

# CENTURY ENKA LIMITED

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Fax : +91-22-4321 5353 / 2287 3952  
E-mail : admin@centuryenka.com  
Website : www.centuryenka.com



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

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

BSE Limited  
Phiroze Jeejeebhoy Towers  
Dalal Street  
Mumbai - 400 001.

Dear Sirs

Pursuant to Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, enclosed herewith please find a Statement of Audited Annual Accounts of the Company for the financial year ended 31st March, 2017 and for the quarter ended on that date, approved by the Board of Directors at its Meeting held today i.e. 10<sup>th</sup> May, 2017. This is for your kind information and record.

We shall appreciate if you kindly display a copy of the Financial Results of the Company on your Notice Board and Website for information of your members.

The Meeting commenced at 12.30 P.M. and concluded at 2.20 P.M

Thanking you

Yours faithfully  
For CENTURY ENKA LIMITED

( C.B. Gagrani )  
Company Secretary

Encl: as above

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

ISO 9001  
BUREAU VERITAS  
Certification

Excluding Design



# CENTURY ENKA LIMITED

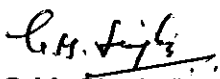
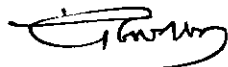
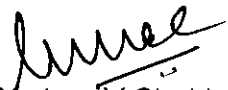

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## FORM A

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

|    |  |   |
|----|--|---|
| 1. | Name of the Company  | Century Enka Limited  |
| 2. | Annual financial statements for the year ended                             | 31st March, 2017  |
| 3. | Type of Audit observation  | Un-Modified / Emphasis of Matter: One matter of emphasis.   |
| 4. | Frequency of observation   | Continuing, was also included in the previous year's Audit Report   |
| 5. | To be signed by-   |   |
|    | <ul style="list-style-type: none"><li>• Whole Time Director</li></ul>      | <br>(G.M. Singhvi)   |
|    | <ul style="list-style-type: none"><li>• CFO</li></ul>                      | <br>(K. G. Ladsaria)   |
|    | <ul style="list-style-type: none"><li>• Auditors of the Company</li></ul>  | <br>(Gautam V Shah)<br>Partner<br>Membership No.F-117348<br><br>Khimji Kunverji & Co.<br>Chartered Accountants<br>Firm Regn.No.105146W |
|    | <ul style="list-style-type: none"><li>• Audit Committee Chairman</li></ul> | <br>(S.K. Jain)  |

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**Auditors' Report on Quarterly Financial Results and Year to Date Financial Results of Century Enka Limited Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

To  
Board of Directors of  
Century Enka Limited

We have audited the accompanying financial results of Century Enka Limited ('the Company') for the quarter ended 31 March 2017 and the year to date results for the period from 1 April 2016 to 31 March 2017 ('the Statement'), attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Attention is drawn to the fact that the figures for the quarter ended 31 March 2017 and the corresponding quarter ended in the previous year as reported in these financial results are the balancing figures between audited figures in respect of the full financial year and the published year to date figures up to the end of the third quarter of the current and previous financial year respectively. Also, the figures up to the end of the third quarter of the respective financial year had only been reviewed and not subjected to an audit.

These quarterly financial results as well as the year to date financial results have been prepared on the basis of the reviewed financial results up to the end of the third quarter and audited annual financial statements respectively, which are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial results based on our audit of such financial statements, which have been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standards (Ind AS), prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India.

We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial results are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts disclosed as financial results. An audit also includes assessing the accounting principles used and significant estimates made by management. We believe that our audit provides a reasonable basis for our opinion.

Based on our audit conducted as above, in our opinion and to the best of our information and according to the explanations given to us, these quarterly financial results as well as the year to date results:

- (a) are presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and SEBI circular dated 5 July 2016 in this regard; and
- (b) give a true and fair view of the financial performance including other comprehensive income and other financial information for the quarter ended 31 March 2017 as well as the year to date results for the period 1 April 2016 to 31 March 2017.





**Auditors' Report on Quarterly Financial Results and Year to Date Financial Results of Century Enka Limited Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Continued)**

**Emphasis of Matter**

We draw your attention to Note 4 to the financial results regarding the Company's appeal pending before CESTAT, Mumbai against the excise duty demand aggregating Rs. 22,927 lakh plus interest thereon and penalty of Rs. 22,927 lakh. Based on expert legal advice and merits of the case, no provision has been considered necessary by the Company. The final determination of the cash outflow, if any, would depend upon the final decision of the appropriate authorities in the future. Our opinion is not modified in respect of this matter.

**Other Matter**

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

For Khimji Kunverji & Co.

Chartered Accountants

Firm's Registration No: 105146W

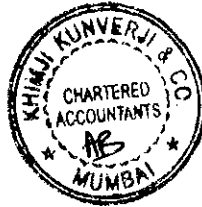
Gautam V. Shah

Partner

Membership No: 117348

Mumbai

10 May 2017



**CENTURY ENKA LIMITED**  
Statement of Audited results for the quarter and year ended 31st March, 2017

Rs. in Lacs

| S.No. | Particulars   | Three Months Ended         |               |                            | Year Ended      |                 |
|-------|---|----------------------------|---------------|----------------------------|-----------------|-----------------|
|       |   | 31-03-2017                 | 31-12-2016    | 31-03-2016                 | 31-03-2017      | 31-03-2016      |
|       |   | Audited<br>(Refer Note 10) | Unaudited     | Audited<br>(Refer Note 10) | Audited         | Audited         |
| I     | Revenue From Operations   | 40,295                     | 31,861        | 31,596                     | 1,33,922        | 1,28,734        |
| II    | Other Income  | 349                        | 673           | 217                        | 1,549           | 431             |
| III   | <b>Total Income (I+II)</b>  | <b>40,644</b>              | <b>32,534</b> | <b>31,813</b>              | <b>1,35,471</b> | <b>1,29,165</b> |
| IV    | <b>EXPENSES</b>   |                            |               |                            |                 |                 |
|       | Cost of materials consumed  | 21,414                     | 17,166        | 14,292                     | 69,359          | 63,514          |
|       | Purchases of Stock-in-Trade   | 313                        | -             | 1                          | 455             | 12              |
|       | Changes in inventories of finished goods, Stock-in -Trade and work-in-progress  | (1,290)                    | (2,134)       | 2,178                      | (4,174)         | 5,150           |
|       | Employee benefits expense   | 2,042                      | 1,867         | 1,829                      | 7,792           | 7,282           |
|       | Power and Fuel  | 4,696                      | 4,700         | 3,407                      | 17,313          | 16,076          |
|       | Finance costs   | 150                        | 70            | 239                        | 562             | 956             |
|       | Depreciation and amortization expense   | 1,148                      | 1,036         | 1,113                      | 4,237           | 4,094           |
|       | Excise Duty   | 4,544                      | 3,745         | 3,285                      | 15,391          | 13,886          |
|       | Other expenses  | 3,119                      | 2,051         | 2,388                      | 9,599           | 8,621           |
|       | <b>Total expenses (IV)</b>  | <b>36,136</b>              | <b>28,501</b> | <b>28,732</b>              | <b>1,20,534</b> | <b>1,19,591</b> |
| V     | <b>Profit before exceptional items and tax (III-IV)</b>   | <b>4,508</b>               | <b>4,033</b>  | <b>3,081</b>               | <b>14,937</b>   | <b>9,574</b>    |
| VI    | Exceptional Items (Note 5)  | 958                        | -             | -                          | 958             | 754             |
| VII   | <b>Profit before tax (V-VI)</b>   | <b>3,550</b>               | <b>4,033</b>  | <b>3,081</b>               | <b>13,979</b>   | <b>8,820</b>    |
| VIII  | Tax expense:  |                            |               |                            |                 |                 |
|       | (1) Current tax   | 1,592                      | 1,405         | 943                        | 5,198           | 2,875           |
|       | (2) (Excess)/Short Provision of Tax relating to earlier years   | -                          | -             | -                          | -               | (69)            |
|       | (3) Deferred tax liability / (asset)  | (372)                      | 12            | 162                        | (316)           | 104             |
| IX    | <b>Profit for the period (VII-VIII)</b>   | <b>2,330</b>               | <b>2,616</b>  | <b>1,976</b>               | <b>9,097</b>    | <b>5,910</b>    |
| X     | Other Comprehensive Income (Net of Tax)   |                            |               |                            |                 |                 |
|       | A (i) Items that will not be reclassified to profit or loss   | 191                        | (661)         | (195)                      | 475             | (180)           |
|       | (ii) Income tax relating to items that will not be reclassified to profit or loss   | 25                         | (16)          | 26                         | 34              | (8)             |
|       | B (i) Items that will be reclassified to profit or loss   | -                          | -             | -                          | -               | -               |
|       | (ii) Income tax relating to items that will be reclassified to profit or loss   | -                          | -             | -                          | -               | -               |
| XI    | <b>Total Comprehensive Income for the period (IX+X) (Comprising Profit and Other Comprehensive Income for the period)</b> | <b>2,546</b>               | <b>1,939</b>  | <b>1,807</b>               | <b>9,606</b>    | <b>5,722</b>    |
| XII   | Paid-up Equity Share Capital (Face value of Rs. 10 each)  | -                          | -             | -                          | 2,185           | 2,185           |
| XIII  | Other Equity  | -                          | -             | -                          | 83,251          | 75,617          |
| XIIV  | Earnings per Share (of Rs. 10 each):  |                            |               |                            |                 |                 |
|       | (1) Basic   | 10.66                      | 11.97         | 9.04                       | 41.63           | 27.05           |
|       | (2) Diluted   | 10.66                      | 11.97         | 9.04                       | 41.63           | 27.05           |

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**NOTES :**

- 1) The above results have been reviewed and recommended for adoption by the Audit Committee to the Board of Directors and have been approved by the Board of Directors at its meeting held on 10th May, 2017. The Statutory Auditors have carried out audit of the above financial results and their audit report contains emphasis with respect to matter disclosed in note 4 below.
- 2) The Board of Directors have recommended dividend @ Rs. 7.00 Per equity share for the year ended 31st March, 2017 at their meeting held on 10th May, 2017 (Previous year Rs. 7.50 per equity share)
- 3) The Company's business activity falls within a single operating segment i.e. "Synthetic Yarn".
- 4) 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 Rs.22,927 lacs plus interest thereon and penalty equivalent to demand amount. The Company has filed an appeal before Appellate Tribunal (CESTAT), which has been admitted on pre-deposit of Rs.700 Lacs and granted stay against the recovery. The Company has been advised by legal experts that it has a fair chance of ultimately succeeding in the matter and accordingly no provision is required to be made in accounts.
- 5) Exceptional item for the quarter and year ended 31st March, 2017 represents impairment provision of Rs. 958 Lacs on some Polyester Spinning machines at Bharuch plant as per valuation report and for the year ended 31st March, 2016 represents write down of Rs. 754 Lacs of Continuous Polyester Polymerisation Unit (CPU) at Bharuch Plant due to suspension of continuous Polyester operations in November 2013.
- 6) The Company has adopted Indian Accounting Standards (Ind AS) notified by Ministry of Corporate Affairs from 1st April, 2016. The figures for the quarter and year ended 31st March, 2016 are also in compliance with Ind AS.
- 7) Consequent to transition to Ind AS, in accordance with para 32 of Ind AS 101 - First time adoption of Ind AS, reconciliation between net profit under 'Previous Indian GAAP' and as per Ind AS for the quarter and year ended 31st March, 2016 are as follows:

| S. No. | Particulars  | 31-03-2016    |              |
|--------|--|---------------|--------------|
|        |  | Quarter Ended | Year Ended   |
|        | <b>Net profit for the period under previous Indian GAAP</b>                                | <b>1,953</b>  | <b>5,946</b> |
| (a)    | Actuarial (Gain)/Loss on defined benefit Plans recognised in Other Comprehensive Income    | 75            | (24)         |
| (b)    | Depreciation on redesignation of asset held for disposal as Property, Plant and Equipments | (70)          | (70)         |
| (c)    | Others   | 30            | 39           |
| (d)    | Deferred tax on above adjustments (net)  | (12)          | 19           |
|        | <b>Net Profit for the period under Ind AS</b>  | <b>1,976</b>  | <b>5,910</b> |

- 8) Consequent to transition to Ind AS, in accordance with para 32 of Ind AS 101 - First time adoption of Ind AS, reconciliation between equity under 'Previous Indian GAAP' and as per Ind AS for year ended 31st March, 2016 is as follows:

| S. No. | Particulars   | Year Ended    |
|--------|---|---------------|
|        |   | 31-03-2016    |
|        | <b>Equity as on 31st March, 2016 under previous Indian GAAP</b>                           | <b>75,588</b> |
| (a)    | Provision of Proposed Dividend for the year 2015-16 (Including Dividend Distribution tax) | 1,972         |
| (b)    | Fair Valuation of Financial Assets  | 699           |
| (c)    | Depreciation on redesignation of Asset held for disposal as PPE                           | (347)         |
| (d)    | Others  | (4)           |
| (e)    | Deferred tax on above adjustments (net)   | (106)         |
|        | <b>Equity as on 31st March, 2016 under Ind AS</b>   | <b>77,802</b> |

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## 9) Statement of Assets and Liabilities

Rs. in Lacs

| S.No. | Particulars                          | As at<br>31-03-2017<br>(Audited) | As at<br>31-03-2016<br>(Audited) |
|-------|--------------------------------------|----------------------------------|----------------------------------|
| (A)   | <b>ASSETS</b>                        |                                  |                                  |
|       | <b>Non-current assets</b>            |                                  |                                  |
|       | Property, Plant and Equipment        | 56,877                           | 60,151                           |
|       | Capital work-in-progress             | 366                              | 189                              |
|       | Other Intangible Assets              | 4                                | -                                |
|       | Intangible Assets Under Development  | 241                              | -                                |
|       | <b>Financial assets</b>              |                                  |                                  |
|       | Investments                          | 2,025                            | 1,509                            |
|       | Loans                                | 184                              | 191                              |
|       | Other non current assets             | 938                              | 925                              |
|       | <b>Total Non Current Assets</b>      | <b>60,635</b>                    | <b>62,965</b>                    |
|       | <b>Current assets</b>                |                                  |                                  |
|       | Inventories                          | 23,081                           | 14,664                           |
|       | <b>Financial assets</b>              |                                  |                                  |
|       | Investments                          | 7,778                            | 6,468                            |
|       | Trade Receivables                    | 18,879                           | 15,577                           |
|       | Cash and Cash Equivalents            | 275                              | 475                              |
|       | Bank balances other than above       | 156                              | 145                              |
|       | Loans                                | 6                                | 6                                |
|       | Current tax Assets                   | 311                              | 838                              |
|       | Other current assets                 | 825                              | 453                              |
|       | <b>Total Current Assets</b>          | <b>51,311</b>                    | <b>38,626</b>                    |
|       | <b>TOTAL ASSETS</b>                  | <b>1,11,946</b>                  | <b>1,01,591</b>                  |
| (B)   | <b>EQUITY AND LIABILITIES</b>        |                                  |                                  |
|       | <b>Equity</b>                        |                                  |                                  |
|       | Equity Share Capital                 | 2,185                            | 2,185                            |
|       | Other Equity                         | 83,251                           | 75,617                           |
|       | <b>Total Equity</b>                  | <b>85,436</b>                    | <b>77,802</b>                    |
|       | <b>Non-current liabilities</b>       |                                  |                                  |
|       | <b>Financial liabilities</b>         |                                  |                                  |
|       | Borrowings                           | 3,708                            | 5,144                            |
|       | Others                               | 233                              | 248                              |
|       | Provisions                           | 1,256                            | 1,302                            |
|       | Deferred tax liabilities (Net)       | 10,158                           | 10,473                           |
|       | Other Non Current Liability          | 322                              | -                                |
|       | <b>Total Non-Current Liabilities</b> | <b>15,677</b>                    | <b>17,167</b>                    |
|       | <b>Current liabilities</b>           |                                  |                                  |
|       | <b>Financial liabilities</b>         |                                  |                                  |
|       | Borrowings                           | 109                              | 390                              |
|       | Trade payables                       | 6,827                            | 3,197                            |
|       | Others #                             | 2,406                            | 1,919                            |
|       | Other current liabilities            | 960                              | 586                              |
|       | Provisions                           | 176                              | 160                              |
|       | Current tax liabilities (Net)        | 355                              | 370                              |
|       | <b>Total Current Liabilities</b>     | <b>10,833</b>                    | <b>6,622</b>                     |
|       | <b>TOTAL EQUITY AND LIABILITIES</b>  | <b>1,11,946</b>                  | <b>1,01,591</b>                  |

# Includes Current Maturity of Long term Debts of Rs. 1436 lacs (As at 31.03.2016 Rs. 1436 lacs).

- 10) The figures for three months ended 31st March, 2017 and 31st March, 2016, are arrived at as difference between audited figures in respect of the full financial year and published figures upto nine months of relevant financial year.
- 11) The figures for the previous period have been regrouped or reclassified to conform current period classification, wherever necessary.

For Century Enka Limited

Place : Mumbai  
Date : 10th May, 2017

*C.H. Singh*  
(Director)

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