

Century Enka Limited

53rd Annual Report
2018-19

**QUALITY DRIVEN
LEADERSHIP**

ACROSS THE PAGES

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Please find our online version at
<http://www.centuryenka.com/investor-relations/index.html>
or simply scan to download

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's Discussion and Analysis of this Annual Report

Investor information

Market Capitalisation as at 31st March, 2019	: ₹ 55,100 Lacs
CIN	: L24304PN1965PLC139075
BSE Code	: 500280
NSE Symbol	: CENTENKA
Website	: http://www.centuryenka.com/index.html
Dividend	: ₹ 7/- per equity share
AGM Date	: 13/07/2019

AGM Venue :

Pudumjee Hall, Maharashtra Chamber of Commerce, Industries and Agriculture, Tilak Road, Pune -411002

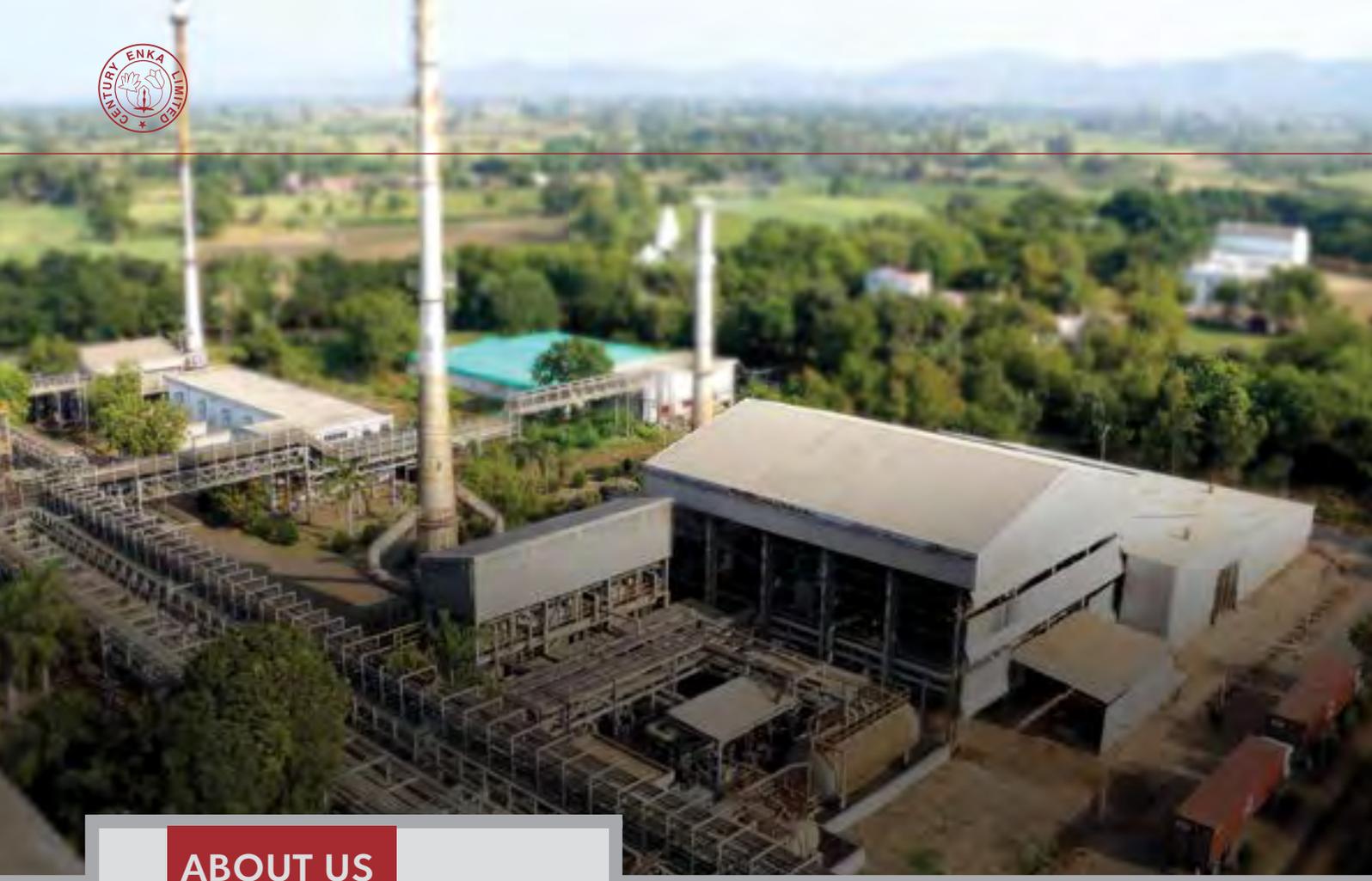


BUILDING A CULTURE OF QUALITY IN EVERY ACTION

B.K. BIRLA
Chairman

Mr. B.K. Birla is a person acknowledged for quality in every sphere of business, strict compliance of law and protection of interest of every stakeholder. It is a matter of pride, having him as the Chairman of Century Enka Limited, the natural force which ignites our mind and vision to conduct the business effectively, efficiently and overcome the challenges.

It is not only the business which is the prime focus for him. He is equally instrumental in enhancing quality education in the schools and colleges promoted by him and with a strong focus on health, art and culture.



ABOUT US

Century Enka Limited, established in 1965, is a manufacturer and amongst the leading suppliers of synthetic yarn – Nylon Tyre Cord Fabric (NTCF), that finds its application in bias tyres and Nylon Filament Yarn (NFY), that finds its application in making apparel, saree, dupatta and dress material.

Its state-of-the-art manufacturing facilities are located at Rajashree Nagar, Bharuch (Gujarat) and Bhosari, Pune (Maharashtra) equipped with world-class technology.

The Company offers best quality products, ensuring complete customer satisfaction. Besides, it follows good corporate governance practices for a stronger and fairer stakeholder relationship.



MISSION

We aim to provide innovative, cost-effective and sustainable solutions, while following fair commercial practices.

By implementing total quality management, we ensure complete customer & stakeholder satisfaction.

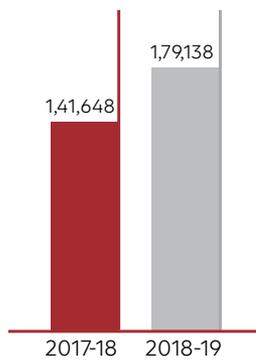


VISION

We aspire to be a leading and reliable organization in the business of tyre reinforcement and textile yarn.

FINANCIAL HIGHLIGHTS 2018-19

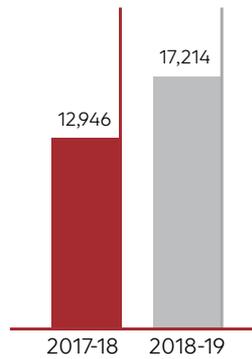
Revenue (₹ /Lacs)



26.47 %

Y-o-Y Growth

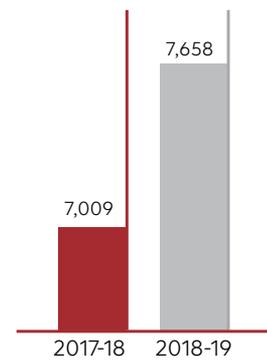
EBITDA (₹ /Lacs)



32.97 %

Y-o-Y Growth

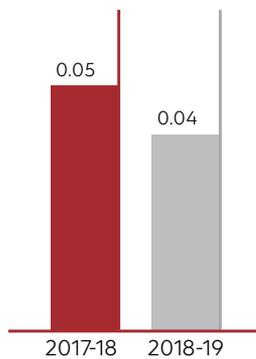
PAT (₹ /Lacs)



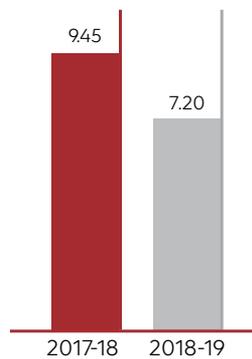
9.26 %

Y-o-Y Growth

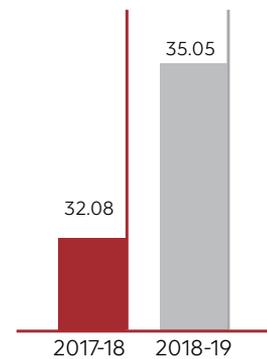
D/E Ratio



P/E Ratio



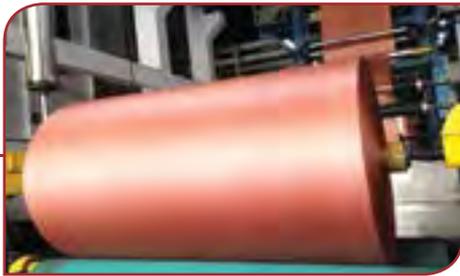
EPS (₹)



BUSINESS REVIEW

Nylon Tyre Cord Fabric (NTCF)

Product to end user application



NTCF



Bias tyre



Heavy commercial vehicle: Truck, bus, tractors, 'off the road' OTR vehicles for mining, forestry & earthmover equipment

Features that set us apart

- ▶ Adherence to quality parameters set by the international tyre companies to export NTCF
- ▶ Strong relationships with major tyre manufacturers
- ▶ Best-in-class technology

Initiatives in 2018-19

- ▶ Leveraged the opportunity of the increased NTCF demand with optimum utilisation of capacity
- ▶ Initiated exports to expand the customer base
- ▶ Continued NTCF machines upgradation through modernisation, replacement and de-bottlenecking

Industry opportunities

Unfavourable road conditions, upward movement of goods on road with growing economy and increased activities of mining and infrastructure will continue to generate stable NTCF demand

54%
Contribution to the revenue

25%
Domestic market share

Nylon Filament Yarn (NFY)

Product to end user application



NFY



Ethnic wear, athleisure, dress material

Features that set us apart

- ▶ Value-added offerings that find broad applications
- ▶ Strong distribution network across the nation
- ▶ Strong relationship with clients and fabric manufacturers

Initiatives in 2018-19

- ▶ Achieved 29% growth in NFY sales post completion of Polyester spinning machines conversion into Nylon spinning machines
- ▶ Acquired new customer base through various efforts like developing new products and increasing its export market

Industry opportunities

Increasing per capita income, changing tastes and preferences in fashion, availability and affordability of end products will continue to strengthen NFY demand

46%

Contribution to the revenue

25%

Domestic market share

LEADING BY CARE

₹ 218 LACS
CSR spent in 2018-19

Century Enka is committed to contribute to India's human development index by serving the surrounding communities through initiative in education, healthcare, infrastructure and women empowerment.

1. Vocational Training Institute

₹ 11 Lacs
Financial Support



Provided financial assistance for teaching staff and workshop consumables to a vocational training institute near Bharuch site.

2. Shiksha Sathi Project

₹ 4 Lacs
Financial Support



Sponsored 20 volunteer teachers for primary schools of tribal area to combat their scarcity in Narmada district, Gujarat.

3. Classrooms and School infrastructure

₹ 156 Lacs
Financial Support



- ▶ Constructed 8 classrooms for three schools, toilet blocks for boys and girls and other allied school building construction



- ▶ Partially funded construction of a seminar hall
- ▶ Developed about 2,200 sq. meter school garden of a village near Bharuch site

4. Educational Material

₹ 17 Lacs
Financial Support



Promote girl education, enrolment of new children at Anganwadi and provide e-learning facility.

5. Community development

₹ 16 Lacs
Financial Support



Construction of pathway, protection wall, cement concrete road and widening hilly road

6. Health, Hygiene and Medical programmes

₹ 5 Lacs
Financial Support



a) Eye Check-up and Cataract Operation Camp

1,400+ people were checked-up and about 120 cataract patients operated free of cost.

b) General Medical Camp

1,100+ patients of surrounding 15 villages of Bharuch site were examined and free medicines were distributed to needy patients



c) Blood Donation Camp

Organised 2 blood donation camps, wherein the Company employees donated 110 blood units.



d) Women Health & Hygiene

Educated and distributed more than 25,000 sanitary napkins to about 400 women of nearby villages of Bharuch site.

7. Women empowerment



₹ 16 Lacs
Financial Support

a) Nursing Course

Nursing course for girls in the vicinity of Bharuch site



b) Tailoring Course

Organised tailoring course for 25 women of a neighbouring village of the Bharuch site and provided sewing machines to them free of cost.

QUALITY CERTIFICATION

Laboratories at Pune and Bharuch sites are accredited by National Accreditation Board Testing and Calibration Laboratories (NABL)



AWARDS

National Safety Council recognised the Company's effort with certificate of appreciation Safety Awards - 2018



Received silver and bronze medals at Bharuch and Pune sites respectively, from Indian Green Manufacturing Challenge for green and sustainable manufacturing practice



CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr. B. K. Birla (Chairman)
Mrs. Rajashree Birla (Vice Chairperson)
Mr. B. S. Mehta
Mr. S. K. Jain
Mr. K. S. Thar
Mr. O. R. Chitlange (Managing Director)

KEY MANAGERIAL PERSONNEL

Mr. K. G. Ladsaria
Chief Financial Officer
Mr. C. B. Gagrani
Company Secretary

AUDITORS

Messrs. Khimji Kunverji & Co LLP.
(Formerly Khimji Kunverji & Co)

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, 2019

Dear Shareholders,

Your Directors present the 53rd Annual Report and Audited Financial Statements of the Company for the year ended 31st March, 2019.

Profit for the year has shown improvement, despite the same has been impacted by inventory losses resulting from sudden drop in raw material prices in the second half of the year.

FINANCIAL RESULTS

	₹ / Lacs	
	This Year	Previous Year
Net Revenue from Operations (Previous Year - Net of Excise Duty)	179138	141648
Profit before Depreciation, Finance Cost, Exceptional Items and Tax	17214	12946
Add / (Less) :		
Depreciation	(4504)	(4194)
Finance Cost	(346)	(340)
Exceptional Item (Note 1)	(454)	2491
Taxation (Net)	(4252)	(3894)
Net Profit	7658	7009

Note 1: Exceptional item in current year represents write down in carrying value of machinery not in use and in previous year profit on sale of property.

DIVIDEND

We recommend a dividend at the rate of 70% (i.e. ₹ 7.00 per Equity Share of ₹ 10/- each) for the year ended 31st March, 2019 (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 ₹ 900 lacs) to General Reserve.

COURSE OF BUSINESS

Your Company, over a period, converted Polyester spinning machines into Nylon spinning machines with strong in-house technical support. These machines have been stabilised and the Company has achieved the highest ever production and sale of Nylon Filament Yarn (NFY) and is a market leader. Your Company is further focusing on value added products and plans to add air texturing capacity.

The import of NFY from China has increased with the removal of anti-dumping duty causing pressure on margins.

Nylon Tyre Cord Fabric (NTCF) plants at both the sites Pune and Bharuch are operating at full capacity and have achieved the highest ever production and sale. There was a good demand in the year under review and to encash the opportunity, your

Company produced additional quantity of NTCF by converting imported yarn by using existing conversion facility. Your Company is continuing its efforts to increase the customer base including exports.

Your Company is constantly pursuing increase in raw material supply sources to reduce lead time for supply of raw material as well as to insulate itself from the raw material price fluctuations.

High energy cost continued to be a matter of concern, but with various initiatives, the Company expects to contain increase in energy cost.

During the current financial 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.

EXCISE DUTY DEMAND

An appeal in respect of excise duty demand of ₹ 22927 lacs, equal amount of penalty and interest on duty amount has been filed before Customs, Excise and Service Tax Appellate Tribunal (CESTAT) Mumbai. There is no material change and the matter is still pending. Your Company has been advised by the legal experts that it has a fair chance of ultimately succeeding in the matter and, accordingly, no provision is required to be made for the same.

EXPANSION AND MODERNISATION

Your Company maintained its leadership in Nylon Filament Yarn in terms of product range, quality parameters as well as in terms of volume. The Company has also carried de-bottlenecking in NTCF by installing cable corders and loom and further proposes to install additional cable corders and looms to enhance NTCF capacity. In order to further consolidate its position into value added NFY, the Company proposes to install Air Texturing machines.

During the year, your Company refurbished Polymerisation Column to produce 15 MT per day Nylon Chips for cost reduction.

Your Company continues to pursue diversifying its product range by offering dipped Polyester Tyre Cord Fabric and dipping services for Rayon Tyre Cord Fabric which are dependent on setting up of dipping facility. For these activities and to integrate fully its NTCF capacity, the Company has approached the Government authorities for requisite permissions.

Your Company is constantly endeavouring to become energy efficient and has initiated steps to replace some of the old equipment to reduce energy cost.

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 and forming part of the report. (Annexure-I)

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 form 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 form 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 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Emphasis is given to persons from diverse fields or professions.

Policy on Remuneration

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

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

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

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

DECLARATION OF INDEPENDENCE BY THE INDEPENDENT DIRECTORS

Pursuant to Section 149(7) of the Companies Act, 2013, Independent Directors of the Company have made a declaration

confirming the compliance of the conditions of the independence stipulated in Section 149(6) of the said Act.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirements of Section 134(3) (c) of the Companies Act, 2013 and on the basis of explanation and compliance certificate given by the executives of the Company, and subject to disclosures in the Annual Accounts and also on the basis of discussions with the Statutory Auditors of the Company from time to time, we state as under :

- that in the preparation of the annual accounts, the applicable accounting standards had been followed alongwith proper explanation relating to material departure;
- that the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;
- that the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- that the directors had prepared the annual accounts on a going concern basis;
- that the directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- that the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

DIRECTORS

Mr. B.S. Mehta and Mr. S.K. Jain have been reappointed w.e.f. 1st April, 2019 as Non-Executive Independent Directors of the Company for a term of five years by passing Special Resolutions by the Members of the Company through Postal Ballot on 13th March, 2019.

In accordance with 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 have met five times and Independent Directors once during the year ended 31st March, 2019.

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 2018-19 and meetings attended by each member of the Committee as required under the Companies Act, 2013, are provided in Corporate Governance Report forming 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 (CFO)

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, 2019 and there are no outstanding deposits in terms of the Companies (Acceptance of Deposits) Rules, 2014.

COMPLIANCE OF SECRETARIAL STANDARDS

Your Company has complied with the applicable Secretarial Standards.

RISK MANAGEMENT

Your Company has developed and implemented a Risk Management Policy, including identification of element of risk and its 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. 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 2018-19 under the aforesaid Act. The Company under the said Act has constituted internal committees for complaints.

COROPRATE SOCIAL RESPONSIBILITY

Information on Corporate Social Responsibility (CSR) Policy and initiative taken by the Company during the financial year 2018-19, pursuant to Section 135 of the Companies Act, 2013 read with

Rule 8 of the Companies (CSR Policy) Rules, 2014 is annexed herewith and forming part of the report. (Annexure-II)

ANALYSIS OF REMUNERATION

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

AUDITORS

M/s. Khimji Kunverji & Co. LLP, (formerly 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 Cost Accountant in Practice. Your Company has appointed M/s. D.C. Dave & Co., a firm of Cost Auditors, for conducting the audit of such records for the financial year 2018-19.

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, 2019, in prescribed form, duly audited by a firm of Practising Company Secretaries M/s. Sanjay Sangani & Co. is annexed herewith and forming part of the report.

PARTICULARS OF EMPLOYEES

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

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 and forming part of the report. (Annexure-V)

The web link for the Annual Return placed on the Company's website is www.centuryenka.com/pdf/enka-annual-return-2018.pdf

For and on behalf of the Board of Directors

Rajashree Birla

Vice Chairperson

(DIN: 00022995)

O.R. Chitlange

Managing Director

(DIN: 00952072)

Place : Mumbai

Date : 21st May, 2019

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 THE COMPANIES ACT, 2013 READ WITH THE RULE 8 OF THE COMPANIES (ACCOUNTS) RULES, 2014

(A) CONSERVATION OF ENERGY

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

i) Steps taken or impact on conservation of energy:

Steps taken	Impact (Annualised Savings)
Electricity	KWh (in Lacs)
a. Installation of high efficiency fans of AHU in spinning quench	9.74
b. Installation of one high capacity Boiler to replace four lower capacity boilers	3.23
c. Stoppage of fanless cooling tower and taking load on mist cooling tower.	2.30
d. Installation of inverter for air washer supply fan	0.81
e. Installation of LED lights in plant	0.91

ii) Steps taken for utilisation of alternate sources of energy

- Installation of roof top solar power system
- Installation of Briquette based Boiler for steam generation
- Replacement of heating system from Electrical to Thermic fluid in polymerization.

iii) **Capital investments on energy conservation equipments during 2018-19 ₹ 551 Lacs** (previous year ₹ 378 Lacs)

(B) TECHNOLOGY ABSORPTION

i) Efforts made towards technology absorption:

- Development of EMS and Annunciation system for substation.
- Modification of cam & components in yarn path for better productivity

- Upgradation of extruder PLC with new technology.
- Modification of APH and blowdown line of biomass boiler.
- Development of SCADA system for utility process parameters
- Installation of LG ultrasonic Wet Algae preventers for cooling tower.
- Development of gearbox for extruder of NTCF spinning machine.
- Replacement PVC thread finger cover with SS chrome plated cover of loom.

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

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

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 : Not applicable
been fully absorbed

iv) Expenditure on Research & Development

Particulars	₹ / Lacs	
	2018-19	2017-18
1. Capital	See Note Below	
2. Recurring	226	251
3. Total	226	251
4. Total R & D expenditure as a Percentage of total revenue from Operation (Net)	0.15%	0.18%

Note: The Company has spent ₹ 68 Lacs (Previous year ₹ 35 Lacs) and shown as normal Capital Expenditure, although it is also used for R&D activities.

(C) FOREIGN EXCHANGE EARNINGS AND OUTGO

Total foreign exchange used ₹ 79987 Lacs (Previous year ₹ 50433 Lacs) and earned ₹ 3713 Lacs (Previous Year ₹ 2262 Lacs).



ANNEXURE TO DIRECTORS' REPORT

(Annexure-II)

STATEMENT CONTAINING INFORMATION AS PER SECTION 135 READ WITH THE RULE 8 OF THE COMPANIES (CORPORATE SOCIAL RESPONSIBILITY) RULES, 2014 AND FORMING PART OF DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH, 2019.

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.

The company's CSR policy is available on 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 ₹ 10877.65 Lacs.

4. Prescribed CSR Expenditure for the financial year 2018-19 is ₹ 217.55 Lacs (Previous Year ₹ 201.86 Lacs) (Being two percent of the amount as in item 3 above)

5. Details of CSR spent during the year.

Sr No.	Particulars	Financial Year		Cummulative	
		2018-19	2017-18	Upto 31.03.2019	Upto 31.03.2018
i.	Total amount to be spent for the financial year	217.55	201.86	728.56	510.56
ii.	Amount Spent	218.02	206.20	729.36	511.36
iii.	Amount (Unspent) / Overspent, if any	0.47	4.34	1.27	0.80
iv.	Manner in which the amount is spent during the FY is detailed in statement hereinbelow.				

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 : 21st May, 2019

DETAILS OF CSR ACTIVITIES

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	
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 the reporting period i. e. 31.03.2019	Amount spent : Direct or through implementing agency	
1	a) School Education Projects: Distribution of stationery, uniforms, teaching material and teaching volunteers	Education	Gujarat - Bharuch	11.00	10.51	188.12	Direct	
	b) School Infrastructure: Construction / financial assistance for construction of school rooms.		Gujarat - Bharuch	76.61	70.70		CENKA Samaj Kalyan Sanstha Direct	
			Gujarat - Bharuch	24.00	23.50			Cenka Samaj Kalyan Sanstha Jayvant Institute
			Maharashtra - Satara	45.00	50.00			
	c) Expenditure on Vocational Education		Gujarat - Bharuch	12.00	12.00			
			Gujarat - Bharuch	15.00	10.88		CENKA Samaj Kalyan Sanstha	
2	Preventive Health Care Programme : Eye / General Medical checkup & Treatment camps	Health	Gujarat - Bharuch	5.00	5.91	5.91	Direct	
3	Rural Infrastructure Development other than for the purpose of Health/ Education / Livelihood : Road, Pathway and other as per local needs.	Rural development & social empowerment	Gujarat - Bharuch	15.00	15.84	15.84	Direct	
4	Women Empowerment : Nursing, Tailoring	Women Empowerment	Gujarat-Bharuch	3.50	8.09	8.14	Direct	
			TOTAL	218.00	218.02			

ANNEXURE TO DIRECTORS' REPORT

(Annexure-III)

Details pertaining to remuneration as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

i. The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the financial year 2018-19 and ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2018-19 are as under:

Sr. No.	Name of Director/ KMP	Designation	2018-19 (₹ / Lacs)			2017-18 (₹ / Lacs)		
			Remuneration* of Director / KMP for financial year	% increase in Remuneration in the Financial Year	Ratio of remuneration of each Director to median remuneration of employees	Remuneration* of Director / KMP for financial year	% increase in Remuneration in the Financial Year	Ratio of remuneration of each Director to median remuneration of employees
1	Mr. B.K. Birla	Chairman	5.30	2.91	1.25	5.15	-2.83	1.17
2	Mrs. Rajashree Birla	Vice Chairperson	5.60	8.74	1.32	5.15	-8.04	1.17
3	Mr. B.S. Mehta	Independent Director	11.50	0.44	2.72	11.45	-0.43	2.60
4	Mr. S.K. Jain	Independent Director	6.40	0.79	1.51	6.35	0.00	1.44
5	Mr. K.S. Thar	Independent Director	6.40	0.79	1.51	6.35	-0.78	1.44
6	Mr.O.R. Chitlange	Managing Director w.e.f. 16.05.2017	342.77	**	81.03	231.36	**	52.46
7	Mr. G.M. Singhvi	Whole time Director upto 15.05.2017	**	**	**	51.27	**	11.63
8	Mr. K.G. Ladsaria	Chief Financial Officer w.e.f 13.02.2017	113.89	36.80	N.A.	83.25	***	N.A.
9	Mr. C.B. Gagrani	Company Secretary	46.91	8.26	N.A.	43.33	11.76	N.A.

* Directors Remuneration includes sitting fees.

** Details not given as Mr. O.R. Chitlange was appointed as Managing Director w.e.f. 16th May, 2017 and Mr. G.M. Singhvi was Whole Time Director upto 15th May, 2017.

*** Mr. K.G. Ladsaria was appointed as Chief Financial Officer w.e.f. 13th February, 2017.

- ii. The median remuneration of employees of the Company during the financial year was ₹ 4.23 Lacs (Previous Year ₹ 4.41 Lacs)
- iii. During the financial year, there was an increase of 4.23 % in the median remuneration of employees (Previous Year 12.25%). The increase in the median remuneration in previous year was due to the new wage agreement of Pune site that came into effect from 1st May, 2017.
- iv. Number of permanent employees on the rolls of the Company as on 31st March, 2019 was 1578 Nos. and as on 31st March, 2018 was 1519 Nos.
- v. Average percentage increase made in the salaries of employees other than the managerial personnel in the financial year 2018-19 and 2017-18 was 3.91%, 7.33% respectively and the increase in the managerial remuneration for the financial year 2018-19 and 2017-18 was 21.28%, 26.09% respectively.
- vi. It is hereby affirmed that the remuneration paid is as per the Remuneration Philosophy / Policy of the Company

(Annexure-IV)

STATEMENT CONTAINING INFORMATION AS PER SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH THE RULES 5(2) AND 5(3) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014 AND FORMING PART OF DIRECTORS' REPORT FOR THE YEAR ENDED, 31ST MARCH, 2019.

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

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

- Mr. O.R. Chitlange, Managing Director, ₹ 3,42,76,860, Contractual, B.Com., F.C.A, 39, 16-05-2017, 61, Century Textile and Industries Limited, NIL.
- Mr. K.G. Ladsaria, Chief Financial Officer, ₹ 1,13,89,919, Non-Contractual, B.Com., A.C.A, 25, 01-12-2016, 48, 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:

- 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.
- The above employees are not relative of any Director of the Company.

For and on behalf of the Board of Directors

Rajashree Birla
Vice Chairperson
(DIN: 00022995)

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

Place : Mumbai
Date : 21st May, 2019



(Annexure - V)

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

as on the financial year ended on 31st March, 2019

[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 th 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	53%
2	Nylon Filament Yarn	2030	46%

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 01.04.2018				No. of shares held at the end of the year 31.03.2019				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(I) Indian									
a) Individual/HUF	136130	---	136130	0.62	136130	---	136130	0.62	---
b) Central Govt.	---	---	---	---	---	---	---	---	---
c) State Govt(s)	---	---	---	---	---	---	---	---	---

Category of Shareholders	No. of shares held at the beginning of the year 01.04.2018				No. of shares held at the end of the year 31.03.2019				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
d) Bodies Corp.	5797598	---	5797598	26.54	5381918	---	5381918	24.63	(1.91)
e) Banks/FI	---	---	---	---	---	---	---	---	---
f) Any Other	-								
Sub-Total (A) (1) :	5933728	---	5933728	27.16	5518048	---	5518048	25.25	(1.91)
(2) Foreign									
a) NRI/Individuals	---	---	---	---	---	---	---	---	---
b) Other-Individuals	---	---	---	---	---	---	---	---	---
c) Bodies Corp.	---	---	---	---	---	---	---	---	---
d) Banks/FI	---	---	---	---	---	---	---	---	---
e) Any Other	---	---	---	---	---	---	---	---	---
Sub-Total (A) (2) :	---	---	---	---	---	---	---	---	---
Total Shareholding of Promoter (A)=(A)(1)+(A)(2)	5933728	---	5933728	27.16	5518048	---	5518048	25.25	(1.91)
B. Public Shareholding									
I. Institutions									
a) Mutual Funds	--	4365	4365	0.02	--	4365	4365	0.02	--
b) Banks/FI	1562830	17045	1579875	7.23	1194510	16085	1210595	5.54	(1.69)
c) Central Govt	--	--	--	--	--	--	--	--	--
d) State Govt(s)	--	--	--	--	--	--	--	--	--
e) Venture Capital Funds	--	--	--	--	--	--	--	--	--
f) Insurance Companies	153390	80	153470	0.70	128390	80	128470	0.59	(0.11)
g) FIs	--	--	--	--	--	--	--	--	--
h) Foreign Venture Capital Funds	--	--	--	--	--	--	--	--	--
i) Others (Specify)									
(i) Foreign Portfolio Investor	809766	--	809766	3.71	576247	--	576247	2.64	(1.07)
(ii) Foreign Mutual Fund	--	1770	1770	0.01	--	1770	1770	0.01	--
(iii) Foreign Financial Institution	--	1475	1475	--	--	1475	1475	--	--
Sub -Total (B)(1):	2525986	24735	2550721	11.67	1899147	23775	1922922	8.80	(2.87)
2. Non-Institutions									
a) Bodies Corp.									
(i) Indian	1967614	20905	1988519	9.10	1305018	18035	1323053	6.05	(3.05)
(ii) Overseas	237159	1255000	1492159	6.83	237159	1255000	1492159	6.83	--
(b) Individuals									
(i) Individual Shareholders holding nominal share capital upto Rs. 1 lakh	5877634	578618	6456252	29.55	6618993	499978	7118971	32.58	3.03
(ii) Individual Shareholders holding nominal share capital in excess of Rs. 1 lakh	2324404	31964	2356368	10.78	3290626	0	3290626	15.06	4.28



Category of Shareholders	No. of shares held at the beginning of the year 01.04.2018				No. of shares held at the end of the year 31.03.2019				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(c) Other									
1) NRIs	232348	7265	239613	1.10	250696	5975	256671	1.18	0.08
2) HUF	399641	265	399906	1.83	572962	265	573227	2.62	0.79
3) Trust	91930	--	91930	0.42	89305	--	89305	0.41	(0.01)
4) Director / Relatives	8540	125	8665	0.04	8540	125	8665	0.04	--
5) Clearing Members	188256	--	188256	0.86	76955	--	76955	0.35	(0.51)
6) IEPF	144472	--	144472	0.66	169158	--	169158	0.78	0.12
7) NBFCs registered with RBI	--	--	--	--	10589	--	10589	0.05	0.05
8) Foreign Nationals	--	--	--	--	240	--	240	--	--
Sub-Total (B)(2) :	11471998	1894142	13366140	61.17	12630241	1779378	14409619	65.95	4.78
Total Public Shareholding (B)=(B)(1)+(B)(2)	13997984	1918877	15916861	72.84	14529388	1965471	16332541	74.75	1.91
C. Shares held by custodian for GDRs & ADRs	--	--	--	--	--	--	--	--	--
Grand Total(A+B+C)	19931712	1918877	21850589	100	20047436	1803153	21850589	100	

(ii) Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year 01.04.2018			Shareholding at the end of the year 31.03.2019			% change in share holding during the year
		No. of Shares	% of total shares of the company	% of shares Pledged/encumbered to total shares	No. of Shares	% of total shares of the company	% of shares Pledged/encumbered to total shares	
1	TGS Investment And Trade Pvt. Ltd.	3114970	14.26	--	3114970	14.26	--	--
2	Century Textiles And Industries Ltd.	1266887	5.80	--	1266887	5.80	--	--
3	Cygnat Industries Ltd.	415680	1.91	1.91	--	--	--	(1.91)
4	Prakash Educational Society	277360	1.27	--	277360	1.27	--	--
5	Trapti Trading And Investments Pvt. Ltd.	260820	1.19	--	260820	1.19	--	--
6	Turquoise Investment And Finance Pvt. Ltd.	242900	1.11	--	242900	1.11	--	--
7	Jayantika Investment & Finance Limited (Formerly Parvati Tea Company Pvt. Ltd.)	100000	0.46	--	100000	0.46	--	--
8	Birla Education Trust	75000	0.34	--	75000	0.34	--	--
9	Mr. Basant Kumar Birla	71360	0.32	--	71360	0.32	--	--
10	Aditya Vikram Kumarmangalam Birla HUF	29760	0.14	--	29760	0.14	--	--
11	Padmavati Investment Ltd.	28891	0.13	--	28891	0.13	--	--
12	Mrs. Rajashree Birla	26080	0.12	--	26080	0.12	--	--
13	B.K. Birla Foundation	15090	0.07	--	15090	0.07	--	--
14	Mrs. Vasavadatta Bajaj	8930	0.04	--	8930	0.04	--	--
	Total	5933728	27.16	1.91	5518048	25.25	--	(1.91)

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

Sl. No.		Shareholding at the beginning of the year 01.04.2018				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	01.04.2018	5933728	27.16	--		
	Date wise Increase/(Decrease) in Promoters Shareholding during the year specifying the reasons for increase (decrease) (e.g. allotment/ transfer/ bonus / sweat equity etc.)						
	Cygnnet Industries Limited	08.06.2018	(7808)	0.04	Transfer	5925920	27.12
		11.06.2018	(7175)	0.03	Transfer	5918745	27.09
		12.06.2018	(1301)	0.01	Transfer	5917444	27.08
		13.06.2018	(1962)	0.01	Transfer	5915482	27.07
		04.07.2018	(4737)	0.02	Transfer	5910745	27.05
		09.07.2018	(392697)	1.80	Transfer	5518048	25.25
	At the end of the year	31.03.2019	5518048	25.25	--	5518048	25.25

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

Sl. No.	Name of Shareholder	Shareholding at the beginning of the year 01.04.2018		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	1515302	6.93	21.12.2018	(70484)	Transfer	1444818	6.61
				28.12.2018	(39581)	Transfer	1405237	6.43
				31.12.2018	(25000)	Transfer	1380237	6.32
				04.01.2019	(32548)	Transfer	1347689	6.17
				11.01.2019	(32387)	Transfer	1315302	6.02
				18.01.2019	(25518)	Transfer	1289784	5.90
				25.01.2019	(53725)	Transfer	1236059	5.66
				15.02.2019	(14156)	Transfer	1221903	5.59
				22.02.2019	(722)	Transfer	1221181	5.59
		01.03.2019	(38071)	Transfer	1183110	5.41		
		08.03.2019	(32224)	Transfer	1150886	5.27		
2.	Mr.Hitesh Ramji Javeri*	619962	2.84	06.04.2018	(62)	Transfer	619900	2.84
3.	Mrs.Harsha Hitesh Javeri*	472000	2.16	---	---	---	472000	2.16
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.	Ms.Priti Agarwal	--	--	13.07.2018	1000	Transfer	1000	0
				27.07.2018	(1000)	Transfer	0	0
				23.11.2018	2100	Transfer	2100	0.01
				30.11.2018	2112	Transfer	4212	0.02
				14.12.2018	21179	Transfer	25391	0.12
				21.12.2018	23621	Transfer	49012	0.22
				15.02.2019	47163	Transfer	96175	0.44
				22.02.2019	69398	Transfer	165573	0.76
				01.03.2019	54427	Transfer	220000	1.01
8.	Devi Investment and Development Inc.*	177689	0.81	---	---	---	177689	0.81
9.	IEPF Authority	144472	0.66	07.09.2018	24686	Transfer	169158	0.77
10.	Morelia Enterprises Ltd.	164470	0.75	---	---	---	164470	0.75
11.	Mr.Sohan Samdani	134376	0.61	---	---	---	134376	0.61
12.	Quantum Securities Pvt Ltd	250000	1.14	13.04.2018	400	Transfer	250400	1.14
				20.04.2018	7611	Transfer	258011	1.18
				27.04.2018	1756	Transfer	259767	1.19



Sl. No.	Name of Shareholder	Shareholding at the beginning of the year 01.04.2018		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
				04.05.2018	(1777)	Transfer	257990	1.18
				11.05.2018	420	Transfer	258410	1.18
				18.05.2018	30	Transfer	258440	1.18
				25.05.2018	110	Transfer	258550	1.18
				01.06.2018	(150)	Transfer	258400	1.18
				08.06.2018	(907)	Transfer	257493	1.18
				15.06.2018	(23150)	Transfer	234343	1.07
				22.06.2018	(450)	Transfer	233893	1.07
				30.06.2018	(1700)	Transfer	232193	1.06
				06.07.2018	(75000)	Transfer	157193	0.72
				13.07.2018	20	Transfer	157213	0.72
				20.07.2018	80	Transfer	157293	0.72
				27.07.2018	9150	Transfer	166443	0.76
				10.08.2018	100	Transfer	166543	0.76
				17.08.2018	165	Transfer	166708	0.76
				24.08.2018	(165)	Transfer	166543	0.76
				31.08.2018	2225	Transfer	168768	0.77
				07.09.2018	750	Transfer	169518	0.78
				14.09.2018	(593)	Transfer	168925	0.77
				21.09.2018	(825)	Transfer	168100	0.77
				29.09.2018	(3050)	Transfer	165050	0.75
				05.10.2018	200	Transfer	165250	0.76
				12.10.2018	(24350)	Transfer	140900	0.64
				19.10.2018	25600	Transfer	166500	0.76
				26.10.2018	(19460)	Transfer	147040	0.67
				02.11.2018	31	Transfer	147071	0.67
				09.11.2018	179	Transfer	147250	0.67
				16.11.2018	151	Transfer	147401	0.67
				23.11.2018	47	Transfer	147448	0.67
				30.11.2018	10153	Transfer	157601	0.72
				07.12.2018	(142)	Transfer	157459	0.72
				14.12.2018	(58)	Transfer	157401	0.72
				21.12.2018	(10700)	Transfer	146701	0.67
				28.12.2018	(51)	Transfer	146650	0.67
				31.12.2018	(1750)	Transfer	144900	0.66
				11.01.2019	(11000)	Transfer	133900	0.61
				01.02.2019	(33657)	Transfer	100243	0.46
				15.02.2019	(18000)	Transfer	82243	0.38
				22.02.2019	(38000)	Transfer	44243	0.20
13.	Camden Industries Limited	925000	4.23	30.06.2018	(82509)	Transfer	842491	3.86
				06.07.2018	(28208)	Transfer	814283	3.73
				13.07.2018	(814283)	Transfer	--	--

*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 01.04.2018		Date wise Increase/ Decrease in Shareholding during the year			Cumulative Shareholding during the year		Shareholding at the end of the year 31.03.2019	
		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)	71360	0.32	---	---	---	71360	0.32	71360	0.32
2.	Mrs. Rajashree Birla (Director)	26080	0.12	---	---	---	26080	0.12	26080	0.12

Sl. No.	For Each of the Directors and KMP	Shareholding at the beginning of the year 01.04.2018		Date wise Increase/ Decrease in Shareholding during the year			Cumulative Shareholding during the year		Shareholding at the end of the year 31.03.2019	
		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
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

(₹ In Lacs)

	Secured Loans excluding deposits	Unsecured Loans	Deposit	Total Indebtedness
Indebtedness at the beginning of the financial year				
(i) Principal Amount	4695	-	-	4695
(ii) Interest due but not paid	-	-	-	-
(iii) Interest accrued but not due	34	-	-	34
Total (i+ii+iii)	4729	--	--	4729
Change in Indebtedness during the financial year				
• Addition	300	--	--	300
• Reduction	(1749)	--	--	(1749)
Net Change	(1449)	--	--	(1449)
Indebtedness at the end of the financial year				
(i) Principal Amount	3,256	--	--	3,256
(ii) Interest due but not paid	--	--	--	--
(iii) Interest accrued but not due	24	--	--	24
Total (i+ii+iii)	3,280	--	--	3,280

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	324.68
	(b) Value of perquisites under section 17(2) of Income Tax Act, 1961	8.82
	(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),	7.77
	Superannuation (Exempted Portion)	1.50
	Total Remuneration	342.77
	Ceiling as per the Act 5% of the net profit of company	598.40
	Net Profit of the Company for the year 2018-19 as per Section 198 of the Companies Act, 2013	11968
	5% of Net Profit	598.40



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	Total Amount
1	Fee for attending board and other committee meetings	1.50	1.40	1.40	4.30
2	Commission	10.00	5.00	5.00	20.00
3	Others, Please specify	-	-	-	-
	Total of (I)	11.50	6.40	6.40	24.30

II. Other Non Executive Directors

(₹/Lacs)

Sr. No.	Particulars of Remuneration	Mr. B.K. Birla	Mrs. Rajashree Birla	Total Amount
1	Fee for attending board and other committee meetings	0.30	0.60	0.90
2	Commission	5.00	5.00	10.00
3	Others, Please specify	-	-	-
	Total of (II)	5.30	5.60	10.90
	Total (I) + (II) Total Remuneration to Other Directors			35.20
	Total Managerial Remuneration (A + B)			37797
	Overall Ceiling as per the Act of the net profit of the company			718.08
Notes :				(₹/Lacs)
	Net Profit of the Company for the year 2018-19 as per Section 198 of the Companies Act, 2013			11968
	1% of Net Profit			119.68

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

(₹/Lacs)

Sr. No.	Particulars of Remuneration	Mr. K.G. 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	109.63	41.65	151.28
	(b) Value of perquisites under section 17(2) of the Income Tax Act, 1961	0.33	1.55	1.88
	(c) Profits in lieu of salary under section 17(3) of the 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)	3.93	2.21	6.14
	Superannuation (Exempted Portion)	0.00	1.50	1.50
	Total Remuneration	113.89	46.91	160.80

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)
A. COMPANY					
Penalty					
Punishment			-- NIL --		
Compounding					
B. DIRECTORS					
Penalty					
Punishment			-- NIL --		
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty					
Punishment			-- NIL --		
Compounding					

MANAGEMENT'S DISCUSSION AND ANALYSIS

1. OVERALL REVIEW

The overall performance of the Company for the year 2018-19 can be considered satisfactory, despite steep decline in raw material prices in the second half of the year.

The production and sales of Nylon Tyre Cord Fabric (NTCF) and Nylon Filament Yarn (NFY) for the year were highest ever. NFY consumption witnessed y-o-y growth of 19%. Conversion of Polyester Spinning machines to Nylon Spinning machines, which were completed by end of March 2018, were put to optimum capacity utilisation that enabled the Company to consolidate its market share.

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

Industry Status

In the synthetic yarn segment of Textile Industry, the Company is engaged in the production of Nylon Yarn, both for Tyre Industry as well as Apparel Industry. For Tyre Industry, it caters to NTCF demand. It is a 'reinforcement' material used in the manufacturing of Bias/Cross Ply tyres. These tyres are used in Trucks and Buses, Tractors, Two/Three Wheelers and other 'Off the Road' (OTR) vehicles for mining, forestry and earthmover equipment. The Government of India's initiative on infrastructure development, coupled with good monsoon, resulted in increased demand for commercial vehicles, tractors, OTRs and two/three wheelers that translated into higher demand of NTCF.

The demand in automobile industry witnessed a decline from December 2018, owing to high insurance cost for passenger cars and motorcycles which appears to be temporary and the demand is expected to recover by first quarter of the financial year 2019-20.

For the financial year 2019-20, outlook appears stable, as automobile industry is expected to grow by about 7%.

For the apparel industry, the Company caters to NFY demand. NFY has witnessed strong traction in recent years, owing to a wide range of application across varied fabrics varieties, such as warp knitting, circular knitting, narrow weaving and usage on automatic rapier and water jet looms. Lower crude price cycle, in the first half of the year lowered NFY prices, that acted as demand stimulator. However, post removal of anti-dumping duty, there has been 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.

Company Performance

The Company successfully leveraged the increased demand of NTCF and ensured full capacity utilisation leading to highest production and sales during the year. The year also witnessed some Vietnam-based manufacturers supplying 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 to explore export market. The Company has made initial exports and has also qualified as approved supplier to international tyre companies having their presence in India. The outlook of NTCF for the year 2019-20 looks stable.

The Company has successfully completed Polyester Tyre Cord Fabric trials through conversion route and production can be taken up once new dipping line gets ready. The Company has also successfully completed trials for dipping of Rayon Tyre Cord Fabric and can be taken up once the new dipping line gets ready.

Looking into the future of bias tyres demand as against increasing focus of tyre industry on radial tyres, the Company is expanding the customer base and exploring exports to protect its market share against any future eventualities.

NFY production and sales were higher for the year by about 29%. Higher production was achieved as conversion of Polyester Spinning machines to Nylon Spinning machines was completed by March 2018. The Company is a market leader and commands over 25% market share. The Company continued its efforts to grow its market share by expanding customer base, developing new products and succeeded to make entry in exports.

Close watch on raw material prices and strict inventory management has helped the Company in securing continued raw material supply and protected against adverse impact of raw material price volatility. The Company is actively focusing on developing value-added new NFY products for textile applications and has made significant growth in supplies to active wear, athleisure and functional wear which augurs well for the Company.

Conversion of polyester filament yarn machinery into nylon filament yarn machinery by small players, new entrants and high power cost, are some of the areas of concern. The Company to overcome high power cost, continues to explore alternative sources of power to bring it down.

Company Outlook

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

The Company will continue upgrading its NTCF machinery through modernisation, replacement and de-bottlenecking initiatives. It would also explore the possibilities of entering into allied reinforcement areas based on financial feasibility.

Despite removal of anti-dumping duty on NFY imports from six countries including China resulting in cheaper NFY imports, high power cost, dependency on imported raw material, and non level playing field with some of the competitors due to lower power tariff in those states, the Company expects to do better in NFY on account of its diversified product base, edge in product development and better quality of products.

3. RISK MANAGEMENT

Risk Management is one of the most important business aspects in the current economic environment in which the Company is operating and its objective is to identify, monitor and take mitigation measures on a timely basis with respect to



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 analysed by the Management are as under:

(a) Dependency on imports of raw material having high volatility in prices coupled with foreign currency fluctuations:

GSFC is the sole domestic manufacturer of Caprolactam and cannot meet total demand of the domestic industry. Hence, Nylon industry is dependent on imports. This results in higher inventory carrying cost and 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 availability of enough stocks for optimum production plans and supply of finished goods. The Company covers its foreign currency exposures in 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 has put up a new Briquette Boiler of 16 TPH to reduce the cost of steam at its Pune plant.

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

The Company is continuously exploring options to reduce energy cost. The Company has qualified for recently announced power subsidy by the Government of Maharashtra and is expected to bring down power cost at its Pune Plant.

The Company is evaluating setting up of a cogeneration plant at its Bharuch site, to reduce cost of steam and power.

(c) Technology Risk:

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

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

4. SAFETY, HEALTH, ENVIRONMENT AND SUSTAINABILITY

The Company gives foremost importance to Safety, Health and Environment and strives relentlessly on cultivating and improving safe work culture, health awareness, ecological balance and environment protection.

Safety:

The Company has adopted safety as a culture and involves

people at all levels – whether it is its own employees or contract labour, contractors, service providers or suppliers to bring about a cultural change. Regular training and awareness programmes are conducted such as emergency planning, drills to ensure preparedness, training on shop floor, safety management, promotional & motivational activities, tool box discussion, accident investigation & analysis and use of personal protective equipment.

Some of the activities including achievements are as follows:

- i. Company's efforts were recognised at 'National Safety Award – 2018' by National Safety Council, Mumbai.
- ii. The 48th 'National Safety Week 2019' was celebrated by organising various programmes such as house keeping, safety poster, safety slogan, safety essay and safety quiz competitions.
- iii. Monthly circulation of 'Safety Bulletin' and 'Learning from Accident Case Study' to make people aware of importance of safety and inculcate safety culture at shop floor.
- iv. The Company continues to impart free training on 'Accident Prevention and Fire Fighting' to small as well as medium scale industries located in nearby areas of its sites.
- v. Safety audits of Plants are conducted at regular intervals.

Health:

The Company makes every effort to ensure a healthy and conducive work environment to all the employees. Some of them are :

- i. Periodical health check-up of employees including contract labourers and work specific medical check-up like Audiometry.
- ii. Workplace hygiene, Personal hygiene and good housekeeping.
- iii. Mechanical means of controls are provided at shop floor to prevent health related hazards like smoke, dust, fumes, noise, vibration.

Occupational Health & Safety Management System of Pune and Bharuch sites are certified by International body for BS OHSAS 18000:2007.

Environment and Sustainability:

Every effort is made to protect the environment. A structured risk management approach is pursued which encompasses identification of potential environmental risks, their impact, mitigation plan and continuous monitoring.

Some of the efforts towards environment protection and achievement includes :

- i. Received Silver Medal by Bharuch site and Bronze Medal by Pune site for the year 2018 from India Green Manufacturing Challenges for "Green and Sustainable manufacturing practices".
- ii. Using renewable source of energy like Biofuel/Agro-waste/Briquette/Saw dust as fuel in Boilers and Thermic Fluid Heaters in place of Fossil Fuel to reduce SO₂ emission and encourage solar power generation.
- iii. World Environment Day was celebrated with plantation of more than 2500 trees by the employees of the Company.
- iv. Company's both the sites, Pune and Bharuch, are zero liquid discharge units as it is using 100% treated process

waste water for in-house green belt development and for make up to cooling towers.

- v. Refrigerants having Ozone Depleting Substance (ODS) has been replaced with non ODS refrigerants.
- vi. Started separation of spin finish oil from waste water generated from Yarn Manufacturing Plant at Bharuch site to minimise pollution.

Environment Management System of both the sites Pune and Bharuch are certified by International Body for ISO 14001: 2015.

5. HUMAN RESOURCE AND INDUSTRIAL RELATIONS

Human Resources play a vital role in achieving organisational goals. The Company is focussing on growth and development of employees by imparting meaningful training at all levels, nurturing talent, skill development and improving productivity.

During the year, programmes were conducted with a special focus on leadership development for core group of executives and second generation leaders. Apart from this, sessions on creating awareness regarding prevention of Sexual Harassment Act, 2013 and Company Code for Business Ethics were taken up.

The Company has adopted a strategy of inducting high potential talent through campus recruitment to remain competitive in business operation.

The employees are recognised and rewarded based on their performance evaluation through a well-structured Performance Management System.

Further, to encourage and retain employees, various welfare measures have been initiated, such as scholarship programme for employee's children and Mediclaim policy for employees and their families.

The Industrial relations at both the sites are cordial.

The strength of permanent employees as on 31st March, 2019 was 1578 Nos. (as on 31st March, 2018 : 1519 Nos).

6. INTERNAL CONTROL SYSTEM AND ITS ADEQUACY

The Company has a robust internal control system commensurate with the size and scale of its operations. Roles and responsibilities are clearly defined and assigned alongwith 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 gives their suggestions for improvement. The suggestions of the Audit Committee are also taken into account for further strengthening of the control systems.

7. INFORMATION TECHNOLOGY

Information Technology Systems are enabler of business growth. The Company is implementing and utilising technology to run, grow and transform the business processes.

The Company has implemented Information Technology efficiently for reducing business transaction cycle time and has launched a Dealer and Supplier portal which not only reduces the cycle time but also empowers partners to make use of its useful features like inquiry to contract conversion,

payment status, etc. The Company is continuously working to integrate all business stakeholders on a digital platform for ease of business.

Special emphasis has been given for protecting the Company's data and information system by implementing adequate security measures.

Many digital initiatives are taken for facilitating effective business decisions, seamless business transactions, work efficiency and business transformation responsive to evolving IT scenario.

8. FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

I. Highlights

	₹/Lacs	
	2018-19	2017-18
Net Revenue from Operations	179138	141648
Profit before Depreciation, Financial Cost, Exceptional Items and Tax	17214	12946
Depreciation	4504	4194
Finance Cost	346	340
Exceptional Items	(454)	2491
Taxation (Net)	4252	3894
Net Profit After Tax	7658	7009
Earnings per share (₹)	35.05	32.08
Cash Earnings per share (₹)	57.63	56.01

a. Net Revenue from Operations:

Net revenue for the year is higher by 26%. Sales in terms of volume (MT) is higher by about 15%. Revenue for the year reflects the higher volumes, mainly of NFY and higher realisations.

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

PBIDT is higher on account of higher sales & realisation and better margin. Losses on account of volatility in raw material prices were contained through better inventory management.

c. Finance Cost:

Finance cost continued to remain lower owing to lower borrowings.

d. Exceptional Items:

Exceptional item in current year represents write down in carrying value of machinery not in use and in previous year, profit on sale of property.

II. Key Financial Ratios:

Ratio	2018-19	2017-18	Explanation for change
Inventory Turnover	8.22	6.30	Better inventory management & higher NFY sales where turn over period is lower
Interest Coverage	49.75	38.08	Higher PBIDTA in current year



III. Return on Net Worth:

Return on Net Worth	8.02%	7.78% Higher Net Profit
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9. CORPORATE SOCIAL RESPONSIBILITY (CSR)

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

1. Skill Development

- a. Vocational Training Institute

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

Participated in a project SHIKSHA SATHI (Teaching companion) launched by the Narmada District Collector, Gujarat. The Company sponsored 20 volunteer teachers for primary schools of tribal area to combat their scarcity.
- c. Educational Material

Kanya Kelvani (Girl Education) and Shala Praveshotsav (School Admission) are ambitious events organized by the Government of Gujarat every year at the beginning of the new academic session to promote education among the girl child and to celebrate enrolment of new children of Aanganwadi and 1st standard as a festival.
- d. School / College Infrastructure
 - i. Constructed 2 classrooms, passage and staircase of a school situated in a village of Bharuch District, Gujarat that would benefit about 60 tribal students.
 - ii. Constructed 3 well equipped classrooms with furniture and provided office equipment to facilitate quality education to students of a village school of District Bharuch, Gujarat.
 - iii. The Company has developed about 2200 sq. meter school garden area of a village of Bharuch District enabling students to study in clean and green environment and maintain their physical fitness with education that would benefit more than 500 students of the school.
 - iv. The Company supported in the construction of 3 classrooms and toilet blocks for boys and girls at a school in Raigad District, Maharashtra.
 - v. The Company partially funded construction of a seminar hall in a college in Satara District, Maharashtra that provides education to about 1700 students from the neighbouring tribal region.

2. Health, Hygiene And Medical Programmes:

- a. General Medical Camp

Organised a general health checkup camp in collaboration with Shree Narmada Khand Udhay Sahakari Mandali Ltd. and Joy of Sharing Foundation U.S.A. During the camp, more than 1100 patients of surrounding 15 villages of Bharuch site were

examined and diagnosed by doctors and distributed free medicines to needy patients.

b. Eye Checkup and Cataract Operation Camp

Five camps for eye check-up and cataract operations were organised this year. This programme aims to facilitate poor aged people to get their eyes checked and operated. During the year more than 1400 people were checked and about 120 cataract patients were operated free of cost.

c. Blood Donation Camp

To overcome the shortage of blood in the tribal area, the Bharuch site of the Company organised 2 blood donation camps in its premises in association with Indian Red Cross Society, Rajpipla wherein Company employees donated 110 blood units.

d. Women Health & Hygiene

Women of 3 surrounding villages of the Company's Bharuch site were made aware about the use of sanitary napkins instead of adopting traditional way or using unhygienic clothes during menstrual period to keep them away from diseases. The Company distributed more than 25000 sanitary napkins to about 400 women of these villages.

3. Community Development

Protection wall, cement concrete road and widening hilly road

The Company supported near Bharuch site for (i) construction of protection wall and cement concrete road between two villages to reduce commuting distance of about 13 KMs and easy commuting during rainy season, and (ii) widened the connecting hilly road and construction of some portion of road with cement concrete to facilitate easy commuting to people of a village.

4. Women Empowerment

- a. Nursing Course

Organised nursing course in collaboration with Dev Foundation for girls of surrounding villages to develop the nursing skill and empowered them financially. The accredited certificate by the Government of Gujarat was given on completion of course benefitting 20 girls.
- b. Tailoring Course

25 women of a neighbouring village of the Bharuch site were provided certification course in tailoring and also distributed sewing machines to them free of cost that would enable them to earn their livelihood.

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 31st March, 2019 comprises of six Directors out of which five Directors are Non-Executive Directors including a woman Director and one Director is Managing Director who is entrusted with substantial powers of management of the affairs of the Company. The Chairman and Vice Chairperson of the Company are Non-Executive Directors. Out of six Directors, three Directors are Independent Directors which comprises half of the total strength of the Board. The Non-Executive Directors are eminent and experienced persons in their respective fields of industry, finance and law.

Directorship held by Directors of Century Enka Limited:

Name of the Director	DIN	Executive/Non- Executive / Independent/Promoter	No. of shares held in the Company	No. of outside Directorships in Public Limited Companies ¹	Membership held in Committee of Directors ²	Chairmanship held in Committee of Directors ²
Mr. B.K. Birla	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	5	3	1
Mr. S.K. Jain	02843676	Non-Executive and Independent	125	1	1	-
Mr. K.S. Thar	00390137	Non-Executive and Independent	-	-	-	-
Mr. O.R. Chitlange	00952072	Executive - Managing Director	-	-	-	-

- A. Mr.B. K. Birla and Mrs.Rajashree Birla are related as in-laws (except these, no director is related to any other director on the Board)
- B. 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
- C. Core skills/ expertise/competencies of the Board of Directors.
The relevant skills/ expertise/ competencies in context of its business of man made fiber shall be finance, industry experience, law, risk management and corporate governance and these are available with the Board.
- 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 directors is also available on the Company's website: 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	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	Century Textiles and Industries Limited Grasim Industries Ltd Pilani Investment and Industries Corporation Limited Hindalco Industries Limited Ultratech Cement 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 Atul Limited Procter & Gamble Hygiene and Health Care Ltd. Sasken Technologies Limited	Non-Executive- Independent Director 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	-	-
Mr. O.R. Chitlange	-	-

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 2018-19 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 2018-19 : 5			
Sr. No.	Date of Board Meeting	Sr. No.	Date of Board Meeting
1.	03.05.2018	4.	01.11.2018
2.	14.07.2018	5.	24.01.2019
3.	31.07.2018		

Attendance Record of Directors :

Name of the Director	Number of Board Meetings held	Number of Board Meetings Attended	Whether attended last AGM held on 14.07.2018
Mr. B.K. Birla	5	2	No
Mrs. Rajashree Birla	5	4	No
Mr. B. S. Mehta	5	5	Yes
Mr. S. K. Jain	5	5	Yes
Mr. K. S. Thar	5	5	Yes
Mr. O. R. Chitlange	5	5	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.

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

Date of Independent Directors meeting : during the year 2018-19	20.03.2019
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Name of the Director	Number of Meetings held	Number of Meetings attended
Mr. B. S. Mehta	1	1
Mr. S. K. Jain	1	1
Mr. K. S. Thar	1	1

3. DIRECTORS' REMUNERATION

(a) Non-Executive Directors:

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

(i) Sitting Fee

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

Remuneration Paid/Payable to Non-Executive Directors for the Financial Year 2018-19:

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

(b) Managing Director

Remuneration of Mr. O. R. Chitlange, Managing Director for the financial year 2018-19 comprises Salary and Allowances ₹ 271.96 lacs, Perquisites ₹ 0.60 lac and Contribution to Provident Fund ₹ 7.77 lacs & Superannuation Fund ₹ 9.72 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 ₹ 52.72 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 2018-19	03.05.2018	31.07.2018	01.11.2018	24.01.2019
---	------------	------------	------------	------------

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



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

Besides the Committee members, 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 Chairman of Audit Committee was present at 52nd Annual General Meeting of the Company held on 14th July, 2018.

7. **NOMINATION AND REMUNERATION COMMITTEE OF DIRECTORS:**

The Board of Directors has constituted a Nomination and Remuneration Committee of Directors. The role of the committee is to perform all such matters as prescribed under the Companies Act, 2013 and Schedule II - Part D about Role of Nomination and Remuneration Committee of Directors under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, which interalia includes - recommendation to Board of Directors remuneration policy for the Company, formulation of criteria for performance evaluation of directors, Board and Committee, appointment of Director, appointment and remuneration of 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 dates of the Meetings and attendance of each Committee Member are as under:

Date of Nomination and Remuneration Committee meeting during the year 2018-19	31.07.2018	24.01.2019
---	------------	------------

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. K. S. Thar Non-Executive and Independent Director	2	2

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 2018-19	03.05.2018	31.07.2018
---	------------	------------

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 two to three directors w.e.f. 24th January, 2019. The role of the committee is to consider and resolve the grievances of security holders and perform such roles as may require under the Companies Act, 2013 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. Continuous efforts are made to ensure that grievances are expeditiously redressed to the satisfaction of investors. A status report of shareholders complaints and redressal thereof is prepared and placed before Stakeholders' Relationship Committee of Directors.

The Company 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 designated exclusively for this purpose.

The Committee consists of three Directors.

The date of the meeting and attendance of each committee member are as under:

Date of Stakeholders' Relationship Committee meeting during the year 2018-19	14.01.2019
--	------------

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 (Appointed w.e.f. 24.01.2019)	0	0
Mr. O. R. Chitlange Executive - Managing Director	1	1

Status of Shareholders'/Investors' Complaints for the period 01.04.2018 to 31.03.2019

Nature of complaint	No. of complaints received	No. of complaints resolved	No. of pending complaints
Exchange of Share Certificates	3	3	-
Issue of Duplicate Share Certificate	2	2	-
Dividend	5	5	-
Other	3	3	-
Total	13	13	-

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. The delegated authorities attend share transfer formalities at least thrice in a month. Transfer of shares are processed and registered within the stipulated time, provided all the documents are valid and complete in all respect. Share transfers approved by the delegated authorities are placed before Share Transfer Committee/Board for its review. As on 31st March, 2019, no shares were pending for transfer. As per Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 with effect from 1st 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 meeting during the year 2018-19	03.07.2018	25.10.2018	11.01.2019
--	------------	------------	------------

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. K. S. Thar Non-Executive and Independent Director	3	3

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
2016	15.07.2016	12:30 PM	Pudumjee Hall, Maharashtra Chamber of Commerce, Industries and Agriculture, Tilak Road, Pune-411002.
2017	05.08.2017	12:30 PM	Pudumjee Hall, Maharashtra Chamber of Commerce, Industries and Agriculture, Tilak Road, Pune-411002.
2018	14.07.2018	12.30 PM	Pudumjee Hall, Maharashtra 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 50th Annual General Meeting held on 15th July, 2016 following two special resolutions were passed :
- (a) Re-appointment of Mr. G. M. Singhvi as Whole-time Director for a period of 1 (one) year with effect from 16th May, 2016.



- (b) Consent of the Company pursuant to Section 42 of the Companies Act, 2013 to issue Non-convertible Debentures/ bonds/ other instruments on private placement basis, the outstanding aggregate amount at any time not exceeding ₹ 150 Crs.
- (ii) In the 51st 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.
- (iii) In the 52nd Annual General Meeting held on 14th July, 2018 there was no special resolution to be passed by the shareholders.

C) Resolutions passed through Postal Ballot:

There were three special resolutions passed in the financial year 2018-19 by postal ballot and details of Postal Ballot Voting Patterns were as follows:

1. Continuation of Mr. B. K. Birla (DIN : 00055856) as Non Executive Director of the Company who is above the age of 75 years as on 1st April, 2019.

In Favour of the Resolution			Against the Resolution			Invalid Votes		
No. of shareholders	No. of votes cast	% of votes cast	No. of shareholders	No. of votes cast	% of votes cast	No. of shareholders	No. of votes cast	% of votes cast
583	71,47,607	91.66%	51	5,71,957	7.33%	61	78,397	1.01%

2. Re-appointment of Mr. B. S. Mehta (DIN : 00035019) as Non Executive Independent Director of the Company for a second term of 5 years w.e.f. 1st April, 2019 and who is above the age of 75 years as on 1st April, 2019.

In Favour of the Resolution			Against the Resolution			Invalid Votes		
No. of shareholders	No. of votes cast	% of votes cast	No. of shareholders	No. of votes cast	% of votes cast	No. of shareholders	No. of votes cast	% of votes cast
556	74,75,295	95.99%	54	2,33,989	3.00%	61	78,397	1.01%

3. Re-appointment of Mr. S. K. Jain (DIN : 02843676) as Non Executive Independent Director of the Company for a second term of 5 years w.e.f. 1st April, 2019.

In Favour of the Resolution			Against the Resolution			Invalid Votes		
No. of shareholders	No. of votes cast	% of votes cast	No. of shareholders	No. of votes cast	% of votes cast	No. of shareholders	No. of votes cast	% of votes cast
583	88,38,028	97.86%	29	1,14,923	1.27%	61	78,397	0.87%

Mr. Chetan Maru (Membership No. 104522), Chartered Accountant in practice and Partner of Mantri Maru & Co., Chartered Accountants, had been appointed as the Scrutinizer, who had completed the Postal Ballot exercise in a fair and transparent manner.

Procedure for Postal Ballot:

The Company dispatched the Postal Ballot Notice dated 24th January, 2019 along with Postal Ballot Form by Post/ E-mail to all the shareholders of the Company for seeking approvals of the members on the aforesaid three resolutions stated in the said notice by means of Postal Ballot.

Apart from Postal Ballot, facility to cast vote by remote e-voting was also provided.

The remote e-voting commenced on Monday, the 11th February, 2019 (9.00 a.m.) and ended on Tuesday, the 12th March, 2019 (5.00 p.m.), enabling the members to cast their votes during that period by remote e-voting. Postal Ballot Forms reached the Scrutinizer of the Company on or before the closure of the working hours on Tuesday, the 12th March, 2019 were considered.

After scrutiny of Postal Ballots (including remote e-voting), the Scrutinizer submitted his report on 13th March, 2019 and the director announced the Postal Ballot Results on the same day at the Registered Office of the Company.

D) As of date, there is no proposal to pass any special resolution by postal ballot.

12. RELATED PARTY TRANSACTION :

There is no transaction of materially significant nature with related party that may have potential conflict with the interest of the Company at large. The Related Party Transaction policy as approved by the Board of Directors is available on the website of the Company http://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

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 2018-19.

16. TOTAL FEES PAID/ PAYABLE TO STATUTORY AUDITORS FOR THE FINANCIAL YEAR 2018-19 IS ₹ 46 LACS.

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

17. CREDIT RATINGS OBTAINED DURING THE FINANCIAL YEAR 2018-19

Particulars	₹ in Crores	Credit Rating
Bank Facility (for debt instrument/facilities):		
Long Term Rating	279	CRISIL A+/Stable (Reaffirmed)
Short Term Rating	266	CRISIL A+ (Reaffirmed)
Total Bank Facility	545	

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 at the 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.

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.

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 : Saturday, the 13th July, 2019 at 12.30 p.m

Venue: Pudumjee Hall, Maharashtra Chamber of Commerce, Industries and Agriculture, Tilak Road, Pune-411002.

Financial Year : 1st April - 31st March

Financial Calendar

Financial reporting for the quarter ending 30th June, 2019 : On or before 14th August, 2019

Financial reporting for the quarter ending 30th September, 2019 : On or before 14th November, 2019

Financial reporting for the quarter ending 31st December, 2019 : On or before 14th February, 2019

Financial reporting for the quarter ending 31st March, 2020 : On or before 30th May, 2020

Book Closure : The Register of Members and Share Transfer Register will remain closed from Wednesday, the 3rd July, 2019 to Friday, the 5th July, 2019 (both days inclusive) for the purpose of payment of dividend.

Dividend Payment Date : On or after 17th July, 2019

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
i) BSE Limited, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400001.
ii) The National Stock Exchange of India Limited "Exchange Plaza",
Bandra-Kurla Complex, Bandra (East), Mumbai - 400051.
- Payment of Annual Listing Fees** : The Annual Listing Fees for the year 2019-20 have been paid.
- Stock Code** : BSE Limited (BSE) : 500280
The National Stock Exchange of India Limited (NSE): CENTENKA
- ISIN allotted to Equity Shares** : INE485A01015

STOCK MARKET DATA

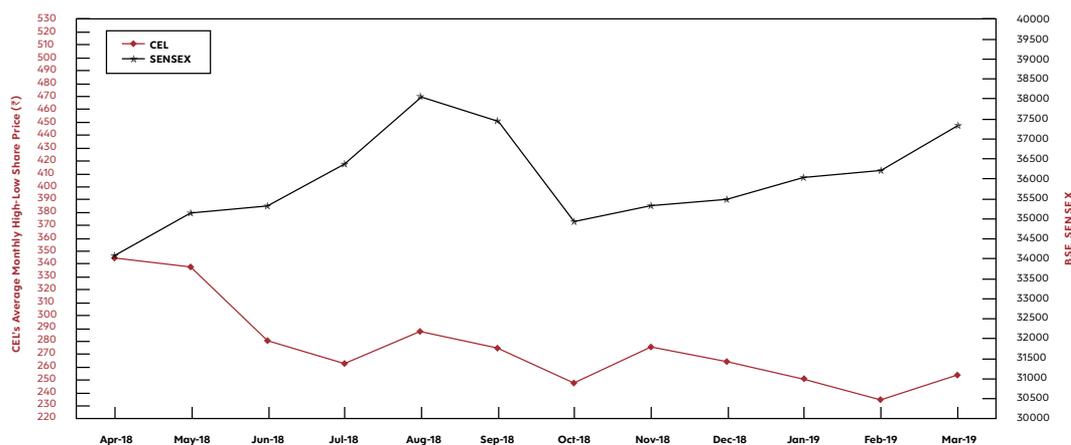
Monthly high and low prices of equity shares of the Company quoted at BSE Ltd. and National Stock Exchange during the year 2018-19

(Amount in ₹)*

Month	BSE		NSE	
	High	Low	High	Low
April 2018	385	305	385	300
May	371	305	370	304
June	315	246	313	248
July	297	228	297	228
August	305	271	305	270
September	303	248	304	249
October	270	227	269	227
November	291	260	292	257
December	276	254	277	255
January 2019	270	233	271	231
February	257	212	258	211
March	269	239	269	242

(*) Rounded-off to nearest Rupee

Stock Performance Index



Distribution of Shareholding as on 31st March, 2019

No. of equity shares held	No. of shareholders	% of shareholders	No. of equity shares held	% of shareholding
1 to 10	11537	26.07	67739	0.31
11 to 50	15825	35.76	479076	2.19
51 to 100	5946	13.43	531881	2.43
101 to 500	7704	17.41	1960902	8.98
501 to 1000	1557	3.52	1211927	5.55
1001 to 5000	1356	3.06	2992160	13.69
5001 and above	332	0.75	14606904	66.85
Total	44257	100.00	21850589	100.00

Categories of Shareholding as on 31st March, 2019

Category	No. of shareholders	% of shareholders	No. of shares held	% of shareholding
Individuals	42895	96.92	11127619	50.93
Bodies Corporate	793	1.79	6871231	31.45
Non-Resident Bodies Corporate	3	0.01	1150000	5.26
FII's	15	0.03	579492	2.65
NRIs/OCBs	484	1.09	598830	2.74
Mutual Funds	12	0.03	4365	0.02
Banks, Financial Institutions & Insurance Companies	46	0.11	1339065	6.13
Investor Education and Protection Fund	1	0.00	169158	0.77
NBFC's registered with RBI	7	0.02	10589	0.05
Foreign Nationals	1	0.00	240	0.00
Total	44257	100.00	21850589	100.00
Promoters	13	0.03	5518048	25.25
Non-Promoters	44244	99.97	16332541	74.75
Total	44257	100.00	21850589	100.00

Dematerialisation of Shares and Liquidity

: 91.57% of Equity Shares have been dematerialized as on 31st March, 2019. 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.

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, 24,686 equity shares of ₹ 10/- each face value of 676 shareholders who had not encashed dividend warrants for 7 (seven) consecutive years from the financial year 2011-12 were transmitted to IEPF Authority on 1st September, 2018.

(144472 equity shares of ₹ 10/- each face value of 4385 shareholders were transmitted to IEPF Authority on 29th November, 2017 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 Chairman nor any expenditure reimbursed in performance of his duty.

ii) Shareholders Rights

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

iii) Audit Qualifications

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

iv) Separate posts of Chairman and Chief Executive Officer

The Chairman of the Company is a Non-Executive Director. A separate person is 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 DIRECTORS PROPOSED TO BE RE-APPOINTED AS SET OUT IN THIS NOTICE

Name	Mrs.Rajashree Birla	Mr.K.S. Thar
Director Identification Number	00022995	00390137
Age	73 years	63 years
Nature of expertise	Industrialist	Chartered Accountant
List of other Directorships held excluding Foreign Companies, Companies under Section 8 of the Companies Act, 2013 and Private Limited Companies.	1. Grasim Industries Ltd 2. Century Textiles and Industries Limited 3. Pilani Investment and Industries Corporation Limited 4. Hindalco Industries Limited 5. UltraTech Cement Limited 6. Aditya Birla Health Services Limited	-
Name of the companies in the committees of which also holds membership/ chairmanship	Member of Corporate Social Responsibility Committee of following companies: 1. Grasim Industries Ltd 2. Century Textiles and Industries Limited 3. Hindalco Industries Limited 4. UltraTech Cement Limited	-
Other activities	Associated with charitable trusts and 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 conditions of Corporate Governance by Century Enka Limited ('the Company'), for the year ended on 31st March, 2019, as stipulated in Chapter IV of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

For **Sanjay Sangani & Co.**
Company Secretaries

Sanjay H. Sangani
Proprietor
M. No. : FCS 4090
C.P. No. : 3847

Mumbai, 21st May, 2019

DECLARATION ON COMPLIANCE OF THE COMPANY'S CODE OF CONDUCT

All the members of the Board and Senior Management Personnel of the Company have affirmed due observance of the Code of Conduct, framed pursuant to Regulation 26(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, in so far as it is applicable to them and there is no non-compliance thereof during the year ended 31st March, 2019.

Place : Mumbai

Date : 21st May, 2019

O.R. CHITLANGE
Managing Director
DIN: 00952072

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2019

[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, 2019. 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, 2019, 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, 2019 according to the provisions of:

- 1) The Companies Act, 2013 (the Act) and the rules made thereunder;
- 2) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- 3) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- 4) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings **(Not Applicable to the Company during the Audit Period);**
- 5) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (upto November 9, 2018) / The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (w.e.f. November 10, 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, 1998 (upto September 10, 2018) / The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 (w.e.f. September 11, 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;

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

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, Independent Directors and a Woman Director. There was no change in the composition of the Board of Directors during the period under review.

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.

For **Sanjay Sangani & Co.**
Company Secretaries

Sanjay H. Sangani
Proprietor
M. No. : FCS 4090
C.P. No. : 3847

Mumbai, 21st May, 2019

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

Annexure 'A'

To,
The Members of Century Enka Limited

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

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

4. Wherever required, we have obtained the Management Representation about the compliance of laws, rules and regulations and happening of events, etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For **Sanjay Sangani & Co.**
Company Secretaries

Sanjay H. Sangani
Proprietor
M. No. : FCS 4090
C.P. No. : 3847

Mumbai, 21st May, 2019

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, 2019 have 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	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

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 efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **Sanjay Sangani & Co.**
Company Secretaries

Sanjay H. Sangani
Proprietor
M. No. : FCS 4090
C.P. No. : 3847

Mumbai, 21st May, 2019

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 2019, 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 2019, 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 your attention to note no 44 to the Ind AS financial statements regarding the Company's appeal pending before CESTAT, Mumbai against the excise duty demand aggregating Rs.22,927 Lakh plus interest thereon and penalty of Rs.22,927 Lakh. Based on expert legal advice and merits of the case, no provision has been considered necessary by the Company. The final determination of the cash outflow, if any, would depend upon the final decision of the appropriate authorities in the future. Our opinion is not modified in respect of the 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>Impairment of Property, Plant and Equipment (PPE)</p> <ul style="list-style-type: none"> The Company has significant balances of PPE as on 31 March 2019 (refer note 3 to the financial statements). The Company has policy to review PPE to assess impairment in carrying value of PPE, if any. 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). Given the judgement required to estimate the recoverable amount of PPE, this is considered key audit matter 	<p>Our procedures included:</p> <ul style="list-style-type: none"> 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. Assessing the reliability of management's judgements used to estimate the recoverable amount of PPE On sample basis, physically sighting the PPE to assess whether they are operating and in a good condition. Discussing with management the future plans for the assets not in the operating condition.
<p>Inventory Valuation</p> <ul style="list-style-type: none"> The Company has significant balances of inventory as on 31 March 2019 (refer note 8 to the financial statements). Inventories are valued at lower of cost or net realizable value (NRV). Cost is determined using weighted average cost method. 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 Determination of whether inventory will be realized for value less than cost requires management to exercise judgement and apply assumption 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 	<p>Our procedures included:</p> <ul style="list-style-type: none"> Obtaining understanding of production process and testing of key controls over recognition and measurement of inventory For sample locations, attending physical stock take procedures at the year end For sample of inventory items, re-performed the weighted average cost calculation Obtaining management's calculation and relevant supporting for inventory valuation, validated mathematical accuracy of production costs and agreed the same with financial statements Assessing reasonableness of assumption and judgements applied by management in inventory valuation including evaluating consistencies with management's prior period estimations Assessing appropriateness of NRV estimated by management, on sample basis, by comparing NRV to recent market prices Obtaining and re-performing the calculation of inventory write down based on ageing and NRV of inventory Comparing historical trend of prices of raw material and finished goods to determine appropriateness of valuation of inventory



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 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.

Those 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 Companies Act, 2013, 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 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2019 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 2019 on its financial position in its Ind AS financial statements - Refer Note 44 (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 financial statements since they do not pertain to the financial year ended 31 March 2019
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 - 105146W)
Chartered Accountants

Gautam V. Shah

Partner

Membership No: 117348

Mumbai
21 May 2019

Annexure A to the Independent Auditor's Report - 31 March 2019 (Referred to in our report of even date)

- i. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has a regular programme of physical verification of its fixed assets by which all fixed assets are verified in a phased manner over a period of three years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, certain fixed assets were physically verified by the Management during the year. In our opinion, and according to the information and explanations given to us, no material discrepancies were noticed on such verification.
- (c) In our opinion and according to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- ii. The inventory, 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, subsequent goods receipt have been verified. 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 2019 for a period of more than six months from the date they became payable.

- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, details of dues of Income-tax, Sales-tax, Service tax, Duty of Customs, Duty of Excise and Value added tax which have not been deposited as on 31 March 2019 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* (Rs. 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 & 2011-12	195
			1999-2000	9
Finance Act, 1994	Service Tax	Custom, Excise and Service Tax Appellate Tribunal	2009-10 to 2013-14	141
			2015-16 to 2016-17	2
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 – 105146W)
Chartered Accountants

Gautam V. Shah
Partner

Mumbai
21 May 2019

Membership No: 117348

Annexure B to the Independent Auditors' Report of even date on the Ind AS financial statements of Century Enka Limited – 31 March 2019

We have audited the internal financial control over financial reporting of the Century Enka Limited ("the Company") as at 31 March 2019 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 March 2019, 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 – 105146W)
Chartered Accountants

Gautam V. Shah

Partner

Mumbai
21 May 2019

Membership No: 117348



BALANCE SHEET AS AT 31ST MARCH, 2019

	Note No.	₹ / lacs	
		31st March, 2019	31st March, 2018
ASSETS			
Non-Current Assets			
Property, Plant and Equipment	3	54289	56853
Capital work-in-progress		173	389
Intangible Assets	4	548	616
Financial Assets			
Investments	5	1039	1541
Others	6	207	231
Other Non-Current Assets	7	938	1020
Total Non Current Assets		57194	60650
Current assets			
Inventories	8	21709	21876
Financial Assets			
Investments	9	15806	7120
Trade Receivables	10	20492	20710
Cash and Cash Equivalents	11	478	2311
Bank balances other than Cash & Cash Equivalents	12	178	171
Others	13	135	309
Current Tax Assets		491	311
Other Current Assets	14	4943	2913
Total Current Assets		64232	55721
Assets Classified As Held For Sale	15	1696	-
TOTAL ASSETS		123122	116371
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	16	2185	2185
Other Equity		93302	87905
Total Equity		95487	90090
Non-Current Liabilities			
Financial Liabilities			
Borrowings	17	2102	3061
Others	18	234	223
Provisions	19	961	1016
Deferred Tax Liabilities (Net)	20	11153	11177
Other Non-Current Liabilities	21	292	307
Total Non-Current Liabilities		14742	15784
Current Liabilities			
Financial Liabilities			
Borrowings	22	-	1
Trade Payables	23		
i) total outstanding dues of Micro and Small enterprises		295	466
ii) total outstanding dues of Vendors other than above		9041	6764
Others	24	2560	2371
Other Current Liabilities	25	628	583
Provisions	26	194	217
Current Tax Liabilities	27	175	95
Total Current Liabilities		12893	10497
TOTAL EQUITY AND LIABILITIES		123122	116371
Significant Accounting Policies	1 & 2		

The accompanying notes are an integral part of these financial statements

This is the Statement of 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. - FRN 105146W)
Chartered Accountants

K. G. Ladsaria
Chief Financial Officer

Rajashree Birla
Vice Chairperson
DIN: 00022995

Place : Mumbai
Date: 21st May, 2019

Gautam V. Shah
Partner
Membership No. 117348
Place : Mumbai
Date: 21st May, 2019

C. B. Gagrani
Secretary

O. R. Chitlange
Managing Director
DIN: 00952072

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2019

	Note No.	₹ / lacs	
		31st March, 2019	31st March, 2018
INCOME			
Revenue From Operations	28	179138	144777
Other Income	29	2163	1775
TOTAL INCOME		181301	146552
EXPENSES			
Cost of materials consumed	30	116757	86656
Purchases of Stock-in-Trade		484	460
Changes in Inventories of Finished Goods, Stock-in -Trade and Work-in-Progress	31	(357)	1918
Employee Benefits Expense	32	9445	8844
Power and Fuel		21946	19229
Finance Costs	33	346	340
Depreciation and Amortization Expense	3 & 4	4504	4194
Excise Duty (Refer Note 50)		-	3129
Other Expenses	34	15812	13370
TOTAL EXPENSES		168937	138140
PROFIT BEFORE EXCEPTIONAL ITEMS AND TAX		12364	8412
Exceptional Items	43	(454)	2491
PROFIT BEFORE TAX		11910	10903
TAX EXPENSE:			
(1) Current tax		4360	2858
(2) (Excess)/Short Provision of Tax relating to earlier years		(84)	-
(3) Deferred tax		(24)	1036
PROFIT FOR THE YEAR		7658	7009
Other Comprehensive Income			
A (i) Items that will not be reclassified to profit or loss		(369)	(531)
(ii) Income tax relating to items that will not be reclassified to profit or loss		(47)	17
B (i) Items that will be reclassified to profit or loss		-	-
(ii) Income tax relating to items that will be reclassified to profit or loss		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR (Comprising Profit and Other Comprehensive Income for the year)		7242	6495
EARNINGS PER EQUITY SHARE IN ₹ (Face value per share ₹ 10 each):			
(1) Basic	42	35.05	32.08
(2) Diluted		35.05	32.08
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. - FRN 105146W)
Chartered Accountants

Place : Mumbai
Date: 21st May, 2019

Gautam V. Shah
Partner
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Vice Chairperson
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O. R. Chitlange
Managing Director
DIN: 00952072



STATEMENT OF CHANGE IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2019

(A) EQUITY SHARE CAPITAL ₹ / 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

₹ / Lacs

For the year ended 31st March, 2018		
Balance as at 1st April, 2017	Changes in equity shares capital during the year ended	Balance as at 31st March, 2018
2185	-	2185

(B) OTHER EQUITY

₹ / Lacs

For the Year Ended 31st March, 2019							FVOCI- Equity Instruments	Total
Particulars	Reserves and Surplus							
	Capital Reserve	Capital redemption Reserve	Securities Premium	General Reserve	Retained Earnings			
Balance at 1st April, 2018	48	186	3225	37566	46189	691	87905	
Profit for the Year (1)	-	-	-	-	7658	-	7658	
Other Comprehensive Income:								
Remeasurement of the net defined benefit liability/asset, net of tax liability (₹ 47 Lacs) effect (2)	-	-	-	-	88	-	88	
Equity instruments through other comprehensive income (3)	-	-	-	-	-	(505)	(505)	
Total Comprehensive Income (1+ 2+ 3)	-	-	-	-	7746	(505)	7241	
Dividends Paid (including corporate dividend tax ₹ 314 Lacs) 17-18	-	-	-	-	(1844)	-	(1844)	
Transfer to General Reserves	-	-	-	1000	(1000)	-	-	
Balance as at 31st March, 2019	48	186	3225	38566	51091	186	93302	

For the year ended 31st March, 2018							
Particulars	Reserves and Surplus					FVOCI- Equity Instruments	Total
	Capital Reserve	Capital redemption Reserve	Securities Premium	General Reserve	Retained Earnings		
Balance at 1st April, 2017	48	186	3225	36666	41951	1175	83251
Profit for the Year (1)	-	-	-	-	7009	-	7009
Other Comprehensive Income:							
Remeasurement of the net defined benefit liability/asset, net of tax benefit (₹ 17 Lacs) effect (2)	-	-	-	-	(30)	-	(30)
Equity instruments through other comprehensive income (3)	-	-	-	-	-	(484)	(484)
Total Comprehensive Income (1+ 2+ 3)	-	-	-	-	6979	(484)	6495
Dividends Paid (including corporate dividend tax ₹ 311 Lacs) 16-17	-	-	-	-	(1841)	-	(1841)
Transfer to General Reserves	-	-	-	900	(900)	-	-
Balance at 31st March, 2018	48	186	3225	37566	46189	691	87905

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 Statement of 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. - FRN 105146W)
Chartered Accountants

K. G. Ladsaria
Chief Financial Officer

Rajashree Birla
Vice Chairperson
DIN: 00022995

Place : Mumbai
Date: 21st May, 2019

Gautam V. Shah
Partner
Membership No. 117348
Place : Mumbai
Date: 21st May, 2019

C. B. Gagrani
Secretary

O. R. Chitlange
Managing Director
DIN: 00952072

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2019

₹ / Lacs

	31st March, 2019	31st March, 2018
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit Before Tax	11910	10903
Adjustment for:		
Depreciation and amortisation	4504	4194
Finance cost	346	340
Fair value movement in derivative instruments	156	(169)
Interest Income	(473)	(9)
Dividend Received on Mutual Funds	(27)	(10)
Fair Value of Investments through P&L	(161)	(151)
Profit on sale of Current and Non Current Investments (Net)	(782)	(477)
Liabilities/Provisions no longer required written back	(49)	(450)
Amortization of Government Grant (TUF Capital Subsidy)	(15)	(15)
(Profit) / Loss on sale / write off of Property, Plant and Equipments (Net)	(67)	(102)
Exceptional Item (Refer Note 43)	454	(2491)
Adjustment for: Other Comprehensive Income	136	(48)
Operating Profit Before Working Capital Changes	15932	11515
Adjustment for:		
Trade payable and other liability	2162	300
Trade Receivables	218	(1831)
Inventories	167	1205
Financial and other Assets	(1810)	(2458)
Cash Generated From Operations	16669	8731
Direct Taxes Paid (net of refunds)	(4423)	(3118)
Net Cash From Operating Activities (A)	12246	5613
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Property, Plant and Equipments including Finance Lease	(3941)	(5130)
Sale of Property, Plant and Equipments	168	2998
Interest received	473	9
Dividend Received on Mutual Funds	27	10
Purchase of Non-Current Investments	(3)	-
(Purchase)/Sale of Current Investments (Net)	(8525)	809
Profit on Sale of Current Investments (Net)	782	477
Net Cash From Investing Activities (B)	(11019)	(827)



₹ / Lacs

	31st March, 2019	31st March, 2018
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Long Term Borrowings including Finance Lease	910	985
Repayment of Long Term Borrowings including Finance Lease	(1769)	(1436)
Changes in Short Term Borrowings (Net)	(1)	(108)
Interest paid	(356)	(350)
Equity Dividends paid (including Dividend Distribution Tax)	(1844)	(1841)
Net Cash From Financing Activities	(3060)	(2750)
D. NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS		
Closing Balance of Cash and Cash Equivalents	478	2311
Opening Balance of Cash and Cash Equivalents	2311	275
Reconciliation of Closing Cash and Cash Equivalents with Balance Sheet		
On hand [Including Cheques ₹ 12 Lacs (Previous Year ₹ Nil Lacs)]	14	1
With Banks		
In Current Accounts	464	1310
In Deposit Accounts maturing within 3 months	-	1000
Total	478	2311
Supplemental Information		
Non Cash Transactions from Investing and Financing Activities		
Acquisition of Property, Plant and Equipment (PPE) by means of Finance Lease	(610)	-
Proceeds from Non-Current borrowings under Finance Lease	610	-

Notes:

- The above Cash Flow Statement has been prepared under the "Indirect Method" set out in Indian Accounting Standard (Ind - AS) - 7 on Statement of Cash Flow.
- Figures in bracket indicate cash outflow.
- 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 Cashflow 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. - FRN 105146W)
Chartered Accountants

Gautam V. Shah

Place : Mumbai
Date: 21st May, 2019

Partner Place : Mumbai
Membership No. 117348 Date: 21st May, 2019

K. G. Ladsaria
Chief Financial Officer

C. B. Gagrani
Secretary

Rajashree Birla
Vice Chairperson
DIN: 00022995

O. R. Chitlange
Managing Director
DIN: 00952072

NOTES ACCOMPANYING TO THE FINANCIAL STATEMENT

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 21st May, 2019.

(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:

No	Nature	Useful life
1	Leasehold Assets	Lease Period
2	Stores and Spares Parts in the nature of PPE	5 to 25 Years
3	Assets individually costing less than or equal to ₹ 5,000	Fully Depreciated in the year of purchase

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

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

(f) Intangible Assets and Amortisation:

➤ Internally generated Intangible Assets:

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

➤ Intangible Assets acquired separately:

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

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

No	Nature	Useful life
1	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.

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.

(i) 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, 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) Lease:

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

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

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

(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 recognised 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 or 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. 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) 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.

(v) 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)

₹ / Lacs

	Leasehold Land	Freehold Land	Buildings (Refer Note a & b)	Plant & Machinery (Leasehold)	Plant & Machinery (Freehold) (Refer Note c)	Furniture & Fixtures	Office equipments	Vehicles	Total
For the year 17-18 as at 1st April, 2017	224	336	8650	-	54746	44	32	254	64286
Add: Additions	-	-	157	-	4266	24	62	28	4537
Less: Disposals/Adjustment	-	-	281	-	160	7	2	-	450
As at 31st March, 2018	224	336	8526	-	58852	61	92	282	68373
Accumulated Depreciation : As at 1st April, 2017	8	-	1070	-	6245	14	19	53	7409
Add: Depreciation during the year	4	-	348	-	3740	12	15	39	4158
Less: Disposals/Adjustment	-	-	19	-	19	7	2	-	47
As at 31st March, 2018	12	-	1399	-	9966	19	32	92	11520
Net carrying amount As at 31st March, 2018	212	336	7127	-	48886	42	60	190	56853
For the year 18-19 as at 1st April, 2018	224	336	8526	-	58852	61	92	282	68373
Add: Additions	-	-	701	610	2715	20	28	-	4074
Less: Disposals/Adjustment	-	-	-	-	93	1	-	37	131
Less: Asset classified as held for sale (Refer Note 15)	-	-	203	-	3576	-	-	-	3779
As at 31st March, 2019	224	336	9024	610	57898	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	19	3914	15	25	37	4387
Less: Disposals/Adjustment	-	-	-	-	10	1	-	19	30
Less: Asset classified as held for sale (Refer Note 15)	-	-	203	-	1880	-	-	-	2083
Add: Write down (Refer Note 43)	-	-	-	-	454	-	-	-	454
As at 31st March, 2019	17	-	1568	19	12444	33	57	110	14248
Net carrying amount As at 31st March, 2019	207	336	7456	591	45454	47	63	135	54289

- 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 INTANGIBLE ASSETS

₹ / Lacs

Computer Softwares

For the year 17-18 as at 1st April, 2017	4
Add: Additions	650
Less: Disposals	2
As at 31st March, 2018	652
Accumulated Amortisation: As at 1st April, 2017	-
Add: Amortisation during the year	36
Less: Disposals	-
As at 31st March, 2018	36
Net carrying amount as at 31st March, 2018	616
For the year 18-19 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
Net carrying amount As at 31st March, 2019	548



₹ / Lacs

			As at 31st March, 2019	As at 31st March, 2018
5 NON-CURRENT INVESTMENTS				
Investments in Equity Shares (fully paidup)				
	Number of Shares	Face Value Per Share		
1) Quoted Investments Fair value through OCI				
➤ Kesoram Industries Limited	1403985 (1403985)	10	1022	1527
➤ 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	-	-
2) Unquoted Investments Fair Value through profit or loss				
➤ Bharuch Enviro Infrastructure Limited	10220 (10220)	10	1	1
➤ MMA CETP Co-oprative Society Limited	12895 (12895)	100	13	13
➤ Bhadreshwar Power Private Limited	1440000 (-)	10	3	
			1039	1541
Note: Figures in bracket represents previous year numbers				
Aggregate amount of: Quoted Investments			1022	1527
Aggregate amount of: Unquoted Investments			17	14
Aggregate market value of Quoted Investment			1022	1527

6 OTHER NON-CURRENT FINANCIAL ASSETS				
(Unsecured, Considered Good)				
Security Deposits			187	211
Others			20	20
(Unsecured, Considered Doubtful)				
Subsidy Receivable under Technology Upgradation Fund Scheme			622	622
Less: Provision for Impairment			(622)	(622)
			207	231

7 OTHER NON-CURRENT ASSETS				
Capital Advances			6	66
Others				
Balances with Government authorities			920	940
Prepaid Expense			12	14
			938	1020

8 INVENTORIES				
(Valued at lower of cost or NRV) (Unless otherwise stated)				
Raw Material [Including in transit ₹ 581 Lacs (Previous Year ₹ 1320 Lacs)]			9213	10145
Stock-in-Process			3213	3632
Finished Goods			7221	6445
Stores, Spares and Packing Material & Fuel (at cost)			2062	1654
[Including in transit ₹ 67 Lacs (Previous Year ₹ 83 lacs)]				
			21709	21876

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

The Company follows a suitable provisioning norms for writing down the value of Inventories towards slow moving, non-moving and surplus inventory. Provision for the year is ₹ 133 Lacs (31st March 2018 ₹ 107 Lacs).

		₹ / Lacs	
		As at 31st March, 2019	As at 31st March, 2018
9	CURRENT INVESTMENTS		
	Unquoted Investments		
	Investments in Mutual Funds		
	Units of Debt Schemes of Various Mutual Funds	15806	7120
	Aggregate amount of Unquoted Investments	15806	7120
10	TRADE RECEIVABLES		
	Considered Good - Unsecured	20492	20710
11	CASH AND CASH EQUIVALENTS		
	Cash and Cash equivalents		
	Cash on Hand	2	1
	Cheques on Hand	12	-
	Bank Balances		
	In Current Accounts	464	1310
	In Deposits Accounts Maturing within 3 months	-	1000
		478	2311
12	BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS		
	Unpaid Dividends Accounts	178	171
13	OTHER FINANCIAL ASSETS		
	TUF Subsidy Receivables	53	54
	Others	82	255
		135	309
14	OTHER CURRENT ASSETS		
	Advances to Suppliers	493	410
	Others		
	Prepaid Expense	93	35
	Statutory Receivables	4008	2453
	Others	349	15
		4943	2913
15	ASSETS CLASSIFIED AS HELD FOR SALE		
	Plant & Machinery *	1696	-

*The Company has identified certain assets to be disposed off which are not in use. The Company is in process of selling these assets and expects the disposal in the next 12 months.



₹ / Lacs

		As at 31st March, 2019	As at 31st March, 2018
16 SHARE CAPITAL			
Authorised:			
1,00,000	Redeemable Cumulative Preference Shares of ₹ 100.00 each (As at 31st March, 2018 - 1,00,000 Shares)	100	100
3,30,00,000	Equity Shares of ₹ 10.00 each (As at 31st March, 2018 - 3,30,00,000 Shares)	3300	3300
1,00,000	Unclassified Shares of ₹ 100.00 each (As at 31st March, 2018 - 1,00,000 Shares)	100	100
Issued, Subscribed and Fully Paid - Up:			
2,18,50,589	Equity Shares of ₹ 10 each (Refer Notes below) (As at 31st March, 2018 - 2,18,50,589 Shares)	2185	2185

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

Particulars	31st March, 2019		31st March, 2018	
	No. of Shares	Amount ₹ / Lacs	No. of Shares	Amount ₹ / 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	21850589	2185	21850589	2185

- 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, 2019		31st March, 2018	
		%	No. of Shares	%	No. of Shares
1	TGS Investment and Trade Pvt. Limited	14.26	3114970	14.26	3114970
2	Century Textiles and Industries Limited	5.80	1266887	5.80	1266887
3	Life Insurance Corporation of India	5.27	1150886	6.93	1515302

- d) No bonus shares have been issued during five years immediately preceding 31st March, 2019.
- e) Dividend Proposed, Declared and Paid [Refer Note 37A]
- 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

₹ / Lacs

As at 31st March, 2019	As at 31st March, 2018
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17 NON-CURRENT BORROWINGS

Secured:		
Rupee term Loans from Banks	1563	3061
Finance Lease Obligation (Refer Note 39)	539	-
	2102	3061

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, 2019 ₹ / Lacs	Balance as at 31st March, 2018 ₹ / Lacs
Secured:					
Rupee Term Loans					
Axis Bank	Quarterly	December 2020	9.40%	1086	1810
Bank of Maharashtra *	Monthly	October 2020	8.75%	1082	1899
HDFC Bank	Annual	January 2023	8.85%	788	985
HDFC Bank	Annual	March 2024	8.85%	300	-
Finance Lease Obligation	Monthly	May 2028		579	-
Sub-Total				3835	4694
Less: Current Maturities of Long Term Debt (Refer Note 24)				(1693)	(1633)
Less: Current Maturities of Finance Lease Obligation (Refer Note 24)				(40)	-
Total				2102	3061

* Note: Interest rate after considering subsidy under Technology Upgradation Scheme (TUF) is 3.75% p.a.

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

₹ / Lacs

As at 31st March, 2019	As at 31st March, 2018
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18 OTHER NON-CURRENT FINANCIAL LIABILITIES

Security Deposits	234	223
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19 NON-CURRENT PROVISIONS

Provision for Employee Benefits		
Gratuity (Refer Note 40)	201	303
Compensated Absences	585	538
Provision for Disputed Matters	175	175
	961	1016

20 DEFERRED TAX LIABILITIES (NET)

The balances comprises of temporary differences attributable to:		
Property, Plant and Equipments	11214	11624
Financial Assets at Fair value through Profit or loss	56	97
Others	(117)	(544)
Deferred Tax (Assets)/Liabilities	11153	11177



Movement in Deferred Tax Liabilities

Description				₹ / Lacs
	Property, Plant and Equipments	Financial Assets at FVTPL	Others	Total
As at 31st March, 2017	10727	(22)	(547)	10158
Charged / (Credited)				
- To Profit and Loss	897	119	20	1036
- To OCI	-	-	(17)	(17)
As at 31st March, 2018	11624	97	(544)	11177
Charged / (Credited)				
- To Profit and Loss	(410)	(41)	427	(24)
- To OCI	-	-	-	-
As at 31st March, 2019	11214	56	(117)	11153

		₹ / Lacs	
		As at 31st March, 2019	As at 31st March, 2018
21	OTHER NON-CURRENT LIABILITIES		
	Deferred Income on Government Grant	292	307

22 SHORT TERM BORROWINGS

Secured:

Working capital borrowings repayable on demand	-	1
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Note: Working Capital borrowings

- Working Capital borrowings are secured by way of hypothecation of Inventories, Book Debts and Receivables, both present and future.
- Working Capital borrowings carry an average interest rate of 9.20% per annum as at 31st March, 2018
- Working Capital Borrowings are renewed based on contract with bankers.

23 TRADE PAYABLES

Total outstanding dues of Micro and Small enterprises (Refer Note 47)	295	466
Total outstanding dues of Vendors other than above	9041	6764
	9336	7230

24 OTHER CURRENT FINANCIAL LIABILITIES

Current Maturity of Non-Current Financial Borrowings (Rupee Term Loans)	1693	1633
Current Maturity of Non-Current Finance Lease	40	-
Interest accrued but not due on borrowings	24	34
Unpaid Dividend Accounts *	178	171
Capital Goods Liability	136	230
Others	489	303
	2560	2371

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

25 OTHER CURRENT LIABILITIES

Advances from Customers	72	41
Advances received against sale of PPE	113	-
Others		
Statutory dues	424	506
Deferred Income on Government Grant	15	15
Other Liabilities	4	21
	628	583

₹ / Lacs

	As at 31st March, 2019	As at 31st March, 2018
26 CURRENT PROVISIONS		
Employee Benefits		
Compensated Absences	194	217
27 CURRENT TAX LIABILITIES		
Current Tax Payable (Net)	175	95
28 REVENUE FROM OPERATIONS		
Revenue from Contract with Customers (Refer Note 49)		
Sale of Products (Including Excise Duty) (Refer Note 50)		
Finished Goods	178016	143123
Traded Goods	341	1062
	178357	144185
Other Operating Revenue		
Scrap Sales	781	592
Revenue from Operations (Gross)	179138	144777
29 OTHER INCOME		
Interest Income		
Tax Refunds	459	8
From Customers	132	51
Others	14	1
	605	60
Profit on Sale of PPE	67	102
Profit on Sale of Current Investments (Net)	782	477
Gain on Fair Valuation of Investments through Profit and Loss	161	151
Dividend Received on Mutual Fund Units	27	10
Liabilities / Provisions no longer required written back	49	450
Government Grant	15	15
Miscellaneous Income	457	510
	2163	1775
30 COST OF MATERIALS CONSUMED		
Opening Stock of Raw Materials	10145	9926
Add: Purchases	115825	86875
	125970	96801
Less: Closing Stock of Raw Materials	9213	10145
Cost of Raw Materials Consumed	116757	86656



₹ / Lacs

	As at 31st March, 2019	As at 31st March, 2018
31 CHANGE IN INVENTORIES OF FINISHED GOODS, STOCK-IN-PROCESS AND STOCK-IN-TRADE		
Opening Stock		
Finished Goods	6445	7722
Stock-in-Process	3632	4307
	10077	12029
Less: Closing Stock		
Finished Goods	7221	6445
Stock-in-Process	3213	3632
	10434	10077
Less: Reversal of Excise Duty on Inventories	-	34
(Increase) / Decrease in Stocks	(357)	1918
32 EMPLOYEE BENEFITS EXPENSE		
Salaries, Wages and Bonus	8102	7552
Contribution to Provident and other funds (Refer Note 40)	676	700
Workers and Staff Welfare Expenses	667	592
	9445	8844
33 FINANCE COSTS		
Interest Expense	346	340
34 OTHER EXPENSES		
Stores and Spare Parts Consumed	3301	3029
Packing Material Consumed	3129	2738
Processing Charges	1249	984
Building & Machinery	2120	1505
Rent	137	97
Rates and Taxes	101	101
Insurance	141	96
Directors' Sitting Fees	5	4
Directors' Commission	30	30
Auditors Remuneration [Refer Note 48 (a)]	47	43
Commission on Sales	1447	1023
Transport and Handling	1743	1496
Expenditure on Corporate Social Responsibility (CSR) Activities (Refer Note 46)	218	206
Loss due to Foreign Currency Fluctuations (Including MTM on Derivatives)(Net)	214	281
Legal and Professional Fees	629	481
Miscellaneous Expenses	1301	1256
	15812	13370

35 FINANCIAL RISK MANAGEMENT OBJECTIVES (IND AS 107):

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

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

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

Risk	Exposure Arising From	Measurement	Management
A. Market Risk			
1) Foreign Exchange Risk	Committed commercial transaction Financial asset and Liabilities not denominated in INR	Cash Flow Forecasting Sensitivity Analysis	Forward foreign exchange contracts
2) Interest Rate	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) Commodity Price Risk	Movement in prices of commodities	Sensitivity Analysis, Commodity price tracking	Active inventory management, Sales Price linked to purchase price
B. Credit Risk	Trade receivables, Investments, Derivative financial instruments, Loans	Ageing analysis, Credit Rating	Diversification of mutual fund investments, Credit limit and credit worthiness monitoring, Criteria based approval process
C. Liquidity Risks	Borrowings and Other Liabilities and Liquid investments	Rolling cash flow forecasts Broker Quotes	Adequate unused credit lines and borrowing facilities Portfolio Diversification

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 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.

	₹ / Lacs	
	As at 31st March, 2019	As at 31st March, 2018
Outstanding Foreign Currency Exposure		
Trade Receivables		
USD	4	4
Trade Payables (Incl. in-transit)		
EURO	*	-
YEN	299	-
USD	76	43
Total Foreign Currency – EURO	*	-
Total Foreign Currency – YEN	299	-
Total Foreign Currency – USD	80	47

* EURO 17,691

Out of USD 80 Lacs Foreign Currency Exposure as at 31st March 2019, USD 74 Lacs was hedged and out of USD 47 Lacs as at 31st March 2018, USD 33 Lacs were hedged by forward contracts.

Forward Exchange Contracts:

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

			in Lacs	
Particulars	Purpose	Currency	As at 31st March, 2019	As at 31st March, 2018
Forward Contracts	Imports	USD	83	38

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 ₹ / Lacs	Floating Rate Borrowings ₹ / Lacs	Average Interest Rate %
Total as at 31st March 2019	3835	3256	7.34%
Total as at 31st March 2018	4695	4695	6.73%

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

Particulars	As at 31st March 2019	As at 31st March 2018
INR	33	47

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 counterparty does not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing/ investing activities, including deposits with banks, mutual fund investments, and investments in debt securities, foreign exchange transactions and financial guarantees. The Company has four major customers which represents 83% receivables as on 31st March, 2019 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%

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, 2019 is ₹ 16,845 Lacs (31st March, 2018 - ₹ 8,661 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.

₹ / Lacs				
As at 31st March, 2019	Less than 1 Year	1 to 5 Years	More than 5 Years	Total
Borrowings (including current maturities of long-term debts)	1693	1563	-	3256
Trade payables	9336	-	-	9336
Interest accrued but not due on borrowings	24	-	-	24
Other financial liabilities (excluding derivative liability)	667	234	-	901
Finance Lease Obligation	40	199	340	579
Derivative liability/ (Assets)	136	-	-	136
Investments	15806	-	1039	16845
As at 31st March, 2018				
Borrowings (including current maturities of long-term debts)	1633	3061	-	4694
Trade payables	7230	-	-	7230
Interest accrued but not due on borrowings	34	-	-	34
Other financial liabilities (excluding derivative liability)	725	223	-	948
Derivative liability/ (Assets)	(21)	-	-	(21)
Investments	7120	-	1541	8661

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

₹ / Lacs

Particulars	As at 31st March, 2019	As at 31st March, 2018
Financial Assets at amortised cost #		
Trade Receivables	20492	20710
Other Financial Assets	342	540
Cash and Cash Equivalents	478	2311
Bank Balance other than Cash & Cash Equivalents	178	171
Financial Assets at fair value through profit or loss		
Investments	15806	7120
Financial Assets at fair value through other comprehensive income		
Investments (non-current)	1039	1541
Total	38335	32393
Financial Liabilities at amortised cost #		
Term Loan from Banks	1563	3061
Finance Lease Obligation	539	-
Other Non-Current Finance Liabilities	234	223
Cash Credits/Working Capital Borrowing	-	1
Trade Payables	9336	7230
Other financial liabilities (including Current Maturities of Long term borrowing & finance lease obligation)	2424	2392
Fair Value Hedging Instruments		
Derivative liability/(Asset)	136	(21)
Total	14232	12886

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

35 (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.

₹ / Lacs

Particulars	Fair Value	
	As at 31st March, 2019	As at 31st March, 2018
Financial Assets at fair value through profit or loss		
Investments –Level 2	15823	7134
Financial Assets at fair value through other comprehensive income		
Investments –Level 1	1022	1527
Fair Value derivative		
Derivative liability/ (Asset) -Level 2	136	(21)

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.

36 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.



37 (A) DISTRIBUTION MADE AND PROPOSED (IND AS 1):

Particulars	₹ / Lacs	
	As at 31st March, 2019	As at 31st March, 2018
Cash dividends on equity shares declared and paid:		
Final dividend for the year ended on 31st March, 2018: ₹ 7.00 per share (31st March ,2017: ₹ 7.00 per share)	1530	1530
DDT on final dividend	314	311
Total Dividend Paid	1844	1841
Proposed dividends on Equity Shares:		
Final dividend for the year ended on 31st March , 2019: ₹ 7.00 Per share. (31st March, 2018: ₹ 7.00 per share)	1530	1530
DDT on proposed dividend	314	314
Total Dividend Proposed	1844	1844

Proposed dividends on equity shares are subject to approval at the annual general meeting and are not recognized as a liability (including Dividend Distribution Tax thereon) as at 31st March 2019.

37 (B) CAPITAL MANAGEMENT (IND AS 1):

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

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

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

Particulars	₹ / Lacs	
	As at 31st March, 2019	As at 31st March, 2018
Total Debt (Bank and other borrowings)	3835	4694
Equity	95487	90090
Debt to Equity (Net)	0.04	0.05

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.

38 INCOME TAXES (IND AS 12):

(i) Reconciliation of Effective Tax Rate:

Particulars	₹ / Lacs	
	As at 31st March, 2019	As at 31st March, 2018
Profit Before Tax (₹ / Lacs)	11910	10903
Tax Expense (₹ / Lacs)	4252	3894
Effective Tax Rate (in %)	35.702	35.715
Effect of Non-Deductible expenses (in %)	(0.640)	(0.654)
Effect of Allowances for tax purpose (in %)	0.080	-
Effect of Increase in Tax Rate (in %)	(0.910)	-
Others (in %)	0.712	(0.453)
Applicable Tax Rate (in %)	34.944	34.608

(ii) The Company has announced a proposed dividend of ₹ 7.00 per share and accordingly, the dividend distribution tax on account of the same amounting to ₹ 314 Lacs shall be recognized once the dividend is paid.

39 LEASES (IND AS 17):**Finance Lease:**

The Company has acquired on finance lease comprises of Plant and Machinery. There is no element of contingent rent or sub lease payments. The Company has option to purchase the assets at the end of the lease term. There are no restrictions imposed by these lease arrangements regarding dividend, additional debt and further leasing.

a) Future minimum lease payments and their present values under finance lease in respect of Plant & Machinery are as follows:

		₹ / Lacs					
S. No.	Particulars	Minimum Lease Payments		Present Value of Minimum Lease Payments		Future Interest	
		As at 31st March, 2019	As at 31st March, 2018	As at 31st March, 2019	As at 31st March, 2018	As at 31st March, 2019	As at 31st March, 2018
(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	-

b) Operating Lease: The Company does not have non-cancellable lease agreements. The operating lease payments recognized in the statement of profit and loss account is ₹ 137 Lacs (31st March 2018 ₹ 97 Lacs).

c) General description of leasing agreements:

- Leased assets: Land, 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.

40 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:**

Particulars	₹ / Lacs	
	As at 31st March, 2019	As at 31st March, 2018
Employer's Contribution to Provident Fund and Employee's Pension Scheme, 1995	414	402
Employer's Contribution to Superannuation Fund	56	61
Employer's Contribution to Employee's State Insurance	32	30
Total	502	493

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):

Particulars	₹ / Lacs	
	As at 31st March, 2019	As at 31st March, 2018
Opening DBO	3417	3176
Current Service Cost	162	141
Past Service Cost	-	55
Interest on DBO	210	202
Remeasurement due to:		
Actuarial loss/ (gain) arising from change in financial assumption	(52)	52
Actuarial loss/ (gain) arising from change in demographic assumption	-	(2)
Actuarial loss/ (gain) arising on account of experience change	(45)	44
Benefits Paid	(155)	(251)
Closing DBO	3537	3417

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

Opening Fair Value of Plan Assets	3114	2893
Interest on Plan Assets	198	190
Remeasurement due to:		
Actuarial loss/ (gain) arising on account of experience change	39	46
Contribution by the Employer	140	236
Benefits Paid	(155)	(251)
Closing Fair Value of Plan Assets	3336	3114

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:

Present value of Defined Benefit Obligation	3537	3417
Fair value of Plan Assets	(3336)	(3114)
Net Liability recognised in the Balance Sheet	201	303
Long Term Provisions	201	303

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

Current Service Cost	162	141
Past Service Cost	-	55
Interest Cost on defined benefit liability / (assets)	12	11
Total	174	207

- v) Amount recorded in Other Comprehensive Income

Opening amount recognised in OCI outside P&L Account	122	74
Remeasurement due to:		
Changes in financial assumptions	(52)	52
Changes in demographic	-	(2)
Experience Adjustments	(45)	44
Actual return on plan assets less interest on plan assets	(39)	(46)
Closing amount recognised in OCI outside profit and loss account	(14)	122

vi) Maturity Profile of defined benefit obligation

Particulars	₹ / Lacs	
	As at 31st March, 2019	As at 31st March, 2018
Within the next 12 months	719	653
Between 1 and 5 years	1977	1784
Between 5 and 10 years	1217	1274
10 Years and above	1408	1455

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, 2019		As at 31st March, 2018	
	Amount ₹ / Lacs	Rate %	Amount ₹ / Lacs	Rate %
Insurer Managed Funds	3336	100%	3114	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	₹ / Lacs	
	As at 31st March, 2019	As at 31st March, 2018
Actual Return on Plan Assets (Including remeasurement effect)	237	237

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

Particulars	As at	
	31st March, 2019 Rate %	31st March, 2018 Rate %
Discount Rate	7.10%	6.80%
Salary Escalation Rate	7.00%	7.00%
Attrition Rate (Average Rate of 4 Age Groups in 18-19)	11.25%	11.25%

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

Particulars	₹ / Lacs				
	2018-19	2017-18	2016-17	2015-16	2014-15
Defined Benefit Obligation	3537	3417	3176	2798	2592
Plan Assets	3336	3114	2893	2398	2080
Surplus / (Deficit)	(201)	(303)	(283)	(400)	(512)
Experience Adjustment on Plan Liabilities	(45)	44	18	(9)	307
Experience Adjustment on Plan Assets	39	46	38	36	29

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

Particulars	₹ / Lacs	
	2019-2020	
Gratuity	250	
Provident Fund and Employee's Pension Scheme, 1995	635	



xiii) Sensitivity Analysis:

Rate %

Particulars	As at	
	31st March, 2019	31st March, 2018
Impact of increase in 50 bps on discounting rate on DBO	-2.35%	-2.52%
Impact of decrease in 50 bps on discounting rate on DBO	2.46%	2.64%
Impact of increase in 50 bps on salary escalation rate on DBO	2.42%	2.59%
Impact of decrease in 50 bps on salary escalation rate on DBO	-2.34%	-2.50%

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 prefund liability of the plan. The Company fund these benefit 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.

₹ / Lacs

Particulars	As at	
	31st March, 2019	31st March, 2018
Present value of Defined Benefit Obligation	9477	8750
Fair value of Plan Assets	(9477)	(8750)
Net Liability recognised in the Balance Sheet	-	-

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

Rate %

Particulars	As at	
	31st March, 2019	31st March, 2018
Discount Rate	7.10%	6.80%
Expected rate of return on Plan Assets	8.46%	8.02%
Discount Rate for the remaining term to Maturity of the Investment Portfolio	7.40%	7.67%
Average Historic Yield on the Investment Portfolio	8.76%	8.89%
Guaranteed Rate of Return	8.65%	8.55%

41 RELATED PARTY DISCLOSURES (IND AS 24):**Related Parties with whom there were transactions during the year:**

Parties	Relationship
Mr.B.K.Birla - Non-Executive Director	Key Management Personnel (KMP)
Mrs. Rajashree Birla - Non-Executive Director	Key Management Personnel (KMP)
Mr. B.S.Mehta - Independent Director	Key Management Personnel (KMP)
Mr. S.K.Jain - Independent Director	Key Management Personnel (KMP)
Mr. K.S. Thar - Independent Director	Key Management Personnel (KMP)
Mr. O.R.Chitlange- Managing Director	Key Management Personnel (KMP)

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

Nature of Transaction/Relationship	₹ / Lacs	
	As at 31st March, 2019	As at 31st March, 2018
Services received from:		
KMP (Director's Sitting Fees and Commission)	35	34

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

Nature of Transaction/Relationship	₹ / Lacs	
	As at 31st March, 2019	As at 31st March, 2018
Short-term employee benefits	325	266
Other long-term benefits	18	17
Total compensation paid to key management personnel	343	283

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.

42 EARNINGS PER SHARE (EPS) (IND AS 33):

Particulars	₹ / Lacs	
	As at 31st March, 2019	As at 31st March, 2018
Basic/Diluted EPS:		
(i) Net Profit attributable to Equity Shareholders	7658	7009
(ii) Weighted average number of Equity Shares outstanding (Nos.) [For Basic & Diluted EPS]	21850589	21850589
Basic/ Diluted EPS in ₹ Per share (Face Value ₹ 10 per share) (i)/(ii)	35.05	32.08

43 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 and for the previous year ended 31st March 2018, ₹ 2491 Lacs towards profit on sale of property.

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

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

Particulars	Brief Description	As at 31st March, 2019	As at 31st March, 2018
(a) Income Tax Matters	Matters relates to disallowances of expense provision	50	50
(b) Sales-tax / VAT Matters	Matters relates to input tax credit	-	6
(c) Excise, Service Tax & Custom Matters	Matters relates to valuation, disallowances of input tax credit	348	481

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



- (b) Excise Department had issued an order dated 31st December 2013 denying the applicability of Notification No. 6/2000 dated 1st March 2000 which allowed payment of duty at specific rate instead of ad-valorem basis and raised a demand of ₹ 22,927 lacs plus interest thereon and penalty equivalent to demand amount against which the Company had filed an appeal before Appellate Tribunal (CESTAT). The CESTAT has admitted the appeal on pre-deposit of ₹ 700 lacs and granted stay against the recovery. The company has been advised by legal experts that it has a fair chance of ultimately succeeding in the matter and accordingly no provision is required to be made in accounts.
- (c) The Hon'ble Supreme Court of India ("SC") by their order dated February 28, 2019, in the case of Surya Roshani Limited & others v/s EPFO, set out the principles based on which allowances paid to the employees should be identified for inclusion in basic wages for the purposes of computation of Provident Fund contribution. Subsequently, a review petition against this decision has been filed and is pending before the SC for disposal.

45 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, 2019 is ₹ 454.35 Lacs. (31st March, 2018 - ₹ 412.68 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, 2019 for the remaining period of the contract at current market prices approximates ₹ 2,055 Lacs (Previous Year ₹ 2,823 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.

46 CORPORATE SOCIAL RESPONSIBILITY:

Particulars	₹ / Lacs	
	As at 31st March, 2019	As at 31st March, 2018
Total amount required to be spent under section 135 of the Companies Act, 2013	218	202
Total amount spent during the year (Refer Note- 34)	218	206

47 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	As at 31st March, 2019		As at 31st March, 2018	
	Principal	Interest	Principal	Interest
Principal Amount and Interest due thereon remaining unpaid at the end of the year*	316	-	465	-
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	1677	1	587	1
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	-	14	-	1
Interest amount due and unpaid as at the end of the year	-	14	-	1
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, 2019 (Refer Note 24) .

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.

48 AUDITORS' REMUNERATION (EXCLUDING TAXES) AND EXPENSES:

Particulars	₹ / Lacs	
	As at 31st March, 2019	As at 31st March, 2018
(a) Statutory Auditors:		
Audit fees (including quarterly Limited Review)	38	35
Tax audit fees	5	5
Fees for other services	3	2
Expenses reimbursed	1	1
Total	47	43
(b) Cost Auditors: Audit fees	3	3

49 REVENUE FROM CONTRACTS (IND AS 115):

Effective from April 1, 2018, the Company has applied Ind AS 115 which establishes a comprehensive framework for determining whether, how much and when revenue is to be recognized. Ind AS 115 replaces Ind AS 18 Revenue and Ind AS 11 Construction Contracts. The company has adapted modified retrospective method and applies existing standards i.e. Ind AS 18 in comparative period.

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 are recognised when goods are dispatched and the control over the goods sold are 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.

In compliance with Ind AS 115, certain discounts are treated as variable components of consideration and have been recognised as deductions from revenue instead of other expenses. Such discount was recognized as deduction from revenue in previous period also. Hence, there is no requirement to restate comparative period.

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

Particulars	₹ / Lacs	
	As at 31st March, 2019	As at 31st March, 2018
Closing Contract Liability	72	41

The Contract liability outstanding at the beginning of the year has been recognised as revenue during the year ended March 31, 2019.

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

Revenue as per Contract Price	179698	145635
Less: Discounts	560	858
Revenue as per Statement of Profit and Loss	179138	144777

50 GOODS AND SERVICE TAX (GST)

Effective July 01, 2017, sales are recorded net of GST whereas earlier sales were recorded gross of excise duty which formed part of expenses. Hence revenue from operations for the year ended March 31, 2019 are not comparable with the previous year corresponding figures.



51 AMENDMENTS TO IND AS:

Ministry of Corporate Affairs (“MCA”) has notified following amendments to Ind AS on March 30, 2019 which is effective for the annual period beginning on or after April 01, 2019:

(a) Ind AS 116 Leases:

Ind AS 116 will replace the existing leases standard, Ind AS 17 Leases. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. It introduces a single, on-balance sheet lessee accounting model for lessees. A lessee recognises right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. The standard also contains enhanced disclosure requirements for lessees.

The Company will recognize a lease liability measured at the present value of the minimum lease payments. The right-of-use asset is recognised at its carrying amount as if the Standard had been applied since the commencement date, but discounted using the lessee’s incremental borrowing rate as at April 1, 2019. In accordance with the standard, the Company will elect not to apply the requirements of Ind AS 116 to short-term leases and leases for which the underlying asset is of low value.

The Company will adopt Ind AS 116 effectively for the annual reporting period beginning April 1, 2019.

Except for the disclosure requirement, the new standard will not impact the company’s financial statements, as most of the Company’s leases are short term leases and the underlying assets is of low value.

(b) Ind AS 12 - Appendix C, Uncertainty over Income Tax Adjustments

The amendment requires an entity to determine probability of the relevant tax authority accepting the uncertain tax treatment that the Company have used in tax computation or plan to use in their income tax filings.

(c) Amendment to Ind AS 12 – Income taxes

The amendment clarifies that an entity shall recognize the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognized those past transactions or events.

(d) Ind AS 19 - Plan amendment, curtailment or settlement

The amendments require an entity to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement and to recognize in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognized because of the impact of the asset ceiling.

Based on preliminary assessment, the Company does not expect any significant impact on its financial statements on account of above amendments.

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. - FRN 105146W)
Chartered Accountants

K. G. Ladsaria
Chief Financial Officer

Rajashree Birla
Vice Chairperson
DIN: 00022995

Place : Mumbai
Date: 21st May, 2019

Gautam V. Shah
Partner
Membership No. 117348
Place : Mumbai
Date: 21st May, 2019

C. B. Gagrani
Secretary

O. R. Chitlange
Managing Director
DIN: 00952072

FINANCIAL HIGHLIGHTS

OPERATING RESULTS

₹ / lacs

FINANCIAL YEAR	As Per Ind AS				As Per Previous GAAP
	2018-19	2017-18	2016-17	2015-16	2014-15
INCOME					
Revenue from Operations (Net of Excise Duty)	179138	141648	118531	114848	121853
Other Income	2163	1775	1549	431	702
	181301	143423	120080	115279	122555
EXPENDITURE					
Materials & Overheads	164087	130477	100344	100655	110286
PROFIT BEFORE EXCEPTIONAL ITEM, FINANCE COST, DEPRECIATION AND TAX	17214	12946	19736	14624	12269
Exceptional Item	(454)	2491	(958)	(754)	-
PROFIT BEFORE, FINANCE COST, DEPRECIATION AND TAX	16760	15437	18778	13870	12269
Less : Finance Cost	346	340	562	956	1732
PROFIT BEFORE DEPRECIATION, AND TAX	16414	15097	18216	12914	10537
Less : Depreciation / Amortisation	4504	4194	4237	4094	4275
Less : Tax (Net) including Deferred Tax	4252	3894	4882	2910	2605
NET PROFIT	7658	7009	9097	5910	3657
DIVIDEND (%)	70%	70%	70%	75%*	60%
EARNING PER SHARE (₹)	35.05	32.08	41.63	27.05	16.74
CASH EARNINGS PER SHARE (₹)	57.63	56.01	63.96	49.71	41.18
BOOK VALUE PER SHARE (₹)	437.01	412.31	391.01	356.07	323.75

* Includes 15% special dividend to commemorate Golden Jubilee year

STATEMENT OF ASSETS AND LIABILITIES

₹ / lacs

	As Per Ind AS				
	As on 31.03.2019	As on 31.03.2018	As on 31.03.2017	As on 31.03.2016	As on 01.04.2015
A. ASSETS					
Property, Plant, Equipment and Intangible Assets	55010	57858	57488	60340	62877
Non-Current Investments	1039	1541	2025	1509	1713
Long Term Loans and Advances	207	231	184	191	196
Other Non Current Assets	938	1020	938	925	1225
Current Assets	6598	55721	51311	38626	39429
	(A) 123122	116371	111946	101591	105440
B. EQUITY AND LIABILITIES					
Equity					
Share Capital	2185	2185	2185	2185	2185
Other Equity	93302	87905	83251	75617	71473
	95487	90090	85436	77802	73658
Non-Current Liabilities					
Long Term Borrowings	2102	3061	3708	5144	6580
Deferred Tax Liabilities (Net)	11153	11177	10158	10473	10370
Long Term Liabilities & Provisions	1487	1546	1811	1550	1705
	14742	15784	15677	17167	18655
Current Liabilities					
Short Term Borrowings	-	1	109	390	7391
Trade Payables, Liabilities and Provisions	12893	10496	10724	6232	5736
	12893	10497	10833	6622	13127
	(B) 123122	116371	111946	101591	105440



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