value of Plan Assets	(3613)	(3336)
<b>Net Liability recognised in the Balance Sheet</b>	<b>180</b>	<b>201</b>
Long Term Provisions	180	201

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

Current Service Cost	163	162
Past Service Cost	-	-
Interest Cost on defined benefit liability / (assets)	14	12
<b>Total</b>	<b>177</b>	<b>174</b>

- v) Amount recorded in Other Comprehensive Income

Remeasurement due to:		
Changes in financial assumptions	111	(52)
Changes in demographic	-	-
Experience Adjustments	(89)	(45)
Actual return on plan assets less interest on plan assets	(23)	(39)
Amount Recognised in other Comprehensive Income (OCI)	(1)	(136)

- vi) Maturity Profile of defined benefit obligation:

Within the next 12 months	710	719
Between 1 and 5 years	2110	1977
Between 5 and 10 years	1282	1217
10 years and above	1478	1408

- vii) 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 at 31st March, 2020		As at 31st March, 2019	
	Amount	Rate %	Amount	Rate %
Insurer Managed Funds	3613	100%	3336	100%

- viii) 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.

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

Particulars	₹ in Lacs	
	As at 31st March, 2020	As at 31st March, 2019
Actual Return on Plan Assets (Including remeasurement effect)	261	237



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

Particulars	As at	As at
	31st March, 2020	31st March, 2019
	Rate %	Rate %
Discount Rate	6.50%	7.10%
Salary Escalation Rate	7.00%	7.00%
Attrition Rate (Average Rate of 4 Age Groups in 19-20)	11.25%	11.25%

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

Particulars	₹ in Lacs				
	2019-20	2018-19	2017-18	2016-17	2015-16
Defined Benefit Obligation	3793	3537	3417	3176	2798
Plan Assets	3613	3336	3114	2893	2398
Surplus / ( Deficit )	(180)	(201)	(303)	(238)	(400)
Experience Adjustment on Plan Liabilities	(89)	(45)	44	18	(9)
Experience Adjustment on Plan Assets	23	39	46	38	36

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

Particulars	₹ in Lacs
	2020-21
Gratuity	340
Provident Fund and Employee's Pension Scheme, 1995	560

- xiii) Sensitivity Analysis:

Particulars	As at	As at
	31st March 2020	31st March 2019
Impact of increase in 50 bps on discounting rate on DBO	(-2.5%)	(-2.35%)
Impact of decrease in 50 bps on discounting rate on DBO	2.60%	2.46%
Impact of increase in 50 bps on salary escalation rate on DBO	2.50%	2.42%
Impact of decrease in 50 bps on salary escalation rate on DBO	(-2.4%)	(-2.34%)

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

- xv) Asset liability matching strategy:

The money contributed by the Company to Gratuity Fund has to be invested. The trustee have outsourced management of investment to an Insurance Company. The Insurance Company in turn manage these funds as per mandate provided by the trustees and the asset allocation which is within permissible limits prescribed in insurance regulations. Due to restrictions in type of investments that can be held by the fund it is not possible to explicitly follow asset liability matching strategy. There is no compulsion on the part of company to fully pre-fund liability of the plan. The Company funds these benefits based on known liability and Level of underfunding of the plan.

#### 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.

₹ in Lacs

Particulars	As at 31st March 2020	As at 31st March 2019
Present value of Defined Benefit Obligation	12335	9477
Fair value of Plan Assets	(12335)	(9477)
Net (Assets) / Liabilities	-	-

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

Particulars	As at 31st March 2020	As at 31st March 2019
	Rate %	Rate %
Discount Rate	6.50%	7.10%
Expected rate of return on Plan Assets	8.50%	8.46%
Discount Rate for the remaining term to Maturity of the Investment Portfolio	6.55%	7.40%
Average Historic Yield on the Investment Portfolio	8.60%	8.76%
Guaranteed Rate of Return	8.50%	8.65%

#### 43 RELATED PARTY DISCLOSURES (IND AS 24):

##### (A) Related Parties with whom there were transactions during the year:

Parties	Relationship
Mr.B.K.Birla - Non-Executive Director(ceased w.e.f. 03.07.2019)	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. O.R.Chitlange- Managing Director	Key Management Personnel (KMP)
Mrs. Usha Sangwan (w.e.f. 05.02.2020 till 16.05.2020)	Key Management Personnel (KMP)
Century Enka Ltd. Employee's Provident Fund	Post-Employment Benefit Plan

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

₹ in Lacs

Nature of Transaction/Relationship	Year Ended 31st March, 2020	Year Ended 31st March, 2019
Services received from:		
KMP (Director's Sitting Fees and Commission)	33	35

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

₹ in Lacs

Nature of transaction/relationship	Year Ended 31st March, 2020	Year Ended 31st March, 2019
Short-term employee benefits	348	325
Other long-term benefits	20	18
Total compensation paid to key management personnel	368	343



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.

**(c) Contribution to Post Employment benefit plan**

₹ in Lacs

Nature of transaction	Year Ended 31st March, 2020	Year Ended 31st March, 2019
Post-Employment Benefit Plan	<b>295</b>	<b>256</b>

**44 EARNINGS PER SHARE (EPS) (IND AS 33):**

₹ in Lacs

Particulars	Year Ended 31st March, 2020	Year Ended 31st March, 2019
<b>Basic/Diluted EPS:</b>		
(i) Net Profit attributable to Equity Shareholders	<b>9553</b>	<b>7658</b>
(ii) Weighted average number of Equity Shares outstanding (Nos.) [For Basic & Diluted EPS]	<b>21850589</b>	<b>21850589</b>
<b>Basic/ Diluted EPS in ₹ Per share (Face Value ₹10 per share) (i)/(ii)</b>	<b>43.72</b>	<b>35.05</b>

**45 EXCEPTIONAL ITEM REPRESENTS:**

For the year ended 31st March 2019, ₹454 Lacs towards write down of carrying value of machinery not in use and classified as held for sale.

**46 CONTINGENT LIABILITIES (TO THE EXTENT NOT PROVIDED FOR) (IND AS 37):**

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

₹ in Lacs

Particulars	Brief Description	As at 31st March, 2020	As at 31st March, 2019
(a) Income Tax Matters	Matters relates to disallowances of expense provision	-	<b>50</b>
(b) Excise , Service Tax & Custom Matters	Matters relates to valuation, disallowances of input tax credit	<b>326</b>	<b>348</b>

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 and raised a demand of ₹22,927 lacs plus interest thereon and penalty equivalent to demand amount. The Company had filed an appeal before the Appellate Tribunal (CESTAT), which had been admitted on pre-deposit of ₹700 Lacs and granted stay against the recovery.

The Company had received CESTAT order dated 20th December 2019. CESTAT in its order, upheld the denial of aforesaid notification and remanded back the matter to Central Excise Department to redetermine the assessable value after deducting admissible deduction and compute the quantum of duty short paid after considering admissible CENVAT/MODVAT credit and for imposition of equal amount of penalty consequent to redetermination of duty demand and applicable interest.

The Company has filed an appeal against the order of CESTAT in the Supreme Court on 22<sup>nd</sup> February 2020 and await for admission. 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 the accounts.



**47 CAPITAL AND OTHER COMMITMENTS:**

- (a) Estimated amount of contracts remaining to be executed on capital account, not provided for (net of advances) as on 31st March, 2020 is ₹ 944 Lacs. (31st March, 2019 - ₹ 454.35 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, 2020 for the remaining period of the contract at current market prices approximates ₹ 1421 Lacs (Previous Year ₹ 2,055 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:**

Particulars	₹ in Lacs	
	Year Ended 31st March, 2020	Year Ended 31st March, 2019
Total amount required to be spent under section 135 of the Companies Act, 2013	233	218
Total amount spent during the year (Refer Note- 36)	<b>233</b>	<b>218</b>

**49 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:

Particulars	₹ in Lacs			
	2019-20		2018-19	
	Principal	Interest	Principal	Interest
Principal Amount and Interest due thereon remaining unpaid at the end of the year*	<b>438</b>	-	<b>330</b>	-
The amount of interest paid as per terms of section 16 of the MSMED Act along with the amount of payment made beyond the due date	<b>1014</b>	<b>14</b>	<b>1677</b>	<b>1</b>
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the due date during the year) but without adding the interest specified under the act	-	<b>4</b>	-	<b>14</b>
Interest amount due and unpaid as at the end of the year	-	<b>4</b>	-	<b>14</b>
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	-	-	-	-

\* includes ₹35 Lacs from 'Other Current Financial Liability' as on 31st March, 2020 and 31st March 2019 (Refer Note 26).

The above information has been determined to the extent such parties have been identified on the basis of information available with the Company and the same has been relied upon by the auditors.



## 50 AUDITORS' REMUNERATION (EXCLUDING TAXES) AND EXPENSES:

Particulars	₹ in Lacs	
	<b>As at 31st March, 2020</b>	As at 31st March, 2019
<b>(a) Statutory Auditors:</b>		
Audit fees (including quarterly Limited Review)	<b>41</b>	<b>38</b>
Tax audit fees	<b>5</b>	<b>5</b>
Fees for other services	<b>1</b>	<b>3</b>
Expenses reimbursed	<b>1</b>	<b>1</b>
<b>Total</b>	<b>48</b>	<b>47</b>
<b>(b) Cost Auditors:</b>		
Audit fees	<b>3</b>	<b>3</b>

## 51 REVENUE FROM CONTRACTS (IND AS 115):

The Company is primarily in the Business of manufacture and sale of Synthetic Yarn. Sales are made at a point in time and revenue from contract with customer is recognised when goods are dispatched and the control over the goods sold is transferred to customers. The Company does not expect to have any contracts where the period between the transfer of goods and payment by customer exceeds one year. Hence, the Company does not adjust revenue for the time value of money.

a) Revenue recognised from Contract liability (Advances from Customers):

Particulars	₹ in Lacs	
	<b>As at 31st March, 2020</b>	As at 31st March, 2019
Closing Contract liability	<b>146</b>	<b>72</b>

The Contract liability outstanding at the beginning of the year has been recognised as revenue during the year ended March 31, 2020.

b) Reconciliation of revenue as per contract price and as recognised in statement of profit and loss:

Particulars	₹ in Lacs	
	<b>As at 31st March, 2020</b>	As at 31st March, 2019
Revenue as per Contract Price	142765	179698
Less: Discounts	417	560
Revenue as per statement of profit and loss	<b>142348</b>	<b>179138</b>

## 52 PREVIOUS YEAR'S FIGURES HAVE BEEN REGROUPED / REARRANGED, WHEREVER NECESSARY.

For and on behalf of the Board of Directors

For **Khimji Kunverji & Co. LLP**  
(Formerly Khimji Kunverji & Co.)  
Chartered Accountants  
Firm Registration No: - FRN 105146W/100621

**S. K. Jain**  
Director  
DIN: 02843676

**O. R. Chitlange**  
Managing Director  
DIN: 00952072

Place: Mumbai  
Date : 9<sup>th</sup> June, 2020

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

Place: Mumbai  
Date : 9<sup>th</sup> June, 2020

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

**C. B. Gagrani**  
Secretary

## FINANCIAL HIGHLIGHTS

### STATEMENT OF PROFIT AND LOSS

₹ / Lacs

FINANCIAL YEAR	2019-20	2018-19	2017-18	2016-17	2015-16
<b>INCOME</b>					
Revenue from Operations (Net of Excise Duty)	142348	179138	141648	118531	114848
Other Income	4223	2163	1775	1549	431
	146571	181301	143423	120080	115279
<b>EXPENDITURE</b>					
Materials & Overheads (+ / - Stock Adj.)	133027	164087	130477	100344	100655
<b>PROFIT BEFORE EXCEPTIONAL ITEM, FINANCE COST, DEPRECIATION AND TAX</b>	<b>13544</b>	<b>17214</b>	<b>12946</b>	<b>19736</b>	<b>14624</b>
Exceptional Item (Refer Note 43)	-	(454)	2491	(958)	(754)
<b>PROFIT BEFORE FINANCE COST, DEPRECIATION AND TAX</b>	<b>13544</b>	<b>16760</b>	<b>15437</b>	<b>18778</b>	<b>13870</b>
Less: Finance Cost	349	346	340	562	956
<b>PROFIT BEFORE DEPRECIATION AND TAX</b>	<b>13195</b>	<b>16414</b>	<b>15097</b>	<b>18216</b>	<b>12914</b>
Less: Depreciation / Amortisation	4550	4504	4194	4237	4094
Less: Tax Expenses	(908)	4252	3894	4882	2910
<b>NET PROFIT</b>	<b>9553</b>	<b>7658</b>	<b>7009</b>	<b>9097</b>	<b>5910</b>
DIVIDEND (%)	80%	70%	70%	70%	75% *
EARNING PER SHARE (₹)	43.72	35.05	32.08	41.63	27.05
CASH EARNINGS PER SHARE (₹)	51.37	57.63	56.01	63.96	49.71
BOOK VALUE PER SHARE (₹)	468.99	437.01	412.31	391.01	356.07

\* Includes 15% special dividend to commemorate golden jubilee year

### STATEMENT OF ASSETS AND LIABILITIES

₹ / Lacs

	As on March 31, 2020	As on March 31, 2019	As on March 31, 2018	As on March 31, 2017	As on March 31, 2016
<b>A. ASSETS</b>					
Property Plant Equipment and Intangible Assets	53073	55010	57858	57488	60340
Non-Current Investments	315	1039	1541	2025	1509
Long Term Loans and Advances	219	207	231	184	191
Other Non-Current Assets	1127	938	1020	938	925
Current Assets	71653	65928	55721	51311	38626
<b>(A)</b>	<b>126387</b>	<b>123122</b>	<b>116371</b>	<b>111946</b>	<b>101591</b>
<b>B. EQUITY AND LIABILITIES</b>					
<b>Equity</b>					
Share Capital	2185	2185	2185	2185	2185
Other Equity	100289	93302	87905	83251	75617
	102474	95487	90090	85436	77802
<b>Non-Current Liabilities</b>					
Long Term Borrowings	974	2102	3061	3708	5144
Deferred Tax Liabilities (Net)	8275	11153	11177	10158	10473
Long Term Liabilities & Provisions	2014	1487	1546	1811	1550
	11263	14742	15784	15677	17167
<b>Current Liabilities</b>					
Short Term Borrowings	22		1	109	390
Trade Payables, Liabilities and Provisions	12628	12893	10496	10724	6232
	12650	12893	10497	10833	6622
<b>(B)</b>	<b>126387</b>	<b>123122</b>	<b>116371</b>	<b>111946</b>	<b>101591</b>



## Century Enka Limited

### Registered Office:

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