

C. B. Gagrani

Secretary

Minutes of the Fifty-Third Annual General Meeting of the Shareholders of **Century Enka Limited** held at Pudumjee Hall, Mahratta Chamber of Commerce, Industries and Agriculture, Tilak Road, Pune-411 002 on Saturday, the 13th July, 2019 at 12.30 P.M.

The following Directors, Secretary, CFO and the Members of the Company were present:

A) (i) Directors :

Mr. B. S. Mehta
Mr. S. K. Jain
Mr. K. S. Thar
Mr. O.R. Chitlange (Managing Director)

(ii) Mr. C.B. Gagrani - Secretary

(iii) Mr. K.G. Ladsaria - CFO

| B) | <u>Members</u> | <u>Number</u> | <u>Signature</u> |
|----|----------------|---------------|--|
| 1) | In Person | 93 | As per signatures obtained on Attendance Slips |
| 2) | By Proxy | 01 | As per signatures obtained on Attendance Slips |

Mr. Ankit Bhansali, authorized representative of M/s Khimji Kunverji & Co., the Statutory Auditors of the Company, Mr. Sanjay Sangani, Secretarial Auditor and Mr. Chetan Maru, Scrutinizer were present at the Meeting.

The Secretary informed the members that the Board of Directors in its meeting requested Mr. B.S. Mehta to chair the Annual General Meeting. Accordingly, Mr. B.S. Mehta occupied the chair and presided over the meeting.

Mr. B.S. Mehta informed the members about the sad demise of Mr. B.K. Birla on 3rd July, 2019. Mr. B.S. Mehta further mentioned about the long cherished memory of his association with Mr. B.K. Birla of more than 40 years as a Board Member of the Company which was enriching in every aspects.

He then mentioned that as a token of respect, the meeting may, observe two minutes silence for the eternal peace of departed soul of Late Mr. B.K. Birla.



The shareholders observed two minutes silence and then the following resolution was moved by Mr. B.S. Mehta.

“The Shareholders noted with profound sorrow the passing away of Mr. B.K. Birla, the Chairman of the Company on 3rd July, 2019 at the age of 98.

Shri B.K. Birla was the key architect in conceiving the Nylon Yarn Project in 1965 with foreign collaborators and in forming Century Enka Limited. He was on the Board of the Company since its incorporation in 1965.

Shri B.K. Birla was a true Karma-Yogi, dedicated to work and a disciplined life. He was acknowledged for quality in every sphere of business, strict compliance with law and protection of shareholders' interest. His in-depth analysis in business decisions and planned implementation was the hallmark of his leadership. He was equally instrumental in imparting quality education in the educational institutions promoted or funded by him.

In his demise, the country has lost a visionary, an entrepreneur, a leading industrialist, a fine human being and a philanthropist and the Company lost in him a leader who had inspired everyone for excellence. The Shareholders convey their respectful homage to departed soul of Shri B.K. Birla and offer their heartfelt sympathy to the members of the bereaved family.”

The Shareholders then passed the foregoing resolution.

The Chairman initiated the business of the meeting and declared that the required quorum of 30 Members in person being present, the Meeting could proceed with its business.

It was announced by the Chairman that 7 valid Proxies representing 14,93,456 Equity Shares had been received in the prescribed Form.



The Register of Directors and Key Managerial Personnel and their Shareholding maintained under Section 170, Register of Contracts in which Directors are interested and maintained under Section 189 of the Companies Act, 2013, Auditors' Report and Secretarial Audit Report were placed before the Meeting and kept open and accessible for inspection by the members during the continuance of the meeting.

With the consent of the Members present, the Notice dated 21st May, 2019 convening the 53rd Annual General Meeting was taken as read.

The Chairman informed the members that there is no qualification, observation, comment or remark in Auditors' Report and Secretarial Audit Report. He also informed the members that under the Companies Act, 2013, if there is any qualification, observation or comment in the Auditor's Report then, only that part of the report needs to be read.

The Chairman announced that remote e-voting had already been conducted as per the Notice of 53rd Annual General Meeting dated 21st May, 2019 during the period 10th July, 2019 (9.00 A.M.) to 12th July, 2019 (5.00 P.M.).

The Chairman further announced that arrangements had been made for e-voting at the venue of the Annual General Meeting, so that those shareholders who did not cast their vote through remote e-voting can cast their vote, after all the resolutions are moved.

Thereafter, the Chairman requested Mr. O.R. Chitlange, the Managing Director to give his observations on the operations of the Company.

The observations of Mr. O.R. Chitlange, in brief were as under:

The production and sales of Nylon Tyre Cord Fabric (NTCF) and Nylon Textile Yarn for the year were highest ever achieved by the Company.

Nylon Tyre Cord Fabric (NTCF) Plants at both the sites Pune and Bharuch were operated at full capacity. There was increase in demand during the year and to encash the opportunity, the Company produced additional quantity of NTCF by converting imported yarn by using existing conversion facility.



The Government of India's initiative on infrastructure development, coupled with good monsoon, resulted in increased demand for commercial vehicles, tractors, OTRs which translated into higher demand of NTCF in the year.

The Company expects full NTCF capacity utilisation and is focusing to enhance production of value-added products to increase the effective sales realisations.

During the year, the Company has also carried de-bottlenecking in NTCF by installing cable corders and loom and proposes to install additional cable corders and looms to upgrade its capacity and be ready to use opportunities for enhanced production through conversion route.

The Company will continue to pursue upgrading its NTCF machinery through modernisation, replacement and de-bottlenecking initiatives.

The Company to diversify its product range by offering dipped Polyester Tyre Cord Fabric and dipping services for Rayon Tyre Cord Fabric are dependent on setting up of additional dipping facility. For these activities and to integrate fully its NTCF capacity, the Company has approached the Government authorities for requisite permissions, which are at different stages of evaluation and approval.

The year also witnessed some Vietnam-based manufacturers supplying NTCF to India under Free Trade Agreement (FTA), which can become a potential threat for the future. The Company to contain this, has initiated steps to have broad based NTCF customer base and also to explore export market. The Company has made initial exports and has also qualified as approved supplier to top international tyre companies having their presence in India.

The production and sales of NFY were higher for the year by about 29%. The Company is a market leader and commands over 25% market share and also in terms of product range, quality as well as volume. Also to cater to emerging demand and consolidate its position into value added NFY, proposes to install Air Texturising Machine. Higher production was achieved as conversion of Polyester Spinning machines to Nylon Spinning machines which were completed by March 2018. The Company continued its efforts to grow its market share by expanding customer base, developing new products and entry in exports.

Post removal of anti-dumping duty, there has been increase in cheap imports of NFY from China and the Association of South East Asian Nations (ASEAN countries), causing pressure on NFY margins. Besides that, abnormal drop in raw material prices, combined with currency



volatility in the third quarter of the financial year 2018-19, have also caused pressure on margins.

The Company to overcome high power cost, tapped alternate sources of power to bring the power cost down. Efforts in this regard would continue.

During the year 2018-19, arrangement has been made for power purchase under group captive route at Bharuch site. At Pune site 16 TPM briquette based steam boiler was commissioned. These initiatives have resulted savings in energy cost.

Laboratory at both the sites Pune and Bharuch are accredited by National Accreditation Board for Testing and Calibration Laboratories (NABL). This will help in demonstrating superior quality of the Company's products.

ORDINARY BUSINESS :

Item No.1

AS AN ORDINARY RESOLUTION

“RESOLVED THAT the audited financial statements of the Company for the year ended 31st March, 2019 together with the Reports of the Auditors and the Directors as circulated amongst the Members and placed before the Meeting be and are hereby adopted.”

Proposed By : Mr. Rajiv S. Baheti

Seconded By : MrVilas M. Vartak

The Chairman thereafter invited the members for their comments. Some of the members participated in the discussions and sought some clarifications. The gist of clarifications sought by the Members and the clarifications given by Mr. O.R. Chitlange, the Managing Director, are given herebelow :

Clarifications sought by the Members :

- Installation of Solar Power Systems at the Plant Sites.
- Profit of Rs. 2491 lacs was made last year on the sale of which property.



- Provision of drinking water facilities in Maharashtra with water scarcity area under CSR activities.
- Fire at Pune Plant.
- Poor service of the Registrar and the Share Transfer Agent M/s. Link Intime India Pvt. Ltd.

Clarifications given by the Managing Director.

- The Company has taken the initiative of solar power generation and assessing the space that could be utilised at the Plant Sites.
- Profit of Rs. 2491 lacs was made last year on sale of the vacant office at Mumbai.
- For drinking water facilities in water scarcity area in Maharashtra, the Company will take initiatives to cover such scheme in its CSR plans.
- There was a fire in a section of the Plant at the Pune Site. The damage has been identified and an insurance claim has been lodged. Part of the insurance claim has already been received. The stoppage of certain machines for some time had no effect on the sale of finished goods.
- The poor service to the shareholders by Link Intime India Pvt. Ltd. will be taken up. Also, the Company's Secretarial Department will assist the shareholders in resolving their difficulties.



Item No.2

AS AN ORDINARY RESOLUTION

“RESOLVED THAT Mrs. Rajashree Birla, (DIN 00022995) a Director of the Company, who retires by rotation and, being eligible, offers herself for re-appointment, be and is hereby re-appointed as a Director of the Company.”

Proposed By : Mr.Shashikant G. Marathe

Seconded By : Mr.Chandrakant R.Godbole

Item No.3

AS AN ORDINARY RESOLUTION

“RESOLVED THAT as recommended by the Board of Directors, dividend at the rate of Rs.7.00 per Equity Share (Rupee Seven) on 2,18,50,589 Equity Shares of Rs.10/- each in the Company for the year ended 31st March, 2019 be and is hereby declared and the same will be paid subject to the provisions of Section 126 of the Companies Act, 2013 to those Members or their Mandatees whose names stand registered :

- i) as Beneficial Owners as per the lists furnished by National Securities Depository Limited and Central Depository Services (India) Limited for the purpose of payment of dividend in respect of the shares held in dematerialised form; and
- ii) as Members in the Register of Members of the Company on 6th July, 2019.”

Proposed By : Mr.Vilas M. Vartak

Seconded By : Mr. Dattatraya K. Kolte

SPECIAL BUSINESS

Item No.4

AS SPECIAL RESOLUTION

“RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and other applicable provisions, if any, of the Companies Act, 2013, Schedule IV to the Companies Act, 2013, the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s), amendment(s), substitution(s) or re-enactment(s) thereof in the foregoing Act, Rules and Regulations for the time being in force), Mr.



K.S. Thar (DIN 00390137) who holds the office upto 26th November, 2019 as a Non-Executive Independent Director of the Company and being eligible, be and is hereby re-appointed as a Non-Executive Independent Director of the Company, not liable to retire by rotation for a second term of five consecutive years w.e.f. 27th November, 2019 to 26th November, 2024.”

Proposed By : Mr. Ajay. V. Bagwe

Seconded By: Mr. Rajiv S. Baheti

Item No.5

AS SPECIAL RESOLUTION

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

“RESOLVED FURTHER THAT this resolution shall become effective for a period of five years from 1st April, 2019 to 31st March, 2024.”

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

Proposed By : Mr. Avinash V. Nene

Seconded By: Mr. Mragendravijay M. Maheshwari

Item No.6

AS ORDINARY RESOLUTION

“RESOLVED THAT remuneration of Rs. 2,75,000/- (Rupees two lacs seventy five thousand only) plus Goods and Services Tax and reimbursement of out-of-pocket expenses to M/s.D.C.Dave & Co.,



Cost Accountants, appointed as the Cost Auditors of the Company and fixed their remuneration by the Board of Directors, pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 for the conduct of the audit of the cost records of the Company's products Nylon and Polyester as covered under the head "Textile" in the Notification dated 31st December, 2014 issued by the Ministry of Corporate Affairs, Government of India for the financial year ended 31st March, 2019 be and is hereby ratified."

Proposed By : Mr. Parasharam Bhawe

Seconded By : Mr. Ajay V. Bagwe

The Meeting concluded at 02.35 P.M. with a vote of thanks to the Chair.

Results of Remote e-voting and e-voting at AGM venue

All the resolutions as set out in item No. 1 to 6 in the Notice of Annual General Meeting of the Company and as described herein above had been passed with the requisite majority. The results of Remote e-voting and e-voting at AGM venue as announced are annexed herewith.

Sd/-

Mumbai

(Chairman)

22.07.2019

Annexure : Results of Remote e-voting and e-voting at AGM venue.



Annexure

Results of remote e-voting conducted between 10th July, 2019 (9.00 A.M.) to 12th July, 2019 (5.00 P.M.) and e-voting on 13th July, 2019 at the venue of Annual General Meeting (Pudumjee Hall) of the Shareholders of the Company.

| Resolutions of the 52 nd Annual General Meeting | No. of equity shares | No. of votes polled | No. of Votes in favour | No. of Votes Against | % of Votes In favour | % of Votes against |
|---|----------------------|---------------------|------------------------|----------------------|----------------------|--------------------|
| Item No.1 – Ordinary Resolution Consider and adopt the Reports of the Auditors, Directors and Audited Financial Statements for the year ended 31st March, 2019. | 21850589 | 8746765 | 8746724 | 41 | 100.00 | -- |
| Item No.2 – Ordinary Resolution Re-appointment of Mrs. Rajashree Birla (DIN 00022995) as a Director of the Company, liable to retire by rotation. | 21850589 | 8746765 | 8221723 | 525042 | 94 | 6 |
| Item No.3 – Ordinary Resolution Declaration of Dividend on equity shares @ Rs.7/- per equity share of Rs.10/- each face value for the Financial Year ended 31st March, 2019. | 21850589 | 8746765 | 8746754 | 11 | 100.00 | -- |
| Item No. 4 – Special Resolution Re-appointment of Mr. K.S. Thar (DIN 00390137) as a Non Executive Independent Director of the Company for a second term of 5 years commencing from 27 th November, 2019. | 21850589 | 8746065 | 8628763 | 117302 | 98.66 | 1.34 |
| Item No. 5 – Special Resolution Payment of Commission to Directors, other than Director in whole time employment of the Company at a rate not exceeding 1% of the net profits of the Company. | 21850589 | 8746765 | 8709068 | 37697 | 99.57 | 0.43 |
| Item No.6 – Ordinary Resolution Ratification of remuneration of M/s.D.C. Dave & Co., Cost Accountants for the financial year ended 31st March, 2019. | 21850589 | 8746465 | 8746109 | 356 | 100.00 | -- |

