



# A TRIBUTE TO THE LEGENDS



**SHRI BASANT KUMAR BIRLA**

12<sup>th</sup> January 1921 - 3<sup>rd</sup> July 2019



**SHRI ADITYA VIKRAM BIRLA**

14<sup>th</sup> November 1943 - 1<sup>st</sup> October 1995

# Our Group Purpose Statement



TO ENRICH LIVES, BY  
BUILDING DYNAMIC  
AND RESPONSIBLE  
BUSINESSES AND  
INSTITUTIONS, THAT  
INSPIRE TRUST.

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# Force For Good

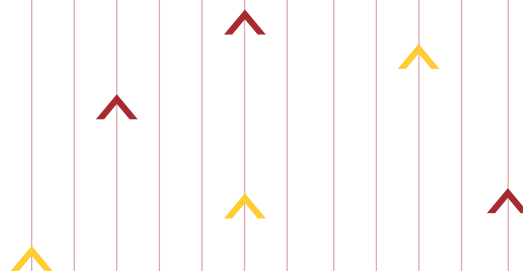
Century Enka Ltd. (CEL) takes the privilege of presenting a journey of dedication, passion, and business enrichment through this report. Playing 'Force For Good', we illustrate how the Company is shaping the growth of business, decisions, people, communities, and the environment within and around us. Piloted by ethical conduct in each action, sustainability in every decision and a diverse societal impact, we are here to set the stage for our efforts, and our collective success that will catalyze the future.

As we approach six decades of existence, a lot has transformed with time. From our vivid milestones of Century from the House of Birla's joining hands with ENKA from AKZO Netherland in 1967 to float a Company called 'Century Enka', to building our leadership position as one of the leading synthetic yarn producing companies; we have certainly come a long way.

This journey does not merely talk about our growth. It highlights the notches of refinement we have achieved in decision-making, our capabilities, our sensitivity towards the environment, and our people through adversities and challenges. At every point, we have grown with improved decisions benefiting each stakeholder. With an increasing awareness about the impact of our operations on the environment and the communities, our approach to business has become more protective. Within the broader regulatory frameworks and the evolving social landscape, the onus is now on us to create positive ripples in the society, make the world a cleaner and greener space for our generations to come, whilst bringing a holistic value to business.

As we continue to aspire to be a leading and dependable company in the business of tyre reinforcement and synthetic textile yarns, we strategize to be effective collaborators. Effective stakeholder engagement and management will enable us to hear the unheard stakeholder voices, adding credible and real value to the business.

With strong governance mechanisms, risk management systems, and solid relationships with our key stakeholders like supply chain partners, customers, employees, and the community at large, we are here to be good and for good; be a force for good. With honorable intentions to provide innovative, cost-effective, and sustainable solutions, while following fair commercial practices through total quality management, we desire to chart a growth trajectory which is sustainable in every way.



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## Investor Information

CIN	L24304PN1965PLC139075
BSE Code	500280
NSE Symbol	CENTENKA
Dividend Declared	100% i.e., ₹ 10/- per equity share of ₹ 10/- each
Book Closure for Dividend	Wednesday, 21 <sup>st</sup> August 2024 to Thursday, 22 <sup>nd</sup> August 2024
Record Date (Cut-off date) for E-voting	Friday, 23 <sup>rd</sup> August 2024
AGM Date	Friday, 30 <sup>th</sup> August 2024 at 2:30 PM (IST)
AGM Mode	Audio-visual means

**For online version of this annual report, please visit:**

<https://www.centuryenka.com/investor-relations/index.html#parentHorizontalTab3>

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# About the Report



## Approach to Reporting

We are pleased to present our third Integrated Annual Report, 2023-24. Themed 'Force For Good', the Report comprehensively highlights our strategic objectives, achievements, governance, and value creation across six capitals of the <IR> framework. It offers a summary of our overall progress and potential to help readers make informed conclusions about our capacity to create value in the short, medium, and long term, and the sustainability of our Company, going forward.

## Reporting Period

We publish our Integrated Report, each year. This Report covers the performance of CEL. for the financial year from 1<sup>st</sup> April 2023 to 31<sup>st</sup> March 2024. Wherever possible for certain key performance indicators, comparative figures for the last two years have been incorporated in this report to provide a trend and better insights of the performance of the Company.

## Scope and Boundary

In this report, we have our business model, strategy, significant risks, challenges, and opportunities, as well as our overall performance, outcomes, and prospects for the year under review. In addition to financial performance, we have also provided information about our environmental, social and governance (ESG) performance. The Report covers our operational plants in Pune (Maharashtra), Bharuch (Gujarat), as well as our marketing offices.

## Restatements

As we are continuously evolving in our journey towards transparent reporting and disclosures, we have revisited our processes for collating data with respect to various KPIs and may entail restating certain information published in the past. Restated information from the previous Integrated Report(s) has been denoted by (^) in this report.

In FY 2023-24 reporting, no restatement has been made.

## External Assurance

Disclosures in this report are based on the Global Reporting Initiative (GRI) indicators. In this reporting period, the disclosures have not undergone any external assurance. We remain committed to improving our reporting practices and will work towards implementing external assurance in the future reporting cycles.

## Materiality

Our material issues are those that have a significant impact on our ability to create value for our stakeholders. An issue is material if it has the potential to considerably impact our commercial viability, social relevance, and the quality of relationships with our stakeholders. Our material issues are influenced by the economic, social, and environmental circumstances in which we operate, and these are gathered from multiple channels and forums of engagement across the Company, and from external stakeholders. Through this Material Analysis, we have arrived at the conclusion that the material topics identified in the previous year that are still highly pertinent should be maintained in this year's Report. By doing so, we maintain a consistent focus on the areas that hold the utmost importance in our operations.

## Our Capitals

At Century Enka, the creation of long-term value is interconnected with all the capitals and relies on various factors such as the nature and the quantity of inputs, methods utilized to enhance the value of the inputs, effects on the inputs, and the outcomes generated by the value delivered.

## Navigation Icons

### For Capitals



Financial Capital



Manufactured Capital



Human Capital



Social & Relationship Capital



Intellectual Capital



Natural Capital

### For Stakeholders

 <b>Employees</b>	 <b>Customers</b>
 <b>Supply Chain Partners</b>	 <b>Government &amp; Regulators</b>
 <b>Future Generation</b>	 <b>Analyst &amp; Rating Agencies</b>
 <b>Investors</b>	 <b>Communities</b>
 <b>Contract Laborers</b>	

## Statement of Responsibility

Our Board believes that CEL's third Integrated Annual Report for FY 2023-24 covers all important aspects, presents a well-rounded and extensive outlook on our strategy, and demonstrates the capability of the Company to generate sustainable value. The Board has a complete oversight over the aspects of the Report that have been developed by the senior management in line with inputs from various key functional teams.

## Frameworks and Guidelines Followed in this Report:

- > International Integrated Reporting Council's Integrated Reporting Framework (IR Framework)
- > The Report is developed in reference to the Global Reporting Initiatives (GRI), 2021
- > National Guidelines on Responsible Business Conduct (NGRBC)
- > Companies Act, 2013 (and the rules made thereunder)
- > Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
- > Indian Accounting Standards
- > Secretarial Standards issued by the Institute of Company Secretaries of India
- > United Nations Sustainable Development Goals (UN SDGs)

## Forward Looking Statements

The Report may contain certain forward-looking statements related to our business, which include statements beyond performance highlights and historical facts. These statements pertain to aspects such as market and financial position, business strategy, and objectives for future operations. Stakeholders can generally identify forward-looking statements using terminology such as 'aim', 'anticipate', 'believe', 'expect', 'estimate', 'intend', 'objective', 'plan', 'project', 'may', 'will', 'will continue', 'will pursue', 'contemplate', 'future', 'goal', 'propose', 'will likely result', or other similar words or phrases. These statements are contingent on projections and trends, and reflect our present expectations based on reasonable assumptions. However, actual results may differ from those predicted in forward-looking statements due to risks, uncertainties, and external factors.

# Chairperson's Message



“At CEL, we remain committed to making the business sustainable, aligning with the pace and demands of the world. Being a ‘Force For Good’ we aspire to deliver value in every aspect - societal, environmental, and in favour of a noble society.”

## Dear Stakeholders,

I hope this message finds you in the best of health.

With ‘service to society’ at the core of our operations under the Aditya Birla Group, I write to you this year with fervent excitement about a year that saw us triumph over the odds of the competitive global markets. With a firm resolve, we aim to grow each of our companies, including CEL, within the wider roots of the Group’s Purpose: ‘To enrich lives, by building dynamic and responsible businesses and institutions, that inspire trust across the globe.’

### The Opportunity for CEL in India

According to the International Monetary Fund (IMF), the world economy will continue growing at 3.2% during 2024 and 2025, maintaining the same pace as in 2023. A slight acceleration for advanced economies is expected to be offset by a moderate slowdown in emerging markets and developing economies in 2024 and 2025. The forecast for global growth five years from now is a mere 3.1%, the lowest in decades. Against this global backdrop, India continues to offer hope for investors due to its large market, the democratic dividend of a younger

population, and promising demand and consumption.

Specific to the industry in which we operate: the textiles industry contributes 5% to India’s Gross Domestic Product (GDP), 7% to India’s industrial production, and 12% to the country’s exports, employing more than 18 million people directly and over 20 million people indirectly.

With India’s production capacity being quite modest, the country remains dependent on the global market to meet its demand. The government is attempting to revive the textile industry with plans to offer subsidies and tax



₹ 428 MN  
NET PROFIT

incentives to boost production capabilities and prime manufacturing units, enhancing the overall resilience of the textile sector in the country against international competition. However, within the sector, synthetic textiles occupy a small portion of the market despite demand from developed countries. The global synthetic yarns market size is projected to advance at a Compound Annual Growth Rate (CAGR) of 7.39% during 2021-25, with an estimated value of USD 85.07 billion. As a leader in synthetic textile in India, particularly Nylon, we perceive latent opportunities and will strive to harness these opportunities.

### Pioneering a Resilient Company with Grace

With a focused approach to tapping into the evident demand, we are building our production capacities. I am pleased to inform you that the Company has successfully completed CAPEX initiatives announced in May'21, including CAPEX for building capabilities for diversification in Polyester Tyre Cord Fabric (PTCF). On the operational front, the last year saw reduced margins and demand with tough competition from Chinese markets. Despite resistance, CEL continued to sail strong, registering ₹ 17,442 Mn of revenue from operations and a net profit of ₹ 428 Mn in FY 2023-24. As we move ahead, we continue to monitor our progress and work towards accomplishing our set objectives in the forthcoming year.

Sustainability will be the strongest pillar in our broader growth framework going forward. Prioritising environmental responsibilities, working on benefiting communities, addressing important matters around mental health and physical safety, education, and diversity and inclusion at work will reinforce our ESG and Corporate Social Responsibility (CSR) strategy. To support these causes, we have incorporated various aspects of governance, transparency, and accountability to build a reliable business.

At CEL, we remain committed to making the business sustainable, aligning with

the pace and demands of the world. Being a 'Force For Good' we aspire to deliver value in every aspect - societal, environmental, and in favour of a noble society. With a heart filled with gratitude, I would like to thank all our stakeholders and the management for their dedication to making us who we are today, with dignity and grace.

**Rajashree Birla**  
Chairperson

₹ 17,442 MN  
REVENUE FROM OPERATIONS



# Managing Director's Message



“As we step into a new year with the hopes of a better tomorrow, we desire to make each stakeholder discover a value unknown to them so far, stirring within each of us a force for good that shall deliver positive results, entirely.”

## Dear Stakeholders,

Holding reverence for the values of customer centricity, innovation, and customization, we, at Century Enka Ltd. (CEL) continue to spin new products and legacies. We believe in striking a balance between business and sustainability. This perfect chord that we seek is a discovery, which requires us to hear stakeholder voices to create the value that we desire to give to the business and accomplish for the participants of our business's ecosystem. As a company, we focus on effectively utilizing and inventing groundbreaking solutions tailored to market demands with sophisticated

product personalization to foster growth. This makes it imperative for us to adapt as a business, to boost our ability, and meet the needs of our clientele – a goal we diligently pursued over the last reporting year.

### Pursing Business with Vehemence

Giving a strategic glimpse into our business segments and their performance, the Company currently operates with two state-of-the-art manufacturing facilities in Pune, Maharashtra and Bharuch, Gujarat, with a capacity of ~92,000 MTPA. We are the leading producers of Nylon Filament

Yarn (NFY) and Nylon Tyre Cord Fabric (NTCF) in India with approximately 25% and 23% domestic market share, respectively.

Notwithstanding the intense competition from China and the radialization of tyres, where companies are increasingly moving from traditional tyre that use nylon threads to tyres that use steel wires, affecting demand and margins, we expect stable demand. Owing to our strong fundamentals and a zeal to circumvent the trials on our path, we registered a net profit of ₹ 428 Mn in FY 2023-24 and a revenue of ₹ 17,442 Mn in FY 2023-24. As we

move ahead, we continue to monitor our progress and are working to achieve our set targets in the approaching year.

### **Nylon Tyre Cord Fabric (NTCF)**

At present, we supply superior quality NTCF for the reinforcement of tyres used in motorcycles, scooters, light commercial vehicles (LCVs), medium & heavy commercial vehicles (MHCVs), farm, and off-the-road (OTR) vehicles. NTCF saw improvements in exports, and in demand from India, especially from two-wheelers in the last year.

Given the diversity of NTCF and performance specifications, the Company collaborates closely with clients to tailor-make reinforcements as per their designs. But as we continue to make improvements in the product, we are imbibing the principles of sustainability and adopting material recycling processes aimed to incorporate the reduce, reuse, recycle (3Rs) model. This was particularly applicable for automobile tyres that are created from non-renewable petroleum resources designed for one-time use.

With the evolution of demand and sustainability, Polyester Tyre Cord Fabric (PTCF) is an emerging opportunity for us. Production facilities for this segment is created at Pune. Going forward, we expect this product to cater to the segment of passenger car tyres with the nascent boom of Electric Vehicles (EVs) in the automobile space.

### **Nylon Filament Yarn (NFY)**

Nylon Filaments Yarns are used for various applications, including fish twines, conveyor belts, sports, active wear, sarees, intimate and foundation wear, etc. We experienced a lower demand for NFY, particularly in rural areas, last year. We are proposing to add more categories of products in the NFY segment to support the active wear industry and to capture growing

market trends. This time we will continue to focus on increasing the share of value-added products in our portfolio and reducing costs. We have upgraded to the latest technology, from a two-step manufacturing process to a one-step process, bringing down the cost of production while improving the quality of the output.

### **Where Innovation Meets Sustainability**

Through our innate approach to building a sustainable business, we meet the needs of the Company without negotiating the needs of our customers, stakeholders, or the planet at large. This is possible with an honest intention to progress. Our plants have state-of-the-art technology necessary for maintaining a consistent quality. In the last financial year, for our Bharuch plant, we installed 1 Mwh rooftop solar and commissioned 10.5 MW wind-solar hybrid facility under group captive scheme to increase the renewable energy share at our plants. Since 2020, we have been gradually reducing our use of Light Diesel Oil (LDO), replacing it with Liquefied Natural Gas (LNG), with plans to phase out LDO completely. We are also focusing on improving our packaging material and transitioning to green packaging to lower waste, shrink the use of non-renewable resources, decrease pollution, and protect biodiversity.

As we continue our journey of business innovation and expansion, sustainability will continue to be a key pillar of our business, ensuring our operations are environmentally safe, socially accountable, and economically balanced.

### **Listening to Our People**

As a Company, we continue to remain invested in our people with respect and, importantly, listen to their needs. With the introduction of a talent management process last year, we intend to ease employee turnover by designing a

positive work environment, extending competitive compensations and benefits, while providing immense opportunities for growth and development. This will add to the flavor of our culture and enable us to pay due attention to the issues people face at work, helping us redress them as a responsible employer.

In the coming year, we aim to focus on increasing our employee diversity ratio at both the corporate and plant level to build a culture that is sensitive, diverse, inclusive, and safe. We will continue to collaborate with our people for their good health, mental well-being, work-life balance, and a transparent system where they have the choice for growth, learning and development.

CEL helps, works, and joins initiatives around the well-being of underprivileged individuals. With Corporate Social Responsibility (CSR) initiatives in the spheres of education, healthcare, access to safe drinking water, disaster management, and rural infrastructure development, we pursue holistic growth and improve the lives of communities among which we operate.

Under the auspices and guidance of the Aditya Birla group, the governance mechanism is intact. With a stable approach, the Board continues to guide us to make balanced decisions to improve the responsibility of our people, our work, and the environment.

I welcome you all to read our Integrated Report for FY 2023-24. As we step into a new year with the hopes of a better tomorrow, we desire to make each stakeholder discover a value unknown to them so far, stirring within each of us a 'Force For Good' that shall deliver positive results, entirely.

Warm regards,

**Suresh Sodani**  
Managing Director

# Performance Highlights

## Financial

1,744

TOTAL REVENUE  
(IN CR)

116

EBITDA (IN CR)

46

PAT (IN CR)

47.4%

REVENUE SHARE OF  
NYLON TYRE CORD  
FABRIC

48.8%

REVENUE SHARE OF  
NYLON FILAMENT YARN

25%

DOMESTIC MARKET  
SHARE OF NFY

23%

DOMESTIC MARKET  
SHARE OF NTCF

## Operational

~92,000 MTA

TOTAL INSTALLED  
PRODUCTION CAPACITY

69,121 MT

TOTAL OUTPUT

~7%

INCREASED  
PRODUCTION CAPACITY  
(AS COMPARED TO  
THE LAST REPORTING  
PERIOD)

## Environmental

50%

INCREASE IN SHARE OF  
RENEWABLE ENERGY  
IN TOTAL ENERGY  
CONSUMPTION (AS  
COMPARED TO THE  
LAST REPORTING  
PERIOD)

12.7%

REDUCTION  
IN EMISSIONS  
INTENSITY (AS  
COMPARED TO THE  
LAST REPORTING  
PERIOD)

6.32%

REDUCTION  
IN WATER  
CONSUMPTION  
(AS COMPARED  
TO THE LAST  
REPORTING  
PERIOD)

80%

TOTAL HAZARDOUS  
WASTE RECYCLED

## Social

**305** LACS

TOTAL CSR EXPENDITURE

**21,539**

APPROX. NO. OF BENEFICIARIES FROM CSR ACTIVITIES

**44.88**

AVERAGE HOURS OF TRAINING PROVIDED TO EMPLOYEES

**16.16**

AVERAGE HOURS OF TRAINING PROVIDED TO WORKERS

**39,072**

TOTAL TRAINING HOURS

**All Plants Are Occupational Health and Safety Management System (45001:2018) Certified**

## Governance

**50%**

INDEPENDENT DIRECTORS ON THE BOARD

**90%**

AVERAGE ATTENDANCE IN BOARD MEETINGS

**Zero Instances of Data Breach in the Reporting Year**

**Zero Complaints with Respect to Data Privacy, Advertising, Cyber Security**

**No Fines/Penalties Related to Anti-Competitive, Anti-Competitive Monopoly and Anti-Trust Practices**

**Information Security Management System (ISO:27001) Certified**



# About Century Enka

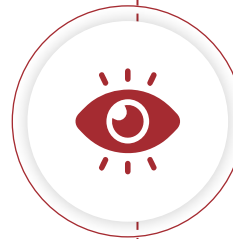


## Business Overview

As one of the few synthetic yarn producers with a complete integration of advanced technologies, we strive to conduct our operations in the most environmentally sustainable manner. Our relentless pursuit of growth and innovation, a deep experience in the space and being a part of the ABG group has positioned us as a top player in the domestic textile sector.

CEL has a rich history dating back to 1965. Over the years, the Company has earned a reputation of a responsible business that prioritizes continuous improvement. We are a publicly listed company, with a registered office at Pune, Maharashtra, that is committed to creating long-term value for its stakeholders by leveraging its innovation capabilities, technology leadership, and focus on sustainability. We are a well-established producer of Nylon Filament Yarn (NFY) and Nylon Tyre Cord Fabric (NTCF) with operational manufacturing facilities in Pune and Bharuch.

We are dedicated to complying with all applicable laws and regulations in the jurisdictions where we operate. We strongly focus on digital transformations and robust infrastructure to drive better value and growth in our business. The highest standards of ethics, professionalism, stakeholder transparency and a deep desire to excel in whatever we do have fueled our growth and helped us build an iconic brand recall. We are committed to delivering growth along the triple bottom line of people, planet, and profit.



### Our Vision

We aspire to be a leading and reliable organization in the business of tyre reinforcement and man-made textile yarns.



### Our 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 and stakeholder satisfaction.



### Our Group Purpose

To enrich lives, by building dynamic and responsible businesses and institutions, that inspire trust.



## Our Values



### Integrity

Acting and taking all decisions in a manner that is ethical, truthful, principled, transparent, and respectful. And being recognized for following the highest standards of professionalism.



### Passion

An intense, intuitive zeal that arises from a deep sense of purpose, that makes work joyful and inspires transformation for the better end results in innovation. A voluntary and relentless pursuit of goals with the highest level of enthusiasm.



### Commitment

The responsibility to deliver value to all our stakeholders by being accountable for our actions and decisions, by being disciplined and reliable, and by being result oriented.



### Seamlessnes

Thinking, learning and working as a team, across global functions, hierarchies businesses and geographies. Integrate diverse competencies and perspectives to empower each other and to promote organizational unity through collaboration.



### Speed

Responding to internal and external customers with agility, being prompt, proactive and punctual. To be decisive, concise, deliver within committed timelines.

## Product Portfolio



### Nylon Tyre Cord Fabric (NTCF)

Century Enka offers high-quality nylon tyre cord fabrics for tyre reinforcement in motorcycles, scooters, light commercial vehicles (LMVs), heavy commercial vehicles (HCVs), and off-road vehicles (OTR). They provide the structure of the tyre and support the vehicle's weight.



### Nylon Filament Yarn (NFY)

Nylon filament yarn is a long continuous fiber used to produce textile fabrics such as sarees, draperies, furnishings and upholstery, sportswear, mosquito nets and embroidery. Century Enka's superior product engineering ensures durability, softness, and effective moisture management, making it suitable for new-generation intimate fabrics and garments.

# Milestones

▶ 1965

Company Registration

▶ 1967

Started Manufacturing in Pune

▶ 1969

Started the Production of Nylon Monofilament Yarn (NFY)

▶ 1986

Started the Production of Nylon Tyre Cord Fabric (NTCF)

▶ 1991

Won the Award for Best Corporate Performance

▶ 1998

Rajashree Polyfil Got Amalgamated in Century Enka





## ▶ 2024

Installation of a PTCF (Polyester Tyre Cord Fabric) Plant in Pune

## ▶ 2023

Major Capacity Expansion of NTCF Production at Bharuch & Commencement of Dipping Facility at the Pune Plant

## ▶ 2014

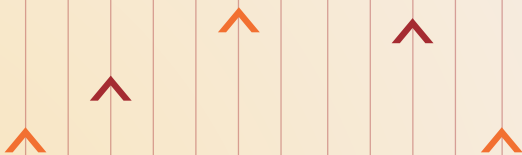
Dipping Lines Capacity Increased in the Bharuch Plant

## ▶ 2011

Dipping Process of NTCF Started at the Bharuch Plant

## ▶ 2006

NTCF Production Started at the Bharuch Plant



## Major Industry Associations

To strengthen our sustainability activities and work together to promote sustainable business practices, we have associated with several trade associations, chambers, and organizations. The major organizations that we collaborate with, are:





## Markets Served

### National

Andhra Pradesh  
 Bihar  
 Delhi  
 Goa  
 Gujarat  
 Haryana  
 Himachal Pradesh  
 Karnataka  
 Kerala  
 Madhya Pradesh  
 Maharashtra  
 Punjab  
 Rajasthan  
 Tamil Nadu  
 Telangana  
 Uttar Pradesh  
 Uttarakhand  
 West Bengal

### International

Bangladesh  
 Brazil  
 Italy  
 Morocco  
 Singapore  
 Sri Lanka  
 Turkey  
 USA  
 Vietnam



**Disclaimer:** This map is a generalised illustration only for the ease of the reader to understand the locations, and it is not intended to be used for reference purposes. The representation of political boundaries and the names of geographical features/states do not necessarily reflect the actual position. Our Company or any of our Directors, officers or employees cannot be held responsible for any misuse or misinterpretation of any information or design thereof. Our Company does not warrant or represent any kind of connection with its accuracy or completeness.

# Governance

## Board of Directors



**Mrs. Rajashree Birla**  
Chairperson



**Mr. Krishna S. Thar**  
Independent Director



**Mrs. Krupa R. Gandhi**  
Independent Director



**Mr. Jayant Dhobley**  
Non-Executive Director



**Mr. Ashish Razdan**  
Independent Director



**Mr. Suresh Sodani**  
Managing Director

## Senior Management



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



**Mr. Rahul Dubey**  
AVP Legal &  
Company Secretary



**Mr. Rajeev Rathi**  
Jt. President (Unit Head -  
Bharuch Plant)



**Mr. Alok Upadhyay**  
Sr. Vice President  
(Unit Head - Pune Plant)



**Mr. Milind Ashtaputre**  
Sr. Vice President  
(NCF Marketing)



**Mr. Sanjay Mehrotra**  
Sr. Vice President  
(NFY Marketing)

## Board Committees



### Mr. Krishna S. Thar

Independent Director



### Mr. Jayant V. Dhobley

Non-Executive Director





### Mrs. Krupa R. Gandhi


Independent Director



 Audit Committee

 Nomination and Remuneration Committee

 Corporate Social Responsibility Committee

 Stakeholders Relationship Committee

## Mr. Suresh Sodani

Managing Director



## Mr. Ashish Razdan


Independent Director




## Mr. Krishna G. Ladsaria


Chief Financial Officer



 Share Transfer Committee

 Risk Management Committee

 Chairperson

 Member



# Value Creation Process

## Strategic Overview

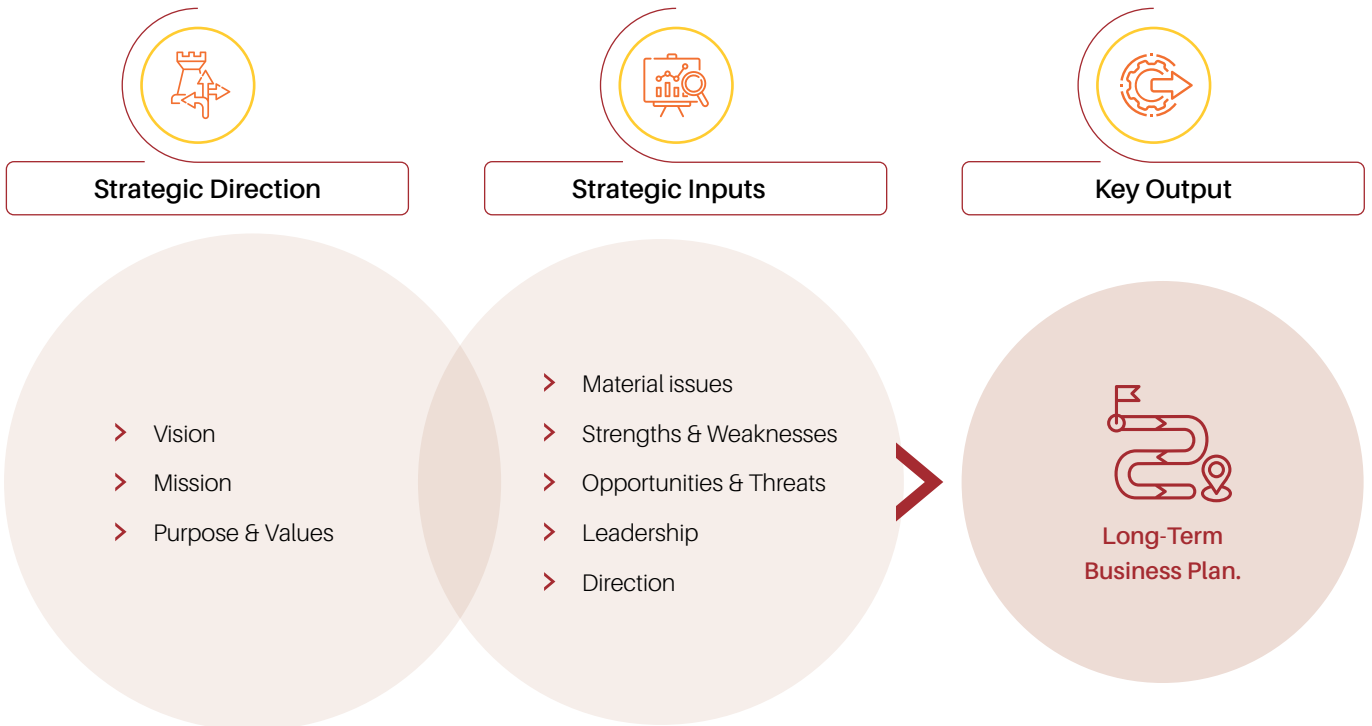
Our aim at Century Enka is to attain future readiness across structure, finances, and culture, positioning ourselves as the foremost esteemed and invaluable textile company worldwide. Furthermore, we have outlined Strategic Objectives (SOs) aimed at securing sustainable and profitable growth.

Strategic Objectives	Focus Areas	Approach and Way Forward
<b>SO1 - Customer Oriented</b>	<ul style="list-style-type: none"> <li>&gt; Enhance customer satisfaction.</li> <li>&gt; Customize products as per customer requirements and maintain world-class quality.</li> <li>&gt; Expansions according to customer benefit requirements.</li> </ul>	<p>Better collaboration to collect feedback and inputs, co-create sustainable solutions, information sharing and exploring partnerships.</p> <p>Develop customized solutions by investing in products driven by customer requirements and specifications.</p>
<b>SO2 - Sustainability</b>	<ul style="list-style-type: none"> <li>&gt; Resource Optimization               <ul style="list-style-type: none"> <li>◊ Benchmark in reducing water consumption.</li> <li>◊ Industry leader in reducing waste generation.</li> <li>◊ Reducing CO<sub>2</sub> emissions</li> </ul> </li> <li>&gt; Policies and framework</li> <li>&gt; Investment in human capital</li> </ul>	<p>Reduce CO<sub>2</sub> emissions by 25% by 2025, considering the fiscal year 2018-19 as base year.</p> <p>40% reduction in water consumption by 2025 from the baseline of 2018-19.</p> <p>Screen new major suppliers on ESG criteria.</p> <p>Year-on-year increase in training hours per person per year by 10%</p> <p>Increase in diversity ratio by 10% year-on-year</p>
<b>SO3 - Maintain position as Industry Leader</b>	<ul style="list-style-type: none"> <li>&gt; Increase operations' capacity through organic growth.</li> <li>&gt; Establish and maintain leadership in the selected (old and new) segments.</li> </ul>	<p>Increasing production capacity by making the process more efficient.</p> <p>Focusing on technological advancement</p> <p>Better industry collaborations</p>
<b>SO4 - New Market Segment</b>	<ul style="list-style-type: none"> <li>&gt; Venturing into new market segments is driven from the external environment which may impact our business.</li> <li>&gt; Considering different geographies &amp; demographics for the product range and offerings.</li> </ul>	<p>Investment in market research and analysis to identify potential product segments and product diversifications.</p> <p>Assess market potential in different regions and develop strategies to enter new markets through partnerships.</p>

Our strategy planning process is based on the Company’s vision, mission, purpose, and values, as well as the strategic direction provided by the Board of Directors and senior leadership team. During this process, we assess both the external and internal business environments and look for any risks or opportunities that might impact the sector. Materiality analysis provides vital insights into the shifting demands of all our stakeholders.

The integrated strategy planning process produces long-term and yearly business strategies. These plans are then broken down and disseminated to different divisions and departments, with well-defined duties at all levels.

### Strategy Development Process



### ERM, Governance & Controls



# Our Approach to Value Creation

## Inputs Value Creation Approach

### Risks & Opportunities Strategy

Financial Capital	Values
Shareholder Equity	21.85
Net Worth (in crores)	1,367.64
Net Debt (in crores)	48.73
Operating Cash Flows	88.06
Capital Expenditure	115.01

Manufactured Capital	Values
Net Asset Value (in crores)	137
Manufacturing Facilities	2
Synthetic Yarn Capacity (tons/ annum)	92,000
Project Spends (PTCF)	115.01

Intellectual Capital	Values
R&D Expenditure (in crores)	1.09
Certification & Accreditation	
Inhouse Modification & Innovation	
Updation in Technology	

Human Capital	Values
Total Workforce	3,057
Total Hours of Training	39,072
Employee Benefit Expenses as % of the Total Revenue	0.6
Employee Well-Being Policies:	Human Rights, Anti-corruption and bribery, Non-discrimination, Anti-harassment, POSH

Social & Relationship Capital	Values
Community Initiatives	18
CSR Expenditure (in crores)	3.05
Total Suppliers	1,606
Total Customer Base	519

Natural Capital	Values
ETP at both plants	Yes
Total Energy Consumption (in TJ)	1,517.16
Renewable Energy Consumption (in TJ)	725.33
Total Water Consumption (In KL)	7,35,459

**Our Vision**  
As an organization our goal is to become a leading and trustworthy player in the business of tyre reinforcement and the production of man-made textile yarn. We are committed to achieving this by continuously innovating and improving our processes, products, and services to meet the evolving need and expectations of our customers.

**Our Mission**

- > We aim to provide innovative, cost-effective and sustainable solutions
- > Implementing total quality management to ensure complete customer and stakeholder satisfaction

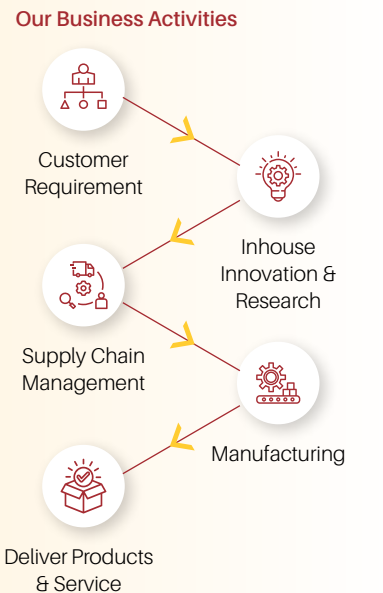
**Our Purpose**  
To enrich lives, by building dynamic and responsible businesses and institutions, that inspire trust.

**Our Values**

- Integrity
- Passion
- Commitment
- Seamlessnes
- Speed

**Strategic Objectives**

- > Customer Oriented
- > Sustainability
- > Maintain Position as Industry Leader
- > New Market Segment



**Stakeholders Involved**

As an organization, we understand the importance of engaging with all our stakeholders to create a sense of reliability in our business operations. We believe that involving our stakeholders in our value creation approach is essential to building trust and maintaining long-term relationships. Our stakeholders include customers, supply chain partners, employees, investors, contract laborers, communities, government and regulators, and external analysts and rating agencies. Each of these stakeholders plays a critical role in our success, and we are committed to working with them to create value for everyone involved.

--- Outputs --- ➔ --- Outcomes --- ➔ --- SDG Alignment

**Product Portfolio**

**Total Volume of Synthetic Yarn Produced**

Nylon Filament Yarn (NFY):  
30,995 Metric Tons

Nylon Filament Yarn (NFY):  
36,815 Metric Tons

Nylon Chips: 1,329 Metric Tons

**Total Revenue Generated from Synthetic Yarn**

Nylon Tyre Cord Fabric (NTCF):  
826.70 Crs

Nylon Filament Yarn (NFY):  
850.40 Crs

**By-Product: There is No By-Product that is Generated from the Process Apart from the Waste**

Total Waste Generated:  
10,981.11 Metric Tons

**Total Emissions Generated in the Process**

**Emissions**

Scope 1 Emissions (in tCO<sub>2</sub>e):  
13,948.98

Scope 2 Emissions (in tCO<sub>2</sub>e):  
1,15,475.42

Financial Capital	Values
Revenue (in ₹ Crs)	1,744.15
EBITDA (in ₹ Crs)	116.28
PAT (in ₹ Crs)	45.89
EPS (in ₹)	21
Market Cap (in ₹ Crs)	878.72

Manufactured Capital	Values
ISO Certifications:	ISO 9001:2015, ISO 14001:2015, ISO 50001:2018 and ISO 45001:2018, IATF-16949 : 2016, NABL (ISO/IEC - 17025:2017), GRS-V4.0 & OEKO-TEX STANDARD
Customer-Centric Approach	100

Intellectual Capital	Values
Total Numbers of New Products Developed	9
Total Revenue Generated from New Products (in ₹ Crs)	6

Human Capital	Values
Total Employee Turnover Rate	13.84%
Lost Time Injury (LTI) Incidents	2
Diversity Ratio (% of Women in the Workforce)	4.1
% Workers Covered under Legitimate Trade Unions	16.27

Social & Relationship Capital	Values
Total Beneficiaries Impacted by Community Initiatives	21,539
Customer Satisfaction Survey Score	A
Rate of Resolution of Complaints	100%
Responsible Supply Chain	

Natural Capital	Values
% of Energy Requirements Fulfilled through Renewable Source	48
Emissions Reduction (in tCO <sub>2</sub> e)	1,158
CO <sub>2</sub> Emissions intensity (in tCO <sub>2</sub> /MT)	1.87
Total Wastewater Discharged (in Kl)	0
% Hazardous Waste Recycled	80

# Contribution to SDGs

The United Nations Sustainable Development Goals (UN SDGs) provide a shared 2030 sustainable development goal for governments throughout the world, with 193 countries agreeing on a comprehensive and ambitious development agenda for the people and the planet.

Century Enka has promised to help achieve these aims through its operations, products, staff, and community welfare projects. As a socially responsible firm, we have conducted an internal study to identify the major SDGs and related objectives that should be prioritized for the Company based on the local/regional context, current impact, and the potential to achieve more substantial outcomes.

The prioritized SDGs for Century Enka consequent of this assessment are mentioned below:

Our strategic planning process heavily relies on the Sustainable Development Goals (SDGs) to identify material issues, which are then used to formulate our Strategic Objectives (SOs). The attainment of these SOs is dependent on the efficient management of our various capitals, including financial, intellectual, manufactured, human, natural, social, and relationship capitals, all of which ultimately contribute to the realization of the UN SDGs.





# Embracing Business Opportunities

At Century Enka, our goal is to maintain profitable growth while promoting innovation and sustainable processes, broadening our business, and producing value. As we consider expansion options, we intend to optimize our product mix and prioritize value-added products. Investing in new spinning technologies and simplifying our portfolio will improve our performance and capacity utilization. Although external factors such as global inflation may have an influence on our business, we remain confident in our ability to overcome any hurdles and benefit from a rise in demand in the future.

## Meeting the Changing Demands of the Market

As client demands differ, businesses must adapt their approach to meet them. In this vein, digital platforms are becoming more popular, even in industrial sectors such as textiles. In response to changing global market trends, we have made significant steps to improve our product’s compatibility with radial tyres used in passenger vehicles, as this market sector is witnessing exponential growth due to the high demand for passenger vehicles worldwide. This necessitates the diversification of our resources on the Polyester Tyre Cord Fabric (PTCF) manufacturing facility at the Pune Plant, and while we are excited about this area, we are also taking careful steps toward it as the margins are volatile.

We are also planning to add more categories of products in NFY (Nylon Filament Yarn) segment to support the active wear industry and to capture growing market trend.

## Fostering a Competitive Edge with an Encouraging Culture

A strong culture fosters a purpose-driven work environment. We have always prioritized continuous improvement, safety, ethics, environmental awareness, and community development through internal procedures and targeted efforts. We try to foster a culture of innovation, agility, and strategic orientation.

## Embracing the Digital World

Century Enka aims to be a technological and innovation leader in the synthetic yarn industry by leveraging in-house skills and developing external ecosystems. We were able to capitalize on external ecosystem opportunities to accelerate our journey to technology leadership because we designed a 3-5 year digital roadmap for the business based on a structural framework and derived various projects under the five pillars, namely Generate New Digital Revenues, Excel in Customer Experience, Achieve Operational Excellence, Optimize Asset Utilization, and Minimize Risks.

Changes in demography and stringent safety norms supported by more economical automation technologies will facilitate remote operations through Digital transformations. Repetitive tasks shall be replaced by artificial intelligence powered machines. Century Enka has taken multiple initiatives in this direction. While initial research on Industry 5.0 is in progress, significant steps to scale-up Industry 4.0 are being taken. Some of them are:

We have successfully implemented an AI-based vision system in the dipping section winder area. This cutting-edge system meticulously monitors the quality of the DF (dipping fabric) before it undergoes winding onto the shell roll. By leveraging advanced artificial intelligence, we ensure that only products meeting stringent quality standards proceed to the final stages of production. This innovative approach guarantees that our customers receive defect-free products, reinforcing our commitment to delivering excellence in every shipment.

We have implemented an automated system to capture dryer process parameters seamlessly. This system enables the collection of batch-wise data, facilitating detailed analysis and trend monitoring. By integrating advanced automation technology, we have streamlined the process of gathering critical parameters during drying. Additionally, we have developed a comprehensive dashboard that visualizes this data in real-time. This dashboard not only enhances our ability to monitor trends but also enables proactive decision-making to optimize the drying process and ensure consistent product quality batch after batch.

# Shielding Our Future Growth

Risk management is an essential aspect of business operations, as unforeseen events may negatively impact a business. The aim of risk management is to identify potential risks and develop measures to eliminate or reduce them. Our Company has implemented a robust risk management policy and mechanism.

To oversee the implementation of risk mitigation strategies, the Board of Directors has established a Risk Management Committee. This committee comprises our members: a Non-Executive Director who serves as the Chairperson, an Independent Director, a Managing Director, and a Chief Financial Officer. The Company Secretary acts as the Secretary of this Committee. The Committee reviews and monitors identified risks and formulates mitigation plans and strategies regularly.

## Risk Management Framework

At CEL, our framework for evaluating risks focuses on assessing the likelihood of an event occurring and its potential

impacts and consequences. The risk reporting tool we use categorizes the probability of a risk event as unlikely, possible, likely, or regular, while the consequences are classified as low, moderate, high, or extreme. For risks that cannot be quantified, and whose impact on PBITDA (profit before interest, tax, depreciation, and amortization) cannot be measured, we classify them as qualitative risks.

Qualitative risks are rated based on their level of severity, which is determined by a criterion ranging from low to extreme. In the case of qualitative risks, a low rating indicates that the risk would cause minor disruption to day-to-day activities and would have no impact on overall plant operations. A moderate rating indicates that the risk would cause disruption to operations lasting up to one day. Risks that could cause major disruptions lasting between one and three days are classified as high, while risks that could severely affect business functionality for more than three days and result in significant losses are rated as extreme. The Risk Management Committee has identified several key emerging risks in the areas of market, operations, technology, and environment.

Risk	Mitigation Plans	Strategic Objective	Linked Capital
Market Risks			
<p><b>1 Steep Fall in Raw Material Prices</b></p> <p>The risk of correction in selling prices of our product resulting in lower or negative margin and the risk of losses in inventory in case of sudden drop in prices.</p>	<ul style="list-style-type: none"> <li>&gt; Moved to spot purchases for entire Chips requirements as delta in Chips and Caprolactam is very low.</li> <li>&gt; Market seeding with bough-out chips for Pune HOY in progress, plan is to close Pune Textile Poly Column where cost is very high.</li> <li>&gt; Reduction in inventories even at the cost of some production/sales loss. Stopped production of FDY, DW &amp; LOY.</li> <li>&gt; Using Chips from Caplon which are manufactured on a job-work basis where Caprolactam is supplied by us. Buying partial quantities on spot prices.</li> </ul>	SO3	Financial Capital

Risk	Mitigation Plans	Strategic Objective	Linked Capital
<p><b>② Competition from the Unorganized Sector</b></p> <p>The risk of competition from unorganized players, imports and also from players with lower costs in products leading to pressure on margin.</p>	<ul style="list-style-type: none"> <li>&gt; Increased production of finer deniers where margins are better, and Increased presence in value added products.</li> <li>&gt; Working with trade associations for implementation of QCO for NFY.</li> <li>&gt; Made representation to Govt. to increase duty on Yarn</li> <li>&gt; Started working on petition for the imposition of ADD on imports from China</li> <li>&gt; Tapping exports market for value added products</li> <li>&gt; Right sizing of the portfolio, exiting unviable products. Incurred CAPEX for NFY on VAP and MY. MY project at Pune is commissioned.</li> <li>&gt; Planning to add DTY capacity along with knitting capacity, with high-end machine to cater to the growing premium Nylon Athleisure segment.</li> </ul>	SO1, SO2, SO3, SO4	Financial Capital Manufactured Capital Social & Relationship Capital
<p><b>③ Bad Debt</b></p> <p>The risk which arises from failure of customers in making payment against receivables.</p>	<ul style="list-style-type: none"> <li>&gt; Incentives for early payments.</li> <li>&gt; Involve distributors to increase security.</li> <li>&gt; Proper accounting and follow-up mechanism.</li> <li>&gt; Credit policy to control risk.</li> <li>&gt; Cease the supplies if delay in receipt of payments after the standardized threshold.</li> </ul>	SO3	Financial Capital Social & Relationship Capital
<p><b>④ Raw Material Availability</b></p> <p>The risk of availability of raw materials due to the supply chain disruptions.</p>	<ul style="list-style-type: none"> <li>&gt; Increase number of approved sources to mitigate concentration risk (party &amp; country)</li> <li>&gt; Maximum local sourcing of Caprolactam.</li> <li>&gt; Long-term contracts for critical raw materials</li> <li>&gt; Work with customers to get approvals for new sources.</li> </ul>	SO1, SO2, SO3, SO4	Financial Capital Social & Relationship Capital
<p><b>⑤ Foreign Currency Fluctuations</b></p> <p>The risk of potential loss to our Company due to the fluctuations in foreign exchange.</p>	<ul style="list-style-type: none"> <li>&gt; Policy of 100% hedge for usance period of LC is followed.</li> <li>&gt; CAPEX items are covered at the time of firm commitment.</li> <li>&gt; NTCF sales pricing factors impact of foreign currency fluctuations.</li> <li>&gt; In case of NFY, inventories are controlled to minimize this risk.</li> </ul>	SO3, SO4	Financial Capital

Risk	Mitigation Plans	Strategic Objective	Linked Capital
Operational Risks			
<p><b>1 Lower Sales of NTCF</b></p> <p>Losses on inventory in case of steep and sudden fall in raw material prices.</p>	<ul style="list-style-type: none"> <li>&gt; In case of Nylon Tyre Cord Fabric (NTCF), pricing formula is based on M-1 ICIS index prices, which corresponds to prices of raw material consumed and finished goods inventory in hand to certain extent.</li> </ul>	SO1, SO2, SO3	Financial Capital Manufactured Capital Intellectual Capital
<p><b>2 Labor Cost</b></p> <p>High cost of labor at Pune</p>	<ul style="list-style-type: none"> <li>&gt; Significant reduction in workforce by reducing trainees and natural attrition.</li> <li>&gt; Negotiated for higher outsourcing, transfers and efficiency norms in LTS May-23</li> <li>&gt; Retiring permanent workmen are generally replaced by contract labor</li> <li>&gt; Surplus manpower from closure of unviable NFY (incl. Poly) operations are being deployed in MY, dipping and PTCF project.</li> </ul>	SO2, SO3	Financial Capital Manufactured capital Human Capital
<p><b>3 Plant Breakdown</b></p> <p>Breakdown of critical equipment</p>	<ul style="list-style-type: none"> <li>&gt; Regular maintenance activities being done (Preventive, Predictive &amp; Condition based)</li> <li>&gt; Critical equipment maintenance practices, inspection &amp; testing procedures are specifically reviewed and addressed.</li> </ul>	SO1, SO3, SO4	Financial Capital Manufactured capital Human Capital
Environmental & Social Risk			
<p><b>1 Environment Non-Compliance</b></p> <p>(Present consent condition specifies zero liquid discharge in drains)</p>	<ul style="list-style-type: none"> <li>&gt; Installed RO &amp; ZLD at Bharuch. RO/ZLD will help in significant reduction in ground water drawl. Significant water saving at Pune.</li> <li>&gt; Significant reduction in hazardous waste discharge by installing paddle dryer at Pune.</li> <li>&gt; Arrangement of co-processing of hazardous waste instead of landfill.</li> <li>&gt; Manufacturing of 'Green Polymer' using process waste</li> <li>&gt; Complete Stoppage of FO at both the plants. Higher usage of LNG in place of LDO.</li> <li>&gt; Commissioning of new saw dust boiler at Bharuch improve reliability and reduction in LDO/LNG use.</li> <li>&gt; Reviews/inspections by external authorities.</li> <li>&gt; Meeting with the condition of Consent.</li> </ul>	SO2, SO3, SO4	Financial Capital Manufactured Capital Natural Capital

Risk	Mitigation Plans	Strategic Objective	Linked Capital
<p><b>2 Energy Cost</b></p> <p>The risk which arises due to an increase in the prices of energy supplies.</p>	<ul style="list-style-type: none"> <li>&gt; Proposing setting-up of renewable power project under group captive in Maharashtra.</li> <li>&gt; Commissioned-Solar and wind hybrid for better PLF under group captive. Proposing doubling of this Capacity which is now feasible under new policy of Gujarat.</li> <li>&gt; Installed Rooftop Solar at Bharuch</li> <li>&gt; Converted LDO Steam boiler to LNG</li> <li>&gt; Energy conservation initiatives</li> <li>&gt; Use of LNG for superheater &amp; HTM instead of LDO at Pune</li> </ul>	SO2, SO3, SO4	Financial Capital Manufactured Capital Natural Capital
<p><b>3 Fire and Explosion</b></p> <p>Risk of loss owing to fire and explosion incidents at plants.</p>	<ul style="list-style-type: none"> <li>&gt; Upgradation in fire-fighting technology and infrastructure augmentation.</li> <li>&gt; Strengthening and constant focus on health and safety management system.</li> <li>&gt; Periodic safety and fire audits and implementation of the recommendation.</li> <li>&gt; Strengthening of vigilance system.</li> <li>&gt; Valuation of assets by independent valuer to ensure adequacy of insurance cover.</li> </ul>	SO2, SO3	Financial Capital Manufactured capital Human Capital
<p><b>4 Unsafe Working</b></p> <p>The risk of accidents arising due to unsafe working conditions</p>	<ul style="list-style-type: none"> <li>&gt; Continuous training.</li> <li>&gt; Increased supervision.</li> <li>&gt; Strengthening of vigilance system.</li> <li>&gt; Promote use of PPEs.</li> </ul>	SO2, SO3	Manufactured Capital Human Capital
Technology Risk			
<p><b>1 Risk Arising Due to Technology Failure</b></p> <p>The risk of reduced product quality due to the usage of old technologies.</p>	<ul style="list-style-type: none"> <li>&gt; Gradually replacing old technology conversion equipment (looms &amp; Cable Corders) with new technology.</li> <li>&gt; Benchmarked with intranational best (Formosa) for NTCF</li> <li>&gt; IMS/IATF/NABL, certification to ensure adherences to benchmarked processes</li> <li>&gt; Existing NTCF spinning machines where it is becoming difficult to get desired quality are being used for HT yarn sale at Pune.</li> <li>&gt; Proper training of people and good maintenance of machines</li> <li>&gt; Created a Central Technical Cell to strengthen quality pillar</li> </ul>	SO1, SO3, SO4	Financial Capital Manufactured Capital Intellectual Capital

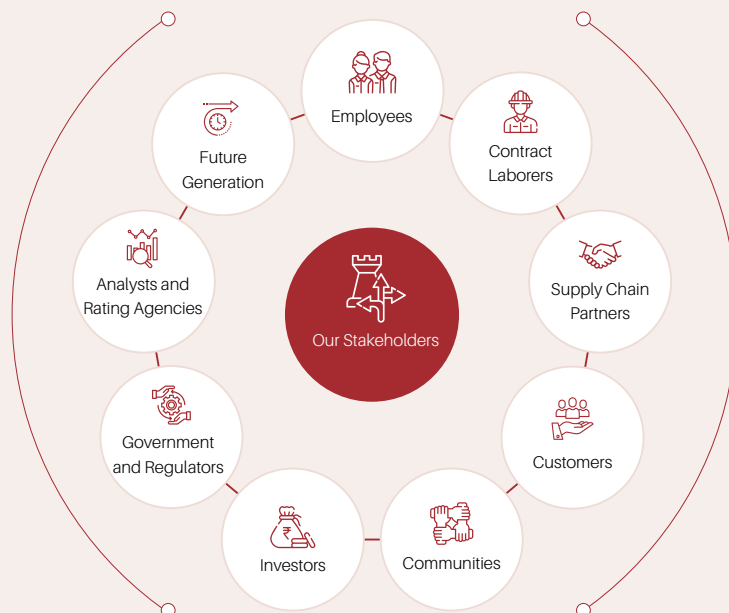


# Stakeholder Engagement




We at Century Enka, understand the value of the stakeholders and the necessity of building a closer bond with them. By communicating with the stakeholders, we have the chance to learn about their needs and expectations, which enables us to prioritize our business objectives. We identified significant stakeholders during the assessment conducted, based on the influence we have on one another while considering economic, environmental, and social factors. To identify the gaps, strengthen our ESG activities, and accomplish our objectives, we conducted a thorough stakeholder engagement exercise in FY 2021-22 and same is followed in the current reporting period as there was no change.









## Our Stakeholders



## Stakeholder Engagement Process

Stakeholder Group	Significance & Mode of Engagement	Key Expectations	Our Approach
 <p><b>Employees</b></p>	<p><b>Significance</b> Obtain employment and become a part of business activities.</p> <p><b>Frequency of Engagement</b> Continuous</p> <p><b>Modes of Engagement</b></p> <ul style="list-style-type: none"> <li>&gt; Emails and meetings</li> <li>&gt; Training programs</li> <li>&gt; Performance appraisal reviews</li> <li>&gt; Grievance redressal mechanism</li> </ul>	<ul style="list-style-type: none"> <li>① Career growth and employee benefits</li> <li>② Occupational health &amp; safety</li> </ul>	<p>Our Approach</p> <ul style="list-style-type: none"> <li>&gt; Timely salary payments</li> <li>&gt; Ensuring a safe working environment</li> <li>&gt; Skill improvement trainings</li> </ul>
 <p><b>Contract Laborers</b></p>	<p><b>Significance</b> Get livelihood and support in business activities.</p> <p><b>Frequency of Engagement</b> Continuous</p> <p><b>Modes of Engagement</b></p> <ul style="list-style-type: none"> <li>&gt; Grievance redressal mechanisms</li> <li>&gt; Meetings</li> </ul>	<ul style="list-style-type: none"> <li>① Safe working environment</li> <li>② Timely and fair payments</li> </ul>	<ul style="list-style-type: none"> <li>&gt; Timely salary payments</li> <li>&gt; Ensuring a safe and healthy working environment</li> </ul>
 <p><b>Supply Chain Partners</b></p>	<p><b>Significance</b> Provide essential raw materials and services needed for business operations.</p> <p><b>Frequency of Engagement</b> Continuous</p> <p><b>Modes of Engagement</b></p> <ul style="list-style-type: none"> <li>&gt; Emails</li> <li>&gt; Meetings</li> <li>&gt; Stakeholder engagement surveys</li> </ul>	<ul style="list-style-type: none"> <li>① Timely payment</li> <li>② Good deals on pricing</li> <li>③ Continuity of orders</li> </ul>	<ul style="list-style-type: none"> <li>&gt; Robust procurement policy</li> <li>&gt; Maintaining ethics and transparency</li> <li>&gt; Follow CEL values and be in line with our vision</li> <li>&gt; Conducting risk assessment for critical suppliers</li> </ul>

Stakeholder Group	Significance & Mode of Engagement	Key Expectations	Our Approach
 <p><b>Customers</b></p>	<p><b>Significance</b> Impacted by the quality of products and services.</p> <p><b>Frequency of Engagement</b> Continuous</p> <p><b>Modes of Engagement</b></p> <ul style="list-style-type: none"> <li>&gt; Regular business interactions</li> </ul>	<ol style="list-style-type: none"> <li>1 Product quality and pricing</li> <li>2 Post-sales support</li> </ol>	<p>Ensuring quality of products</p> <ul style="list-style-type: none"> <li>&gt; Timely delivery</li> <li>&gt; Better pricing</li> <li>&gt; Product certifications</li> <li>&gt; Openness to feedback</li> </ul>
 <p><b>Investors</b></p>	<p><b>Significance</b> Provide capital and estimate to earn a certain rate of return on that invested capital.</p> <p><b>Frequency of Engagement</b> Annually, and as and when required.</p> <p><b>Modes of Engagement</b></p> <ul style="list-style-type: none"> <li>&gt; Board meetings</li> <li>&gt; General meetings</li> <li>&gt; Annual reports</li> <li>&gt; Regular business interactions</li> </ul>	<ol style="list-style-type: none"> <li>1 Sustainable financial returns and market share</li> <li>2 Risk management</li> <li>3 Good corporate governance</li> </ol>	<ul style="list-style-type: none"> <li>&gt; Community infrastructure development initiatives</li> <li>&gt; Skill development programs</li> <li>&gt; Educating the local people</li> </ul>
 <p><b>Government and Regulators</b></p>	<p><b>Significance</b> Providing licenses and permissions to operate and collecting corporate, payroll and sales tax.</p> <p><b>Frequency of Engagement</b> Annually, and as and when required.</p> <p><b>Modes of Engagement</b></p> <ul style="list-style-type: none"> <li>&gt; Annual reports</li> <li>&gt; Formal meetings</li> </ul>	<ol style="list-style-type: none"> <li>1 Adhere to compliance requirements and law</li> <li>2 Payment of taxes</li> </ol>	<ul style="list-style-type: none"> <li>&gt; Compliance with all regulatory requirements</li> <li>&gt; Payment of fees, taxes and royalties for adopting renewable energy</li> </ul>

Stakeholder Group	Significance & Mode of Engagement	Key Expectations	Our Approach
 <p><b>Communities</b></p>	<p><b>Significance</b></p> <p>Neighborhoods or governance centers where we operate and make an economic, social, or environmental impact through our operation.</p> <p><b>Frequency of Engagement</b></p> <p>Continuous</p> <p><b>Modes of Engagement</b></p> <ul style="list-style-type: none"> <li>&gt; CSR meetings</li> <li>&gt; Interaction with local governance and people</li> </ul>	<ol style="list-style-type: none"> <li>1 Livelihood training programs</li> <li>2 Employment opportunities</li> <li>3 Safe environment</li> </ol>	<ul style="list-style-type: none"> <li>&gt; Community infrastructure development initiatives</li> <li>&gt; Skill development programs</li> <li>&gt; Educating the local people</li> </ul>
 <p><b>Analysts and Rating Agencies</b></p>	<p><b>Significance</b></p> <p>Assess the credit risk through ratings and help investors make informed decisions about investing in the Company.</p> <p><b>Frequency of Engagement</b></p> <p>As and when required</p> <p><b>Modes of Engagement</b></p> <ul style="list-style-type: none"> <li>&gt; Emails</li> <li>&gt; Annual reports</li> </ul>	<ol style="list-style-type: none"> <li>1 Risk management, including mitigation measures</li> <li>2 Timely disclosures</li> <li>3 Law compliance</li> </ol>	<ul style="list-style-type: none"> <li>&gt; Maintain effective communication channels and disclose relevant information</li> </ul>
 <p><b>Future Generation</b></p>	<p><b>Significance</b></p> <p>Inherit the result of the actions and decisions made by organization.</p> <p><b>Frequency of Engagement</b></p> <p>Continuous</p> <p><b>Modes of Engagement</b></p> <ul style="list-style-type: none"> <li>&gt; Social media</li> <li>&gt; Job interview interactions</li> </ul>	<ol style="list-style-type: none"> <li>1 Protect environment</li> <li>2 Transparency in communication</li> <li>3 Be a responsible organization</li> </ol>	<ul style="list-style-type: none"> <li>&gt; Adopting cleaner manufacturing methods</li> <li>&gt; Disclosing ESG parameters</li> </ul>

# Materiality Assessment

Material topics can significantly impact an organization's value generation over the short, medium, or long term. A sustainability roadmap is created, including short, medium, and long-term goals and targets for environmental, social, and governance indicators. The materiality exercise results are divided into high, medium, and low-priority categories based on stakeholder impact and the contribution to business success. The matrix is created by weighing and scoring business factors and stakeholder responses.

The global ESG risk factor analysis, materiality evaluation, and sector analysis were conducted in FY 2021-22, and ten topics were given the highest priority. These issues are reviewed regularly, considering stakeholder expectations, rules, and corporate goals. As we do not find any change in the priority for these material topics, we are still following the same analysis in the current reporting period.











Importance to Stakeholders	High	<ul style="list-style-type: none"> <li>&gt; Human Rights</li> </ul>	<ul style="list-style-type: none"> <li>&gt; Product Safety and Quality</li> <li>&gt; Anti-Corruption</li> </ul>	<ul style="list-style-type: none"> <li>&gt; Occupational Health &amp; Safety</li> <li>&gt; Waste Management</li> <li>&gt; Water Management</li> <li>&gt; Energy Management</li> <li>&gt; Employee and Labour Management</li> <li>&gt; Customer Centricity</li> <li>&gt; Supply Chain Management</li> <li>&gt; Corporate Governance and Compliances</li> <li>&gt; Risk Management</li> <li>&gt; Community Development</li> </ul>
	Medium		<ul style="list-style-type: none"> <li>&gt; Effluent Management</li> <li>&gt; Renewable Energy Use</li> <li>&gt; Product Carbon Footprint</li> </ul>	<ul style="list-style-type: none"> <li>&gt; GHG Emissions</li> </ul>
	Low	<ul style="list-style-type: none"> <li>&gt; Biodiversity</li> </ul>	<ul style="list-style-type: none"> <li>&gt; Raw Material Sourcing</li> </ul>	
		Low	Medium	High
Importance to Business Aspect				



## Frameworks Linked with Material Topics

Material Topics	GRI Topics	GRI Indicators	SDG Alignment	Reference in IR
 <p><b>Occupational Health &amp; Safety</b></p>	Occupational Health & Safety	403	 	Social & Relationship Capital
 <p><b>Labor and Employee Engagement</b></p>	Employment	401	    	Social & Relationship Capital
	Labor Management Relations	402		
	Customer Health & Safety	404		
 <p><b>Customer Centricity</b></p>	Customer Health & Safety	416	  	Human Capital
 <p><b>Supply Chain Management</b></p>	Supplier Environmental Assessment	308	 	Human Capital, Natural Capital
	Supplier Social Assessment	314		

Material Topics	GRI Topics	GRI Indicators	SDG Alignment	Reference in IR
<p><b>Waste Management</b></p>	Waste	306		Natural Capital
<p><b>Water Management</b></p>	Water & Effluents	303		Natural Capital
<p><b>Energy Management</b></p>	Energy & Emissions	302, 305		Natural Capital
<b>Risk Management</b>	<b>Strategic Overview Section</b>			
<p><b>Community Development</b></p>	Local Communities	413		Human Capital
<p><b>Corporate Governance &amp; Compliance</b></p>	Environmental Compliance	307, 419		Natural Capital
	Socio-economic Compliance	307, 419		

Material Topics	Linked KPIs
 <p><b>Occupational Health &amp; Safety</b></p>	<ul style="list-style-type: none"> <li>&gt; Near miss, unsafe act, and unsafe conditions</li> <li>&gt; Fatalities</li> <li>&gt; Lost Time Injury Frequency (LTIFR)</li> <li>&gt; Number of trainings provided to employees on health &amp; safety</li> </ul>
 <p><b>Labor and Employee Engagement</b></p>	<ul style="list-style-type: none"> <li>&gt; Health &amp; safety of workforce</li> <li>&gt; Turnover or attrition rate, new hires</li> <li>&gt; Non-monetary benefits and insurance</li> <li>&gt; Average hours per FTE of training and development</li> <li>&gt; Number of trainings conducted for employees and workers on skill upgradation</li> </ul>
 <p><b>Customer Centricity</b></p>	<ul style="list-style-type: none"> <li>&gt; Number of new products and services</li> <li>&gt; Customer satisfaction index</li> </ul>
 <p><b>Supply Chain Management</b></p>	<ul style="list-style-type: none"> <li>&gt; Number of partners made aware on Century Enka's Supply Chain Policy</li> <li>&gt; Number of partners assessed based on the policy</li> <li>&gt; Number of local suppliers</li> <li>&gt; Business volume of local suppliers</li> </ul>
 <p><b>Waste Management</b></p>	<ul style="list-style-type: none"> <li>&gt; Total waste recovered through recycling, re-using or other recovery operations against each category of waste generated</li> <li>&gt; Total waste disposed by the nature of disposal method, against each category of waste generated</li> </ul>
 <p><b>Water Management</b></p>	<ul style="list-style-type: none"> <li>&gt; Specific freshwater consumption</li> <li>&gt; Percentage water recycled/reused</li> </ul>
 <p><b>Energy Management</b></p>	<ul style="list-style-type: none"> <li>&gt; Energy generated through renewable sources</li> <li>&gt; Energy intensity</li> </ul>
 <p><b>Risk Management</b></p>	<ul style="list-style-type: none"> <li>&gt; Number of formal trainings for employees on ESG risks and procedures</li> <li>&gt; Number and amount of investments made to minimize ESG risks</li> </ul>
 <p><b>Community Development</b></p>	<ul style="list-style-type: none"> <li>&gt; Number of CSR projects conducted</li> <li>&gt; Percentage of beneficiaries from vulnerable and marginalised groups</li> <li>&gt; Number of beneficiaries</li> </ul>
 <p><b>Corporate Governance Compliance</b></p>	<ul style="list-style-type: none"> <li>&gt; Total number of hours of ethics training and awareness programs held</li> <li>&gt; Number of men and women Board members and the median remuneration/salary/wages of respective category</li> <li>&gt; Board diversity</li> <li>&gt; Average tenure of Board members</li> <li>&gt; Number of fines/penalties/actions taken by regulatory, statutory, and judicial bodies</li> <li>&gt; Trainings imparted on policies and regulations</li> </ul>

# FINANCIAL Capital



Sound financial management is essential for long-term growth. As a result, we prioritize a conservative financial structure with optimal resource allocation to ensure long-term capital availability. This enables us to maintain a healthy balance sheet by properly managing our capital structure and delivering long-term value for our shareholders. This is evident in our financial performance for FY24.



## Key Highlights

₹ **1,744** CRORES  
REVENUE

**3.41%**  
RETURN ON NET WORTH

**2.65%**  
PAT MARGIN

₹ **1,368** CRORES  
NET ASSET VALUE

₹ **21**  
EPS (ON FV OF ₹ 10)

**3.23%**  
INCREASE IN NET WORTH



## Interlinkage with Other Capitals





## Controlling Our Financial Capital

We have a robust financial management process that is strong and evaluates the need for funds to support both ongoing business operations and potential opportunities for growth and sustainability.

We compare our operational KPIs with both internal and external benchmarks to achieve optimal production, productivity, and yield. Our Company prioritizes uninterrupted business operations and regularly implements cross-functional improvement programs to enhance operational efficiency, optimize product mix, reduce waste, improve energy efficiency, and optimize procurement. These initiatives help us maximize margins by optimizing costs and generating positive cash flow from business operations.

For supporting our growth, we ensure adequate capital and sufficient liquidity to safeguard our operations under various economic scenarios. We always aim to balance our growth aspirations by creating sustainable value for all the stakeholders. This is reflected in our healthy dividend payout ratio of above 19% over the last five years. This year too, we have recommended a dividend of ₹ 10/share.

We are grateful for the trust and investment of our stakeholders in our growth narrative. It is their unwavering support that has enabled us to achieve this success. We believe that every investment made by our stakeholders represents their faith in us, and we take this responsibility with sincerity.

## Economic Value Generation

We have consistently prioritized our shareholders' interests through flawless financial management and a strong commitment to our business ideals. We are committed to producing positive value for all our shareholders and ensuring that they get substantial returns on their investments, also known as economic value.

Economic value generation is divided into two categories; Economic Value Generated (EVG) and Economic Value Distributed (EVD). EVG represents the revenue of the Company, whereas EVD represents the cost of the Company in the form of payments to internal and external stakeholders.

Economic Value Created is computed in monetary terms by subtracting EVD from EVG, which represents the Company's profitability and serves as a measure of Economic Value Generated for shareholders and stakeholders.



Particulars	FY 2024 (₹/Crores)	FY 2023 (₹/Crores)	FY 2022 (₹/Crores)
Revenues	1,744	2,072	2,098
Other Income	33	19	20
<b>Direct Economic Value Generated</b>	<b>1,777</b>	<b>2,091</b>	<b>2,118</b>
Operating Costs	1,586	1,847	1,755
Employee Benefits	121	120	115
Payment to Providers of Capital	5	24	18
Payment to Government	16	29	61
Community Investments	3	3	2
<b>Economic Value Distributed</b>	<b>1,731</b>	<b>2,023</b>	<b>1,951</b>
<b>Economic Value Retained</b>	<b>46</b>	<b>68</b>	<b>167</b>

### Notes:

Revenue generated includes Revenue from Operations.

Operating cost includes cost of materials consumed, purchase of stock in trade, changes in inventories of finished goods, work in progress and stock in trade, and operating expenses, excluding CSR expenses. Payment to providers of capital includes finance costs.

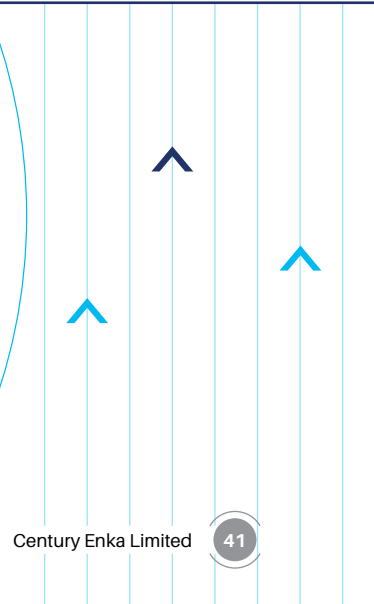
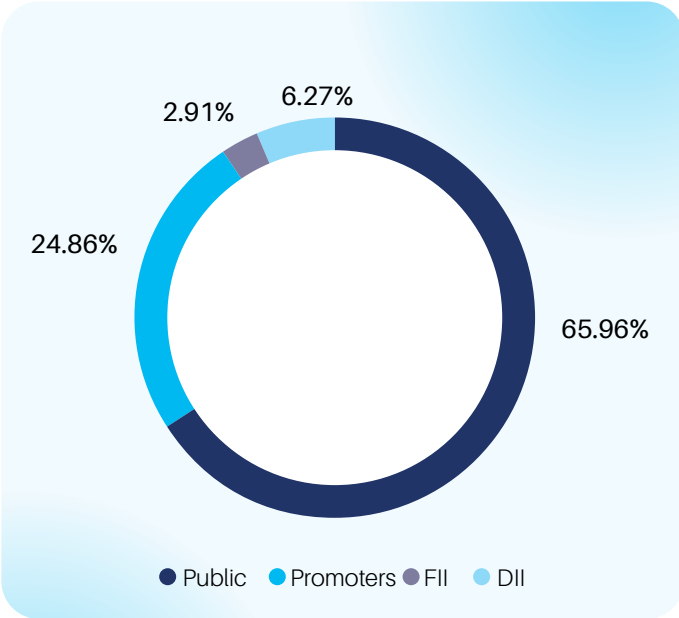
Payment to government includes rate & taxes, current tax, excess/short provision of tax relating to earlier years, and deferred tax.

Community investments include CSR expenses.

Payment to providers of capital includes dividend as well.

## Shareholding Pattern

(As of 31<sup>st</sup> March 2024)





## Management of Cash Flows

As part of our efforts to become a leading and reliable company in the tyre reinforcement and synthetic yarn industry, we intend to utilize our healthy liquidity position towards expanding our capacity for value-added products. This allocation of capital expenditure will help us further strengthen our position in the market.

Overall, our Company's strong balance sheet and healthy financial performance are a testament to our commitment to sound financial management and our focus on driving sustainable growth. We remain dedicated to maintaining this financial strength and leveraging it to achieve our long-term goals.

## Business Ethics and Anti-Corruption

Our Company recognizes the inherent risks connected with direct customer, vendor, and supplier engagement, which is why we thoroughly examine all workers who are directly involved in customer interactions for possible corruption issues. We periodically review all our Company activities for potential corruption threats. This proactive approach is consistent with our commitment to honest and ethical business practices.

Our Code of Conduct, which applies to the Board, senior management, and all employees, acts as a lighthouse for maintaining ethics, integrity, and honesty in all our operations. The Code develops methods for reporting unethical behavior and fosters an culture of accountability through the Company. In addition, we implement a Related Party Transactions Policy to guarantee that our interactions with related parties are transparent and fair. We offer specific training sessions for governing body members, employees, and workers to educate and communicate with them about anti-corruption rules and processes.

There have been no incidents of corruption in our Company during the last financial year and we have not been subjected to any fines, penalties, or regulatory actions related to cases of corruption or conflict of interest during FY 2023-24.

## Capital Expenditure

To achieve the vision of becoming a leading and reliable company in the tyre reinforcement and synthetic yarn industries, in the next reporting period, we have completed all the major capex on expansion projects. Nylon Filament Yarn (NFY) capacities at the Pune Plant. In the current reporting period, we incurred a capex of **115** crores, out of which a major portion was spent towards spinning capacities for Polyester Tyre Cord Fabric (PTCF).

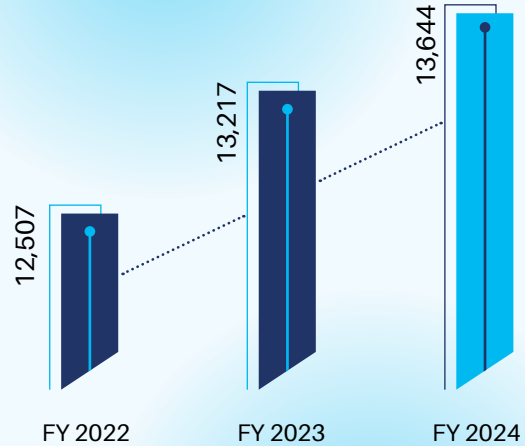
## Tax Strategy

In accordance with our commitment to responsible corporate citizenship, we have carefully developed a strong tax strategy to guarantee strict compliance with all tax responsibilities and regulatory demands. This plan, which is evaluated on a regular basis by the finance committee, ensures that all taxes and statutory dues are paid on time while maintaining distinguished levels of legal compliance. Such unwavering dedication fosters a culture of honesty and appropriate business procedures, which strengthens our market reputation. The tax strategy, which is used equally across the Company, combines precise accounting processes with the goal of reducing any possible tax issues.

We also continue to monitor regulatory developments, with the finance and audit committees supervising tax strategy alignment. Updates are implemented quickly to guarantee continuous compliance and effectiveness. Notably, we refrain from requesting or receiving any government benefits demonstrating the Company's dedication to ethical tax methods. Through open communication channels and designated grievance-handling mechanisms, stakeholders are encouraged to provide feedback, voice concerns, and seek resolutions. Operating exclusively within the tax jurisdiction of India, we fulfill tax obligations diligently, including advance tax payments.

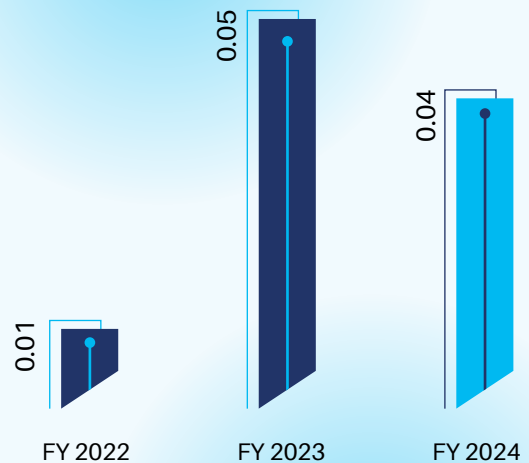
### Net Worth

(₹ in Mn)



### Debt-to-Equity Ratio

(x)



# MANUFACTURED Capital

8 DECENT WORK AND  
ECONOMIC GROWTH



9 INDUSTRY, INNOVATION  
AND INFRASTRUCTURE



12 RESPONSIBLE  
CONSUMPTION  
AND PRODUCTION



We are dedicated to pioneering responsible leadership through sustainable production and the adoption of cutting-edge technology to ensure best manufacturing practices. As the largest producer in the Indian textile industry, we are driving innovation and operational excellence by incorporating environmentally responsible and sustainable practices into our manufacturing processes.





## Key Highlights

**1,329** MT

GREEN PRODUCT PRODUCED

**2**

TOTAL OPERATIONAL  
MANUFACTURING FACILITIES

**~92,000** TONS/  
ANNUM

MANUFACTURING CAPACITY  
(SYNTHETIC YARN)

**7%**

INCREASED  
PRODUCTION CAPACITY

**49%**

REVENUE SHARE OF  
NYLON FILAMENT YARN

**47%**

REVENUE SHARE OF  
NYLON TYRE FABRIC CORD



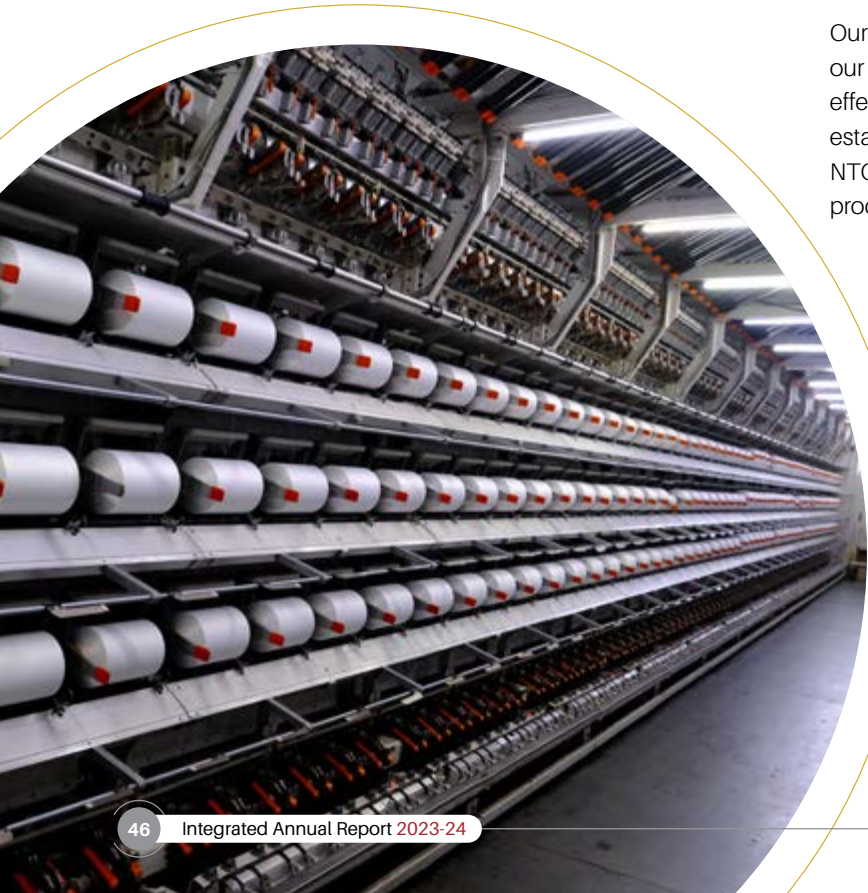
## Linkage with Other Capitals



## Our Approach to Excellence in Manufacturing

At Century Enka, we continuously strive to maintain our position as the largest synthetic yarn producer of India, and we achieve this by prioritizing the adoption of modern technology and embracing the culture of innovation for improved manufacturing process and efficiency in production.

We are dedicated to continuously upgrading our manufacturing facilities to be at the forefront of environmental standards. Our Company has implemented environmental management systems, and our manufacturing plants in Pune and Bharuch comply with ISO 14001:2015 and ISO 9001:2015 standards. Our cutting-edge facilities and innovative technologies provide optimal productivity and efficiency. By continuously improving processes and mitigating risks, we increase our capacities across operations, positioning ourselves as industry leaders. Our dedication to innovate and optimize enables us to deliver exceptional products that exceed global environmental and quality standards.

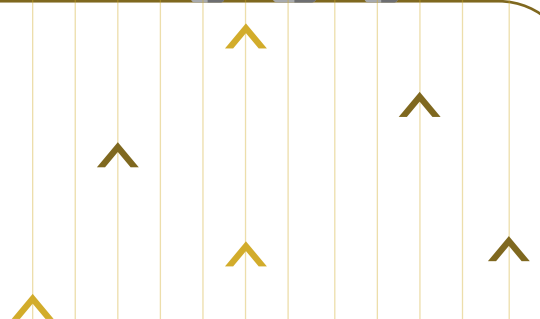
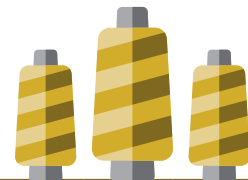


## Our Product Profile

Century Enka is the largest producer of Nylon Filament Yarn (NFY) and Nylon Tyre Cord Fabric (NTCF) in India. We are dedicated to producing the highest quality products through our state-of-the-art manufacturing facilities located in Pune and Bharuch. Equipped with advanced machinery, our facilities allow us to produce a diverse range of high-quality products, including Nylon Filament Yarn, commonly used in textiles such as ethnic and active wear. Nylon Tyre Cord Fabric is used to enhance the performance of tyres used in commercial vehicles.

Our dope-dyed yarn production technique conserves water and reduces dye-related pollution. Additionally, we hold the STANDARD 100 OEKO-TEX® certification, ensuring that our yarn meets environmental standards and is safe for human health. The cutting-edge technology integrated into our plants is instrumental in upholding stringent product standards and fostering operational excellence while inculcating the principles of sustainability. This guarantees that we consistently deliver top-notch products to our customers, driving sustainable growth and profitability for our business.

Our distribution system is streamlined to ensure that our products reach our customers in a timely and cost-effective manner. Over the years, we have invested in establishing a strong distribution network for NFY & NTCF that covers various regions, ensuring that our products are accessible to a broad customer base.



## Nylon Filament Yarn (NFY)

Nylon, also known as Polyamide, is a versatile material used in ethnic wear, knitting, stockings, and functional clothes. It is well-known for its softness, lustrous appearance, vivid hues, and flexibility. Nylon also provides comfort, moisture absorption, good air-permeability, and skin-friendly properties, making it perfect for the fashion industry.

Nylon Filament Yarn is used in Indian ethnic wear for women and men, including sarees, salwar kameez, lehenga, kurtis, sherwani, and dhoti kurta. Available in five categories, it has rich colors, a silky feel, and is lightweight and cost-effective. Active wear clothing emphasizes comfort and stretch, while non-aesthetic textiles are used for packaging and temporary bonding. The strength of Nylon Filament Yarn makes it ideal for delicate designs and can be blended with other yarns.

At Century Enka, we ensure and strive to deliver best-quality products achieved through our superior and cutting-edge technologies which guarantee durability, softness and effective moisture management of the Nylon Filament Yarn, making it an ideal choice for apparel.



## Sub-Products



### Mono Filament Yarn

Nylon Mono Filament Yarn is a single strand of untwisted continuous fiber available in bright and semi-dull luster, produced by several techniques.



### Nylon Mother Filament

Mother yarn is a multifilament drew yarn that is turned into monofilament yarn by breaking the ends during spinning. Their applications include sarees, gowns, curtains, and mosquito nets. It is also used in the automotive industry and the production of sport shoes.



### Multifilament Yarns

Nylon Filament Yarn is produced at higher speeds with intermediate drawing integrated at spinning, enhancing the stabilization of polymers through orientation and crystallization. Partially Oriented Nylon Filament Yarn (POY), is the first form made directly from the melt spinning process and finds various downstream applications such as ATY, DTY, and draw warping. Other types of yarn include FDY, POY, HOY and Draw Winder. TOW is a continuous synthetic filament strand collected in a loose rope-like form, cut to make small fibers for final flocking.





## Nylon Tyre Cord Fabric (NTCF)

Century Enka provides high-quality Nylon Tyre Cord Fabrics (NTCF) for reinforcing tyres used in motorcycles, scooters, light commercial vehicles (LMVs), heavy commercial vehicles (HCVs), and off-road vehicles (OTR). These fabrics are essential for providing strength and durability to the tyres, shaping them, and supporting the vehicle's weight. They are designed to enhance tyre longevity and can significantly impact tyre performance.

## Sub-Products



### Yarn

Dried chips are fed into a melt spinning machine. The molten polymer is filtered before entering the spinneret (a wheel or plate with many tiny holes) to form yarn of different linear density as per specifications.



### Greige Fabric

Cord material is taken into the warp and interlaced with cotton or poly-cotton weft to produce reinforcing material for a wide variety of uses.

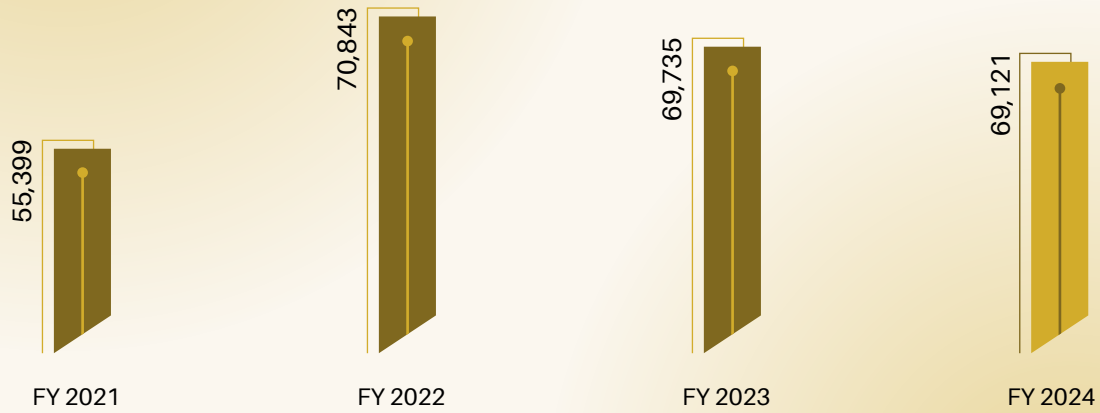


### Dipped Fabric

Greige fabric has very poor adhesion to rubber. Therefore, it is saturated with an RFL (Resorcinol - Formaldehyde - Latex) solution which acts as a bonding agent between fabric and rubber.

## Total Synthetic Yarn Production Volume

(in MT)



## Commencement of Dipping Fabric Process in Pune

Dipping is an essential process involving the treatment of raw N6 greige fabric in RFL solution, followed by drying and stretching at specified conditions to achieve customer-specified parameters. This process significantly enhances fabric compatibility with rubber and improves dimensional stability, making it suitable as reinforcement material in tyres.

We established the first unit at Bharuch Plant in 2010, operating at the maximum capacity and subsequently expanded to two units in 2014. As a strategic approach we decided to establish a third dipping line in Pune, as a

step towards enhancing and expanding our capabilities to effectively carry out polyester dipping in the future.

The Pune dipping plant commenced its operations in late 2023, to avoid transporting NTCF manufactured in Pune to the dipping plant in Bharuch, as an initiative to combat higher transportation costs and higher emissions resulting from transportation. This action will have a substantial positive impact on the environment by lowering emissions associated with transporting NTCF from Pune to Bharuch.



HMI



Let-Off



Winder



Packaging



Dip-Off





## Expanding the Green Chips Business

The depolymerisation unit which is installed at Pune plant breaks down the nylon waste into its constituent parts, including caprolactam, which is then used to produce green polymer chips. This process is highly efficient, allowing us to recycle a substantial amount of waste and minimize our environmental impact.

Many firms now place a high value on effective resource usage. Century Enka understands the significance of reducing waste and increasing resource use. To do this, we depend on advanced technology and novel techniques that enable us to extract value from waste materials. In the recent years, our manufacturing capacity has grown at an increasing

rate, resulting in a large quantity of waste created during Nylon manufacture. Instead of disposing of this trash, we are transforming this waste into recycled lactam and finally into nylon chips, increasing the value of our created capital.

During the reporting period we produced around 1,329 MT of caprolactam from nylon waste which was 138 MT in last reporting period. A major portion of these chips are exported, and the rest are then developed into products, such as POY, DTY, Monoyarn and Draw Winder and all these products are GRS (Green Recycled Standard) certified. We exported around 52% of our GRS products produced.

## PTCF Plant Installation

The Solid State Polymerization (SSP) system plays a crucial role in the conversion of low Intrinsic Viscosity (IV) PET (Polyethylene Terephthalate) chips into high IV PET chips. This transformation occurs without melting the product, using a series of equipment including a crystallizer, preheater, and solid state polymerizer. The resulting high IV PET chips are then stored in silos and utilized continuously in the spinning process to produce HMLS (High Modulus Low Shrink) yarn.

The high IV PET chips are completely devoid of moisture, which is a fundamental requirement for the spinning process.

In the HMLS spinning process, the high IV PET chips obtained from the SSP undergo melting in an extruder, are spun into yarn through spinnerets, quenched, and then wound on paper tubes in the take-up process. This sequence of operations is essential for achieving the desired properties necessary for manufacturing Polyester Tyre Cord Fabric (PTCF). The installation of these machines was strategically undertaken with a keen eye on the potential high demand for Polyester Tyre Cord Fabric, indicating a forward-looking approach to meet industry needs.



**SSP  
Crystallizer  
System**



**SSP  
Preheater  
System**



**Solid State  
Polymerizer**



**PTCF Spinning  
Extruder**



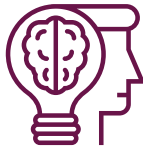
**PTCF Spinning  
Take up**

# INTELLECTUAL Capital

9 INDUSTRY, INNOVATION  
AND INFRASTRUCTURE



12 RESPONSIBLE  
CONSUMPTION  
AND PRODUCTION



Innovation forms the backbone of our operations for enhanced business growth and profitability. Our substantial investments in technology and research and development are geared towards unlocking fresh opportunities for growth and expansion. Innovation will continue to add value for our stakeholders, spanning products and service enhancements, heightened efficiency, and cost savings.



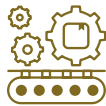
## Key Highlights

₹ **1.09** CRORES  
R&D BUDGET/SPEND

**9**  
GRS PRODUCTS



## Linkage with Other Capitals





## Product Customization and Innovation

We completed an in-house re-engineering project to transform an idle polyester Partially Oriented Yarn (POY) plant into a High Tenacity Nylon Yarn (HTY) machine for technical textiles last year. This strategic approach proved to be successful since the output from this machine was favorably appreciated by the market. We continue to improve our infrastructure and capabilities. We intend to expand our capability for drawing texturing. This move will add value to POY since draw textured yarns are recognized for their durability, strength, resilience, and lightweight qualities, making them ideal for a wide range of textile applications.

In addition to growing our capacity for draw texturing, we are broadening our product offering by tailoring it to meet the needs of our clients and the market. One example is our expansion into the polyester tyre cord market. This expansion will allow us to service a larger market while also encouraging the development of new and future-ready goods. We are always seeking innovative ways to improve our production processes and cut expenses.

## Improving the Culture of Innovation

Our primary objective is to establish ourselves as one of the foremost technology trailblazers in the global textile industry. To accomplish this, we place a strong emphasis on integrating state-of-the-art technologies and infrastructure, alongside nurturing a culture of continuous innovation within our Company.

We leverage our internal resources, in addition to forging partnerships with external experts through strategic alliances to drive the widespread implementation of technologies across all facets of our business, including marketing, manufacturing, and operations. By doing so, we aim to not only stay ahead of the technological curve but also enhance our competitive edge in the industry.



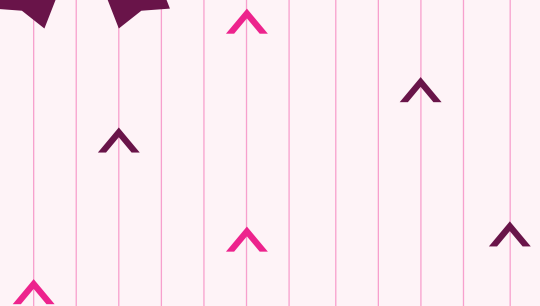




## Product Certifications

Our greige yarns have achieved certification from the Global Recycled Standard (GRS) - version 4.0, showcasing our dedication to sustainability and ethical sourcing. These yarns are crafted from premium recycled materials, ensuring they meet customer specifications.

Additionally, our Nylon Filament Yarn has obtained certifications from GRS, OEKO TEX® Standard 100, and REACH, highlighting its eco-friendly nature and safety. Our Nylon Tyre Cord Fabric has also been certified by REACH, confirming its compliance with chemical safety standards. Moreover, our laboratories are accredited by the National Accreditation Board for Testing and Calibration Laboratories (NABL), ensuring they adhere to both national and international standards and foster customer confidence in our products.



# HUMAN Capital

3 GOOD HEALTH  
AND WELL-BEING



4 QUALITY  
EDUCATION



5 GENDER  
EQUALITY



6 CLEAN WATER  
AND SANITATION



8 DECENT WORK AND  
ECONOMIC GROWTH



10 REDUCED  
INEQUALITIES



With a workforce of over **3,057** individuals, the Century Enka team stands as one of the Company's most valuable assets, propelling us towards our long-term objectives. Despite several headwinds in recent years, the team has demonstrated remarkable perseverance, leading the charge in innovation and sustainability to help us establish a unique identity. Our aim is to foster a workplace culture that inspires individuals to become an improved version of themselves.





## Key Highlights

3,057

TOTAL WORKFORCE

39,072

TOTAL HOURS OF TRAINING  
CONDUCTED

86

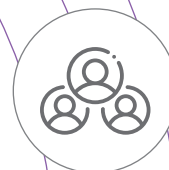
NEW EMPLOYEE HIRES

10.73

AVERAGE SAFETY  
TRAINING HOURS



## Linkage with Other Capitals



## Linked Material Topics

## Nurturing Human Capital Quality

Our people remain a pivotal component of our success and a key differentiator in a competitive landscape. As we strive to enhance our Human Capital, we have embarked on a journey of new possibilities that requires redefining our people agenda through collaborative efforts. Recognizing our employees as a vital stakeholder group, we understand that their input and engagement are crucial to achieve our long-term objectives.

Century Enka’s philosophy of participative management is rooted in the belief in joint consultations between management and employees. This collaborative approach has built a culture of teamwork, which is integral to our Company’s identity. We are committed to our people-centric philosophy, prioritizing the well-being, engagement, and development of our employees. Our success is intertwined with the success of our people, and we will continue to invest in their growth and development. By nurturing a culture of collaboration, joint consultations, and community development, we are confident in our ability to achieve long-term value creation and maintain our position as a leader in the industry.

### Total Employee Hires

Age	Gender	Number of New Recruits	Total Age Group-Wise
<30	Male	36	45
	Female	9	
30-50	Male	31	31
	Female	0	
>50	Male	9	10
	Female	1	
Total Gender-Wise	Male	76	86
	Female	10	

### Total Employee Hires

Age	Gender	Number of Employees	Total Age Group-Wise
<30	Male	17	19
	Female	2	
30-50	Male	33	36
	Female	3	
>50	Male	11	11
	Female	0	
Total Gender-Wise	Male	61	66
	Female	5	

## Embracing Diversity and Inclusion

The value of a diverse and inclusive workforce is immense, imminent, and crucial. Employees from varied backgrounds, experiences, and perspectives bring a wealth of ideas, approaches, and solutions, enhancing our organizational capabilities, building a culture of innovation, and driving business success.

At Century Enka, diversity and inclusion are not just policies but a way of life. We believe in fair and equal opportunities for everyone, regardless of age, religion, gender, race, disability, or any other characteristic. Our recruitment process is designed to promote unbiased equal opportunities for all candidates.

We support local hiring initiatives and actively seek diverse candidates. Recognizing the importance of equal opportunities for underrepresented groups, we take measures to enhance their skills, talent, and knowledge, helping them achieve their full potential. Our supportive and inclusive work environment ensures that everyone feels valued, respected, and empowered to contribute fully.

We are pleased to report that during the reporting period, there were no cases of discrimination. Our commitment to building a culture of diversity and inclusion remains steadfast, and we will continue to pursue this goal with dedication.



		Workforce Diversity							
Sr. No.	Particulars	Total Employees & Workers				Differently Abled Employees & Workers			
		Male		Female		Male		Female	
		No.	%	No.	%	No.	%	No.	%
<b>Employees</b>									
1	Permanent	465	96%	19	4%	0	0%	0	0%
2	Other than Permanent	5	83%	1	17%	0	0%	0	0%
<b>3</b>	<b>Total Employees</b>	<b>470</b>	<b>96%</b>	<b>20</b>	<b>4%</b>	<b>0</b>	<b>0%</b>	<b>0</b>	<b>0%</b>
<b>Workers</b>									
1	Permanent	1,079	100%	0	0	3	100%	0	0%
2	Other than Permanent	1,470	99%	18	1%	2	100%	0	0%
<b>3</b>	<b>Total Workers</b>	<b>2,549</b>	<b>99%</b>	<b>18</b>	<b>1%</b>	<b>5</b>	<b>100%</b>	<b>0</b>	<b>0%</b>

## Inspiring a Force For Good

At Century Enka, we believe that investing in the growth and development of our employees is essential for both their personal and professional success and the overall success of the Company. Aligned with our theme, 'Force For Good,' we have implemented comprehensive skill upgradation initiatives that offer a diverse range of courses, encouraging continuous learning and development.

We prioritize regular performance and career development reviews to help our employees stay on track and achieve their full potential. In the past fiscal year, **89%** of our employees received these reviews, ensuring they had a clear understanding of their progress and future goals.

As part of our commitment to employee development and our 'Force For Good' ethos, we provide significant training hours each year. In FY24, we ensured that each employee received ample opportunities to acquire new skills, deepen their knowledge, and grow as professionals through dedicated training programs.



### Average Hours of Training

Workforce Category	FY 2024
Employees (Permanent)	44.88
Workers (Permanent)	16.16

### Skill Upgradation Training

Gender	FY 2024			FY 2023		
	Total Number of Employees	Number of Employees Covered	Percentage of Employees Covered	Total Number of Employees	Number of Employees Covered	Percentage of Employees Covered
<b>Employees</b>						
Male	470	464	98%	477	448	94%
Female	20	18	90%	19	15	79%
Total	490	482	98%	496	463	93%
<b>Workers</b>						
Male	2,557	1,079	100%	3,027	646	21%
Female	18	Nil	Nil	26	Nil	Nil
Total	2,575	1,079	42%	3,053	646	21%



## Upholding Our Commitment to Human Rights

At Century Enka, we are guided by the principles of 'Leadership with Trust' and are dedicated to enhancing the quality of life in the communities where we operate. We conduct our business with the utmost respect and dignity, adhering to all relevant laws and regulations governing human rights. Our Human Rights Policy ensures that our people's rights are respected, protected, and upheld, prohibiting all forms of discrimination, harassment, child labor, and forced or trafficked labor.

We are pleased to report that no incidents of indigenous people's rights violations were recorded during the reporting period. We uphold and respect the rights of our workers, ensuring no risk to freedom of association or collective bargaining among our operations or suppliers. Our collective bargaining agreement covers permanent workers and unionized contract workers at our Pune Unit. Additionally, we have a rating system in place for permanent workers at our Bharuch facility, providing accurate evaluations of performance and aiding in the appraisal process. By maintaining our commitment to human rights, we continue to be a 'Force For Good', fostering a work environment that ensures the well-being and dignity of every individual within our organization.

## Recognizing Key Rights-Holders

At Century Enka, we understand that our operations can impact various individuals, whom we identify as rights-holders. These rights-holders include:

- > **Our personnel:** Any person working for or on behalf of the Company.
- > **Contract workforce:** Individuals employed through third-party contracts.
- > **Impacted communities:** Communities affected by the Company's operations.
- > **Consumers and customers:** Individuals who use the Company's products and services.

To ensure the well-being and rights of these groups, we have established a robust Human Resource policy designed to shape a culture of performance and provide a secure work environment. These policies reflect our commitment to being a 'Force For Good', protecting and promoting human rights across all facets of our operations.



Human Rights Policy



Anti-Corruption & Anti-Bribery Policy under COC



Anti Discrimination and Anti Harassment Policy



Prevention of Sexual Harassment (POSH) Policy



Employee Well-Being Policy

## Employee Well-Being Above All

The well-being of our employees is a top priority at Century Enka. Our comprehensive Employee Well-Being Policy ensures that every employee feels valued, supported, and motivated. One of our primary objectives is to promote dignity at work by creating a respectful workplace where everyone is treated with fairness, courtesy, and respect. We believe that a positive work culture helps employees perform their best and contributes to the overall success of the Company.

Recognizing the impact of stress on productivity and overall well-being, we have implemented measures to create a stress-free work environment. Our stress-management programs and regular workshops equip employees with tools and techniques to manage stress effectively. Additionally, we encourage employee fitness through various initiatives. We have set up gym facilities at our residential colonies, organize wellness activities such as yoga sessions, and promote regular physical activity among our employees.

Mental well-being is another critical aspect of our Employee Well-Being Policy. We offer the Making Individuals and Teams Resilient (MITR) training program, focusing on improving mental health and resilience. In collaboration with MPower, an esteemed organization dedicated to mental health awareness, we aim to break the stigma surrounding mental health. Through online sessions and resources provided by MPower, we create a safe and confidential space for employees to engage in open discussions and seek expert guidance when

needed. By addressing mental health concerns both within and outside the workplace, we build a supportive environment that empowers individuals to prioritize their well-being.

Our holistic approach to employee well-being aligns with our 'Force For Good' philosophy, ensuring that our workforce remains healthy, motivated, and resilient, thereby contributing to the sustainable success of Century Enka.



### Percentage of Employees Covered by:

Category	Total (A)	Health Insurance		Accident Insurance		Maternity Benefits	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)
Male	470	470	100%	470	100%	0	0
Female	20	20	100%	20	100%	20	100%
Total	490	490	100%	490	100%	20	100%

### Percentage of Permanent Workers Covered by:

Category	Total (A)	Health Insurance		Accident Insurance		Maternity Benefits	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)
Male	1079	1079	100%	1079	100%	0	0
Female	0	0	0	0	0	0	0
Total	1079	1079	100%	1079	100%	0	0



## Employee Engagement Activities



Century Enka employees engaged in a friendly cricket match



Mental Health Champions



Century Long Riders with Dr. Nirja Birla at the Ride to Mpower event



Dahi Handi competition



Community Puja



Independence Day celebration



Celebration of International Men's Day



Celebration of International Women's Day





Health checkup camps



Felicitation for meritorious students



Celebration of International Yoga Day



Cenka Grand Championship organised for employees' children



'Shri Ram Katha' organized as part of the colony events



Republic Day celebration



Best Suggestion Award



Dussehra celebration

## Celebrating Excellence: Employee Recognition Program



At Century Enka, we believe in recognizing and celebrating exceptional employee performance through our Employee Recognition Program. This program acknowledges employees who demonstrate outstanding engagement in various company activities, such as volunteering for charity events, mentoring new employees, or contributing to innovation and process improvement initiatives.

Our 'Employee of the Year' award is a prestigious accolade that recognizes individuals who consistently demonstrate exceptional performance, and leadership throughout the year. The recipient of this award is invited as the Chief Guest, along with their family members, to our Independence Day ceremonies. During these ceremonies, the employee is honored with a formal introduction, award presentation, and special mention in the Company's newsletter and website. By celebrating excellence in the workplace, we cultivate a culture of motivation, engagement, and excellence within the Company. This not only benefits our employees but also contributes to the overall success and growth of Century Enka.





## Retirement Benefits for a Secure Future

At CEL, we prioritize the well-being of our employees, even beyond their years of service. Our retirement benefit package includes various components designed to provide financial security and peace of mind. One key component is the gratuity plan, which is governed by the Payment of Gratuity Act of 1972. This plan provides benefits to employees who have completed five years of service, based on their tenure and salary at the time of retirement. We conduct regular reviews to ensure that our employees receive adequate benefits under this plan.

Additionally, we contribute to the Provident Fund, which serves as a savings scheme for employees, helping them build a corpus for their retirement. We also provide coverage under the Employee State Insurance (ESI) scheme, ensuring that our employees and their families have access to medical benefits and financial support in times of need. By offering comprehensive retirement benefits, we demonstrate our commitment to supporting our employees throughout their careers and beyond, helping them plan for a secure and fulfilling retirement.



**Details of Retirement Benefit Plans (Permanent workforce)**

Category	Financial Year 2024			Financial Year 2023		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/NA)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/NA)
PF	100	100	Yes	100	100	Yes
Gratuity	100	100	Yes	100	100	Yes
ESI*	2.07	2.13	Yes	4.42	1.80	Yes

\*ESI is applicable only to workers with maximum salary of ₹21,000, and it is not applicable for Bharuch plant.

## Occupational Health & Safety Management

We have established an Occupational Health and Safety Management System (OHSMS) to consistently identify and manage health and safety risks for all our employees, workers, and visitors. Our system also extends the responsibility of safety to our customers, service providers, vendors, suppliers, and residents near our operations. We conduct regular internal audits and external assurance to ensure the effectiveness of our OHSMS. The health of our workforce is a top priority, so we run a dispensary facility that provides 24x7 medical services to our employees and their families. The facility functions as a clinic and emergency first aid center, offering general medical consultations, preventive care, vaccinations, and treatment for common illnesses and injuries.

Moreover, these clinics have arrangements with specialists and nearby hospitals for referrals and further medical care, if necessary, at both our plants. All employees are required to undergo pre-employment medical check-ups upon joining and regular health checkups throughout their tenure with us. In addition, we have partnerships with a health service aggregator to provide outpatient department (OPD) services, along with pathology and radiology facilities, for employees and eligible family members.

To ensure the well-being of our employees, we provide health insurance, accident insurance, and term life insurance, safeguarding them in case of unforeseen events. We understand the significance of hygiene and sanitation practices in preventing the spread of diseases and infections. To address this, we have formed a Water, Sanitation and Hygiene (WASH) Committee, responsible for ensuring safe drinking water, good sanitation practices, and promoting personal hygiene at the workplace. We value the input of our workers in the WASH Committee meetings and consider their suggestions.

To identify potential process-related hazards, we conduct a Hazard Identification and Risk Assessment (HIRA). We also regularly monitor the workplace for noise levels, illumination, dust, and fumes to identify any work-related health impacts. Additionally, we ensure that employees working in high-noise areas undergo audiometry.



## Giving Precedence to Safety

At Century Enka, safety is overseen by two key bodies: the Plant Sub Safety Committee and the Apex Safety Committee. Our health & safety management system is certified with ISO 45001:2018, covering all our manufacturing sites including contractors, visitors, and other stakeholders. To ensure that all approved policies are implemented throughout the organization, we have a rigorous review mechanism in place.

Our Company is committed to achieving Zero Harm, involving six safety strategies: building safety leadership at all levels, improving contractor safety management standards, enhancing hazard identification and risk management competencies, improving road safety, promoting process safety management excellence, and enhancing occupational health and industrial hygiene. We also recognize that leveraging digital technology is crucial for achieving long-term safety goals. To encourage the adoption of these strategies, we offer several financial and non-financial rewards to the

facilitators of these strategies, and their aims are linked to the broader goal of attaining worldwide benchmark levels and Zero Harm by 2025.

Furthermore, we hope to bring in a new way of working via data-driven decision-making. We use an internal platform called 'SURAKSHA' at both our Bharuch and Pune factories to report and monitor safety-related occurrences such as near-misses, dangerous acts and situations, safety observations, and environmental issues. It enables users to report any harmful observations made during factory tours, site inspections, or regular operations, as well as incidents. The portal is easily accessible to all users, allowing them to track the status of tasks and access department summary reports online.

## Major Safety Initiatives

Investigating incidents and identifying their underlying causes using Root Cause Analysis (RCA) and online methods.

Conducting safety audits both internally, between departments, and by third-party auditors.

Planning and preparing for emergencies.

Implementing safety procedures such as the Permit to Work System (PTW), Lockout & Tag-out (LOTO), and Daily Toolbox Talk (DTT).

Reporting unsafe conditions, near-misses, and safety observations through an online reporting portal.

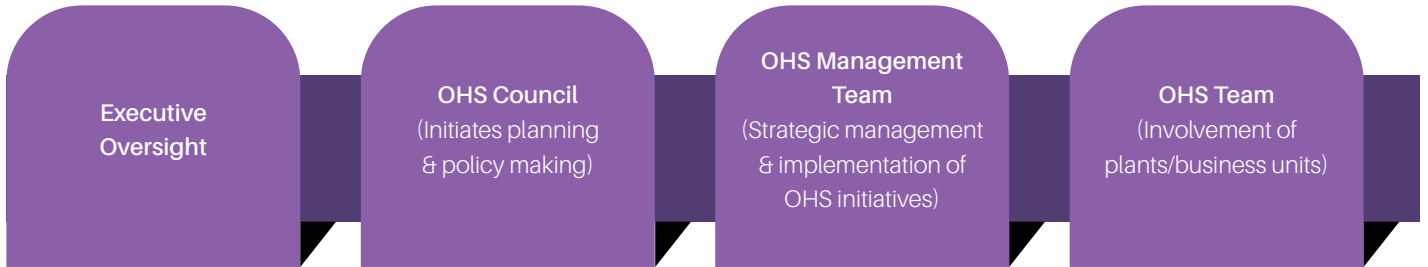
Integrating safety into the annual performance appraisal system.

Promoting safety through activities like monthly safety bulletins, accident case studies, and safety leaflets in the local language.

Ensuring visitor safety through the provision of guided videos, guidebooks, and Personal Protective Equipment (PPE).

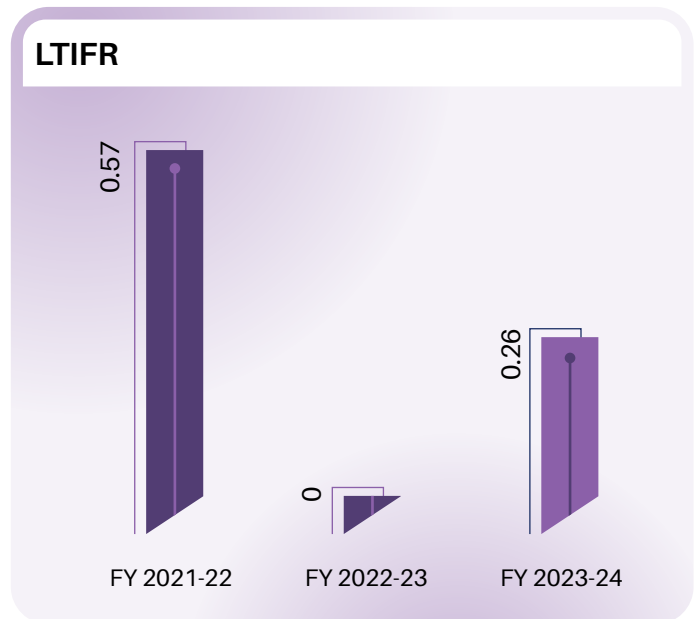
Encouraging employee participation and motivation in safety through programs like Safety Suggestions Scheme, bi-monthly safety campaigns, and celebrations of National Safety Week, Road Safety Week, National Fire Service Day, No Tobacco Day and Chemical Safety Day.

## Executive Oversight on Health & Safety



Details of Retirement Benefit Plans (Permanent Workforce)

Particulars	Category	Units	FY 2024	FY 2023	FY 2022
Fatalities	Employees	Number	Nil	Nil	Nil
	Workers	Number	Nil	Nil	Nil
LTI	Employees	Number	0	Nil	Nil
	Workers	Number	2	Nil	4
Occupational Diseases	All	Number	Nil	Nil	Nil
Fatality Rate	Employees	Rate	Nil	Nil	Nil
	Workers	Rate	Nil	Nil	Nil
LTIFR	Employees	Rate	0	Nil	Nil
	Workers	Rate	0.26	Nil	0.57
Occupational Diseases Rate	All	Rate	Nil	Nil	Nil
Total Manhours Worked	Employees	Hours	10,14,949	10,10,803	9,49,647
	Workers	Hours	65,13,030	66,91,874	70,37,337





## Safety Trainings and Awareness Building

### Key Safety Training Conducted During the Year

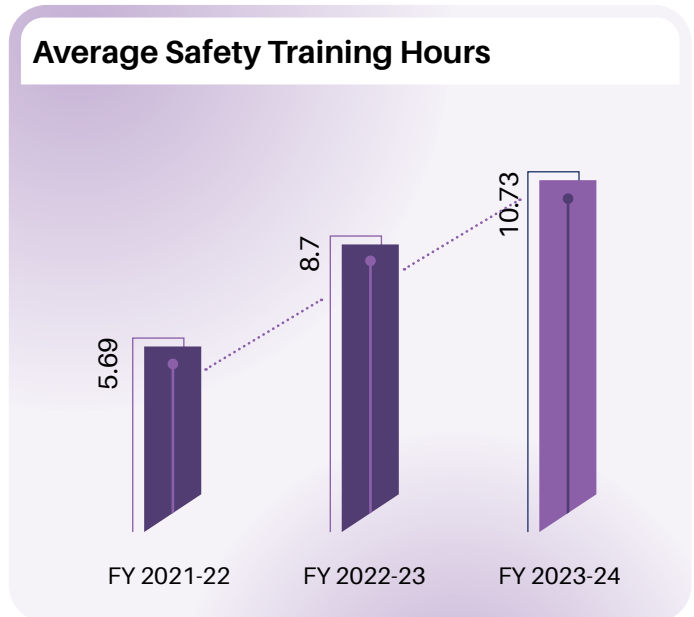


Our Safety Committee oversees the implementation of the OHSMS and conducts safety training and awareness programs for employees. At the departmental level, the Departmental Safety Committee is responsible for ensuring safety, while the Central Safety Committee makes decisions related to OHSMS at the organizational level. The committee has an equal representation of workers.

To promote safety awareness, we circulate safety manuals, health guides, fire manuals, and general guidelines for employees, workers, and visitors on the Company premises. The Occupational Health Prevention Guide, which is available in English, Hindi, Gujarati, and Marathi is circulated to all levels of employees and workers. The Company actively engages with its employees on safety-related matters and incorporates their suggestions and concerns. The employees and workers are involved in Hazard Identification and Risk Assessment (HIRA), Job Safety Analysis (JSA), and Hazard and Operability Analysis (HAZOP) initiatives.

The workers are also involved in accident investigation and root cause analysis, the Safety Committee, contests and competitions, and the development of a risk management plan. We conduct various training sessions for employees at all levels to ensure that safety is integrated into their

work practices such as electrical safety, chemical safety, mechanical safety, shopfloor safety, process safety, on-the-job training, behavior base safety and firefighting programs and mock drills. These training sessions help employees recognize the potential hazards and take preventive measures to mitigate risks.



CASE  
STUDY

## Designing the Safety Systems in Dipping-Challenges and Action Taken

Dipping is the final process in which the raw fabric is treated with chemicals at high temperature, speed, and tension to achieve the desired properties. Safety is a paramount concern during this process, as the fabric is processed by operators through several rollers at tremendous speed, high tension, and temperatures inside the ovens.

The main challenge in the process is that the safety systems are implemented in areas requiring human intervention. The safety systems were designed to ensure the safety of the operator and machine without affecting the process.

The workers on site face several challenges due to the frequent rotation of the machines as they attempt to fix abnormalities and defects, resulting in injuries. Additionally, some workers may get injured while opening the high-

maintenance Heating Zone Doors, which can also cause major accidents and injuries.

To prevent such incidents and ensure the best safety standards for our workers, we have implemented several measures that have improved the efficiency of machines and enhanced safety processes, leading to a reduced risk of injury.

We have installed safety fences around the plants, eliminating the need for operators to manually troubleshoot. Additionally, we have installed auto-cutters for processing fabric, which previously was done manually with scissors, leading to a higher risk of injury. We have also implemented safety curtains to ensure that the winder stops automatically when the door opens. As a precautionary measure for improved safety, CCTV cameras have been installed in all high-risk areas.



Safety Fencing



Auto Cutter



Safety Curtain

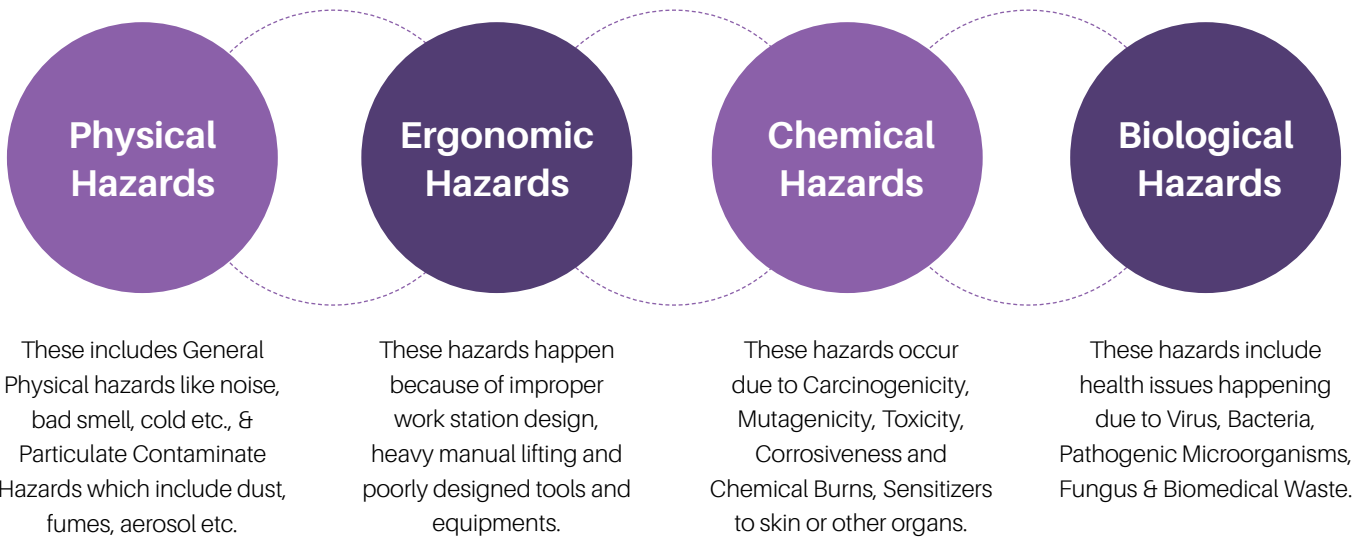


CCTV Installation

## Hazard Identification & Risk Assessment

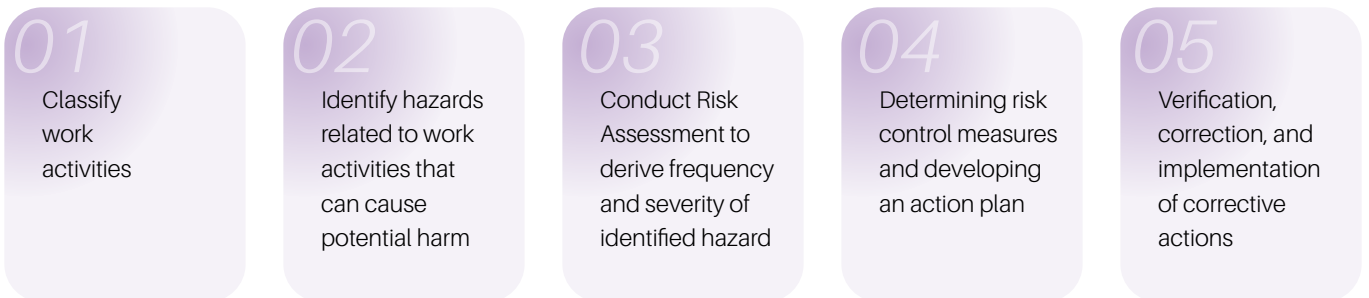
We perform routine worksite inspections and risk identification studies, such as safety audits, job safety analysis, and Hazard Identification and Risk Assessment (HIRA), to detect potential hazards related to work activities. Additionally, we conduct daily safety sampling to identify any unsafe conditions or actions at the site. Our hazard assessments have identified several types of work-related hazards, including those related to chemical handling, noise, machinery, ergonomics, and electricity. A detailed breakdown for the types of hazards is provided below:

### Identified Occupational Hazards



## Hazard Identification Process

The HIRA sheet lists all work activities, both routine and non-routine, and based on the risk rating, appropriate control mechanisms are put in place. We have a step-by-step method for determining risk:



We have implemented safety engineering controls, acoustic barriers, sound absorbers and fall arresters in all areas where work is done at a higher level, and 100% of our plants and offices have been assessed by entity itself.

# SOCIAL AND RELATIONSHIP Capital

3 GOOD HEALTH AND WELL-BEING



4 QUALITY EDUCATION



5 GENDER EQUALITY



6 CLEAN WATER AND SANITATION



8 DECENT WORK AND ECONOMIC GROWTH



10 REDUCED INEQUALITIES



12 RESPONSIBLE CONSUMPTION AND PRODUCTION



We believe that developing and sustaining long-term relationships with our stakeholders is vital for our continued growth. We emphasize forming partnerships based on mutual trust, respect, and shared benefits, which are the key foundations of our strong stakeholder relationships. This approach protects us against unfavorable economic and business conditions.





## Key Highlights

**1,606**

TOTAL SUPPLIERS

**519**

TOTAL CUSTOMERS

**100%**

CUSTOMER GRIEVANCES  
RESOLVED

**100%**

NEW SUPPLIERS CHECKED  
ON ESG CRITERIA

**~21,539**

CSR BENEFICIARIES

**18**

COMMUNITY INITIATIVES

**305** LAKHS

TOTAL CSR EXPENDITURE



## Linkage with Other Capitals

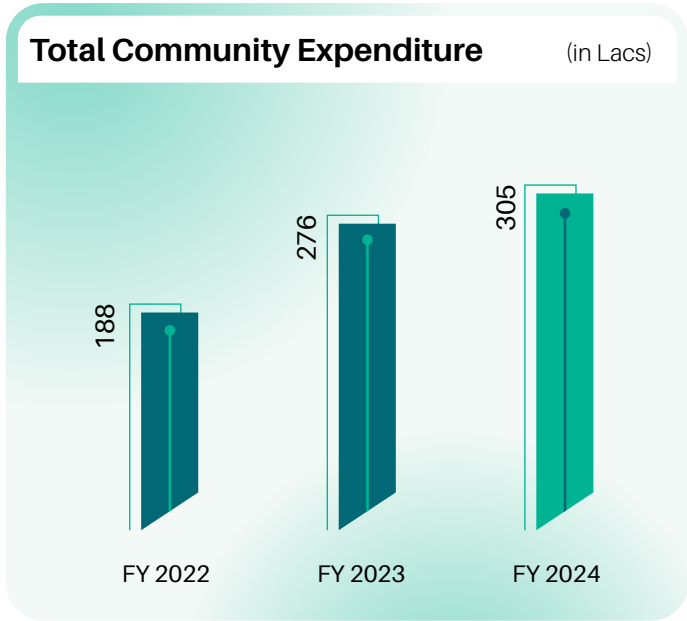
### Linked Material Topics





## Our Approach

At CEL, we recognize the importance of fostering strong Social & Relationship Capital to drive sustainable growth and create value for all our stakeholders. Our commitment to building trust-based relationships is deeply rooted in our core values and permeates every aspect of our business operations. We actively engage with our customers, suppliers, employees, local communities, and regulatory authorities to understand their needs, concerns, and expectations. By maintaining open and transparent communication channels, we strive to align our business objectives with the interests of our stakeholders, ensuring mutual benefit and long-term success. Our Social & Relationship Capital is further strengthened by our focus on ethical business practices, responsible sourcing, and community development initiatives. We firmly believe that by investing in our Social & Relationship Capital, we can create a positive impact on society, enhance our brand reputation, and secure our position as a trusted partner in the industry.



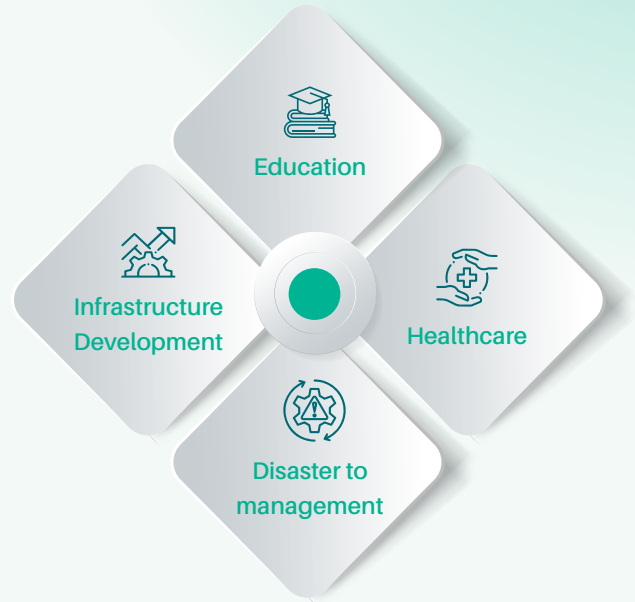
## Investing for Impact

At our Company, we understand the significance of evaluating the influence of our initiatives on stakeholders. We routinely engage with them to collect insights and assess the success of our community programs. Recognizing that this is a continuous journey, we are dedicated to persistently evaluating our impact, moving forward. To ensure we receive feedback from all pertinent parties, we have developed a structured approach for identifying key stakeholder groups for each community initiative. This approach involves thoroughly considering the diverse groups affected by our initiatives and actively engaging with them throughout the process.



## Our CSR Initiatives

Integral to our business strategy is our Corporate Social Responsibility (CSR) policy, which emphasizes the importance of not only generating profits but also contributing to stakeholder and environmental well-being. We aim to minimize negative impacts and maximize positive contributions by focusing on responsible business practices, community development, and environmental stewardship. Our CSR efforts encompass various areas such as health, education, livelihood, infrastructure, and environmental protection, implemented directly or through partnerships with charitable trusts, NGOs, local government authorities, or civil societies. Priority is given to villages near our plant locations, with plans for expansion to include more distant areas. Oversight by the CSR Committee and Board ensures timely follow-ups and monitoring of all projects through a well-defined mechanism.



### Education

Education stands as a cornerstone of community advancement, empowering individuals with the skills and knowledge vital for personal growth and societal contribution. Our Company remains dedicated to prioritizing education within our community development initiatives. This commitment is reflected in our efforts, which encompass the construction of educational infrastructure, teacher training programs, provision of learning resources, and promotion of literacy. Below are key highlights from the past year detailing our endeavors in this domain and their resultant impact.

#### Key Highlights



## 1 Poshanvahini Project

Under this project, the Company has been sponsoring 50 volunteers for support in the Anganwadis situated in Narmada district which is an aspirational district declared by Government of Gujarat. With the help of those volunteers, the Anganwadi has not only increased the attendance of children but also decreased the malnutrition percentage among the children, as nutritious food is provided to the children in Anganwadi itself.

<b>50</b>	<b>1,350</b>	<b>₹ 13.79</b> LACS
No. of Anganwadis Benefited	Children Benefited	Total Expenses



## 2 Shikshasathi Project

This project is also being implemented in the aspirational district of Narmada, with the goal of enhancing the quality of education in its schools. Many of these schools are in remote villages within tribal regions, where there is a chronic shortage of teachers. By sponsoring 45 teachers, we have significantly improved the quality of education in these areas.

<b>45</b>	<b>2,100</b>	<b>₹ 13.95</b> LACS
No. of Anganwadis Benefited	Students Benefited	Total Expenses



## 3 Kanya Kenavani & Praveshutsav Project

The Government of Gujarat has launched a project celebrating children who are enrolling in school for the first time. To further encourage the enrollment of girls, this celebration includes distributing school supplies such as uniforms, shoes, school bags, water bottles, notebooks, long books, notebooks, compass boxes, compass kits, slates, pens, pencil boxes, drawing books, ballpens, and sketch pens.



**20**

Schools Covered

**19**

Anganwadis Covered

**1,220**

Students Benefited

₹ **9.40** LACS

Total Expenses



**4**

Contribution towards Bung Bed to M/s. Snehwan, a charitable trust providing free education, food, and shelter to children whose parents have committed suicide due to draught in the Vidarbha & Marathwada region of Maharashtra.

**100**

Children Benefited

₹ **10** LACS

Total Expenses

**5**

Cost of teaching staff for vocational training institute.

₹ **20.42** LACS

Total Expenses

**6**

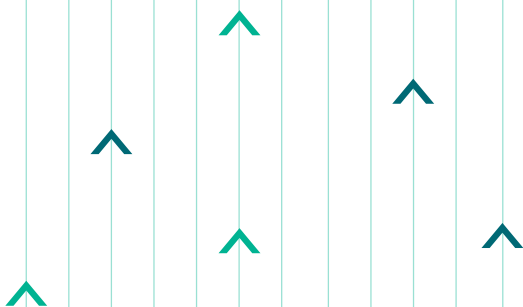
Workshop consumables for vocational training institute.

**~130**

Children Benefited

₹ **2.98** LACS

Total Expenses



**7** As part of our support for vocational training institutes, we have provided various machinery and equipment to enhance their resources. This includes ten chairs, six computers, four sewing machines, ten tables, one water purification machine, one laptop and 20 pedestal fans.

**130**  
Children Benefited

₹ **6.10** LACS  
Total Expenses



Computers & Tables



Chairs



Water Purifying Machine



## Healthcare

Access to quality healthcare services is crucial for individual well-being and community development. Enhancing healthcare infrastructure, training healthcare professionals, and supplying essential medical resources and medications are vital to advancing the healthcare sector. Below are some key highlights from the year, showcasing our efforts and their impact in this area:

### Key Highlights

**₹19.27** LACS  
TOTAL EXPENSES

**3,792**  
TOTAL BENEFICIARIES



## 1 Blood Donation Camp

We held a blood donation camp at Bharuch plant and successfully collected 65 plasma units. This event is part of our broader healthcare initiatives aimed at improving community health and well-being.

**65**

Plasma Units Collected



## 2 Eye Checkup

The eye check-up camps provided vital healthcare services to 1,019 individuals from 20 villages, offering early detection and treatment of eye conditions like cataracts. With 82 cataract operations, 790 spectacles distributed, and health education sessions, the camps have significantly improved access to eye care, enhancing the quality of life in underserved communities.

**1,019**  
Benefited

**790**  
Spectacles Distributed

**82** PATIENTS  
Operated for Cataract

₹ **2.61** LACS  
Total Expenses



### 3 Women's Hygiene

Century Enka supported women's hygiene by distributing sanitary napkins. This initiative, conducted on March 21, 2024, covered villages including Bamalla, Kaliapura, Tavdi, Shir, Raisingpura, Vali, Umalla, and Vagh pura. The distribution of 62,500 sanitary napkins benefited 826 women, with total expenses amounting to ₹ 2.98 Lacs.

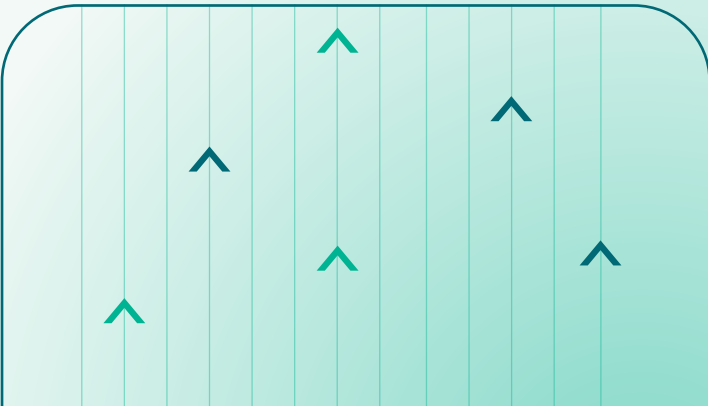
<b>62,500</b>	<b>826</b>	<b>₹ 2.98</b> LACS
Sanitary Napkins Distributed	Women Benefited	Total Expenses



### 4 Nutrition Support

The Company initiated nutrition support for eradication of Tuberculosis as per the Prime Minister's directive. This effort involves providing monthly nutrition kits to all patients in these talukas, resulting in a significant reduction in the number of cases. The impact of this initiative has been widely acknowledged and appreciated. The Minister of State for Finance, Government of India, awarded the Company a trophy and certificate in recognition of its outstanding community work.

<b>1,157</b> PATIENTS	<b>₹ 11.26</b> LACS
Benefited	Total Expenses



## 5 Old Age Home

In addition to the healthcare initiatives, we extended support to an old age home located in Ahmedabad. This project, benefiting 25 elderly individuals, involved total expenses amounting to Rs. 1.01 lacs. Through this initiative, we aim to provide care and support to the elderly, ensuring their well-being and dignity in their later years.

**1,157** PATIENTS  
Benefited

₹ **1.01** LACS  
Total Expenses



## 6 Health Support

In collaboration with M/s. Soham Trust, founded by Dr. Abhijit Sonawane in Pune, Century Enka distributed walkers, walking sticks, kneecaps, LS belts, face masks, and skin care soap and lotion to aid the needy in improving their health and well-being. This initiative reflects our commitment to supporting marginalized communities and enhancing their quality of life.

~**300**  
Benefited

₹ **1.41** LACS  
Total Expenses





## Rural Infrastructural Development

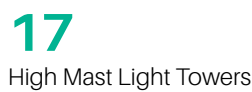
Enhancing rural infrastructure is vital for holistic community advancement. This encompasses the construction of roads, bridges, provision of electricity, communication services, and establishment of markets, schools, and health care centers. Progress in this sector can significantly improve access to essential services, improving economic growth and social development. Below are some key highlights and their impact in this domain from the past year.

### Key Highlights



### 1 High Mast Light Towers in Various Nearby Villages

Installed GI ladder pole with a 10-meter height and 150W floodlight high mast tower.



Khakharia Village



Koliyapada Village



Vankhuta Village



## 2 Bamalla Village

Panchayat Office Renovation

**700** VILLAGERS  
Benefited

₹ **10** LACS  
Total Expenses



## 3 Check Dam Renovation

Renovation & cleaning of check dams at Vali for storage of water

**2,000** VILLAGERS  
Benefited

₹ **10.08** LACS  
Total Expenses



## 4 Installation of a CCTV Camera System with LED Display

Installation of four CCTV Camera systems with LED Display

**1,500** VILLAGERS  
Benefited

₹ **1.60** LACS  
Total Expenses



## 5 Construction of Roads in a Village

**3,000** VILLAGERS  
Benefited

₹ **9.02** LACS  
Total Expenses







## Disaster Management

We recognize the importance of disaster management in ensuring the safety and well-being of our employees, customers, and the broader community. We have implemented a robust disaster management strategy to mitigate the impact of natural disasters and other emergencies. In response to the devastating floods that wreaked numerous villages, our disaster management team swiftly distributed 600 grocery kits to provide crucial support to affected communities. These kits, which included essential food items and hygiene supplies, benefited a total of 1800 villagers who were severely impacted by the natural disaster. The total expenses incurred for this relief effort amounted to ₹ 4.23 lakhs, reflecting our assistance to those in direct need of immediate assistance during this challenging period of recovery. Additionally, we have implemented measures to enhance disaster resilience, such as strengthening our infrastructure and implementing business continuity plans.

### Key Highlights



### Promoting Bonds with Customers

Our customer engagement strategy centers around collaborations to deliver solutions that meet our customers' evolving needs and preferences. We prioritize regular interactions with both dealers and customers to deeply understand their requirements and consistently strive to fulfill them. Our primary objective is to enhance the customer experience by providing top-quality products and services through various channels, including personal meetings, participation in exhibitions and trade fairs, and direct mailers that showcase our product range and new offerings. To access customer satisfaction, we conduct semi-annual surveys that evaluate various aspects such as quality, pricing, after-sales service, and product availability. Our customers' awareness of sustainability is growing, and we are committed to adopting a circular model in managing our materials to meet their expectations. We are pleased to report no incidents of non-compliance regarding the health & safety of our products, reflecting our accountability for our customers' safety and awareness.

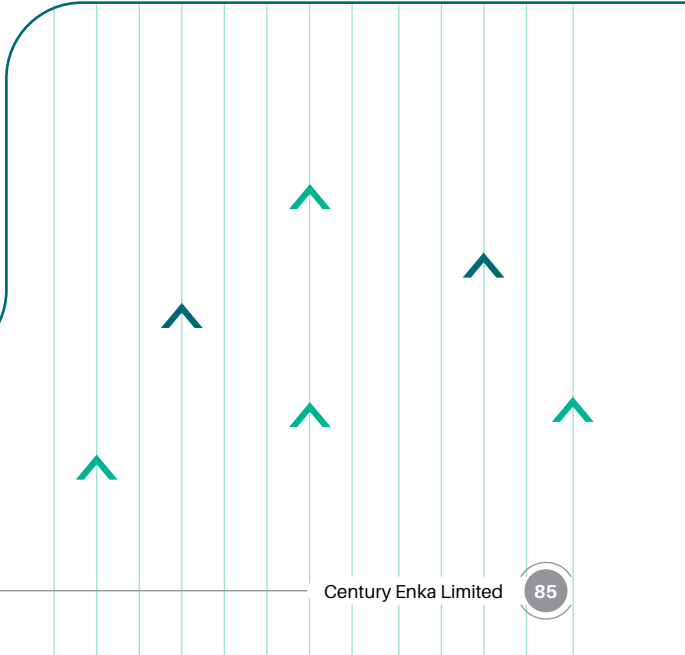
For our NFY, our customer technical sales team has been conducting personal visits to collect feedback on quality issues



experienced by customers. They promptly provide solutions whenever possible and collect samples (yarn, fabric) for further analysis as needed. These findings are then communicated to the production team to implement necessary improvements. We have also established a customer grievance redressal mechanism to handle complaints efficiently and take timely action to resolve them. This system addresses all complaints related to Nylon Filament Yarn, Nylon Tyre Cord, greige fabric/ yarn, and dipped fabric divisions. Protecting customer privacy is essential to maintaining trust and enhancing our brand and market value. We have developed a privacy policy to safeguard users' data, and we received no complaints regarding data privacy during the reporting period. We have also received ratings from our critical customers of NTCF.

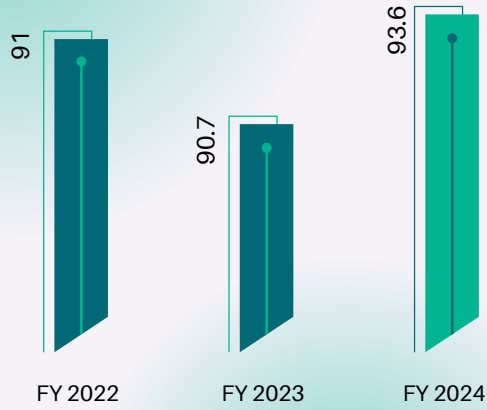
As a Company dedicated to ethical and social responsibilities, we recognize the critical importance of customer safety and awareness. Given the high degree of customizability of our products, our labeling process is tailored to customer requirements and designed to provide all necessary information for informed decision-making. This approach empowers our customers to make the best choices for their needs. To reduce the risks associated with manual labeling, we have implemented a fully automated labeling system. This ensures that all products are accurately and efficiently labeled with minimal human intervention.

Additionally, our environment-friendly product, made from recycled caprolactam waste and known as green polymer chips, is packaged, and labeled in distinctive green packaging, categorizing it as a green product. This system helps us maintain consistency in labeling across our product range and minimizes the chances of errors or discrepancies. We are proud to report that we have received no concerns regarding the accuracy or completeness of our product information and labeling during the reporting period.

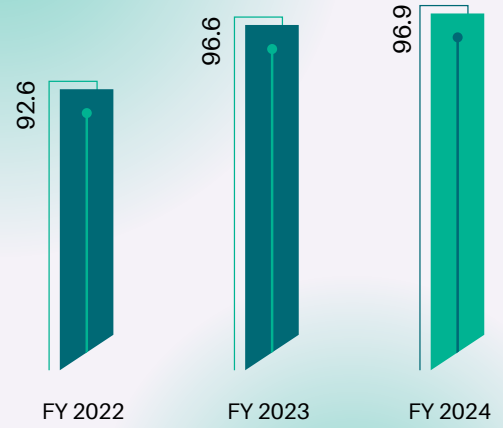


### Customer Feedback - Rating

#### ATL (APOLLO TYRES)



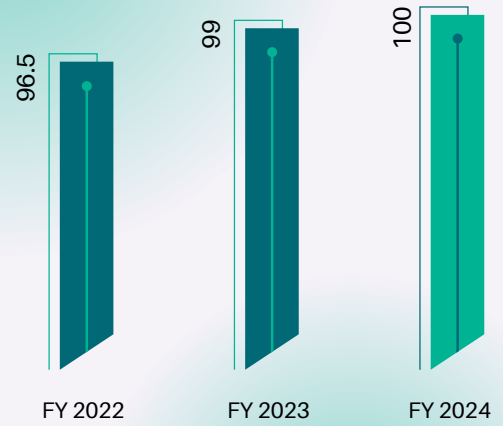
#### MRF



#### TVS



#### CEAT





## Commitment to Sustainable Supply Chain

At Century Enka, we are dedicated towards creating a sustainable supply chain that aligns with our social and environmental objectives. Our strategy includes meticulously selecting suppliers committed to sustainability, conducting regular risk assessments, providing training and education, collaborating with stakeholders, and maintaining transparency through consistent reporting. We monitor key performance indicators (KPIs) such as carbon emissions, water usage, waste generation, supplier engagement, and supply chain transparency to gauge the effectiveness of our initiatives.

We collaborate with a diverse range of suppliers, including those providing chemicals, fuel, and packaging materials. Currently, our Company engages with a total of **1,606** suppliers. To ensure supplier compliance with our standards and those of our clients, we evaluate suppliers based on ESG criteria and integrate this into our vendor registration procedures. Critical suppliers are reviewed for adherence to standards like ISO certifications, and we are developing an action plan to address significant environmental impacts within our supply chain.

In our commitment to sustainability, we are incorporating plastic recycling processes into our supply chain to address the global issue of plastic waste. We also conduct bi-annual assessments of critical vendors and perform comprehensive supplier audits every other year, focusing on performance parameters such as delivery, quality, and support during unforeseen events. This ensures we maintain high-quality standards and provide reliable support to our customers. Throughout the fiscal year, we have emphasized the localization and domestic production of various purchasing categories, including raw materials, spares, and consumables, to mitigate macroeconomic risks and enhance the resilience of our supply chain.

Looking ahead, we plan to expand our supplier engagement program, implement a supply chain risk assessment tool, and increase transparency and reporting to further improve the sustainability of our supply chain. By prioritizing sustainability, we aim to operate responsibly, efficiently, and effectively, contributing to the well-being of our stakeholders and the environment.



# NATURAL Capital

6 CLEAN WATER  
AND SANITATION



7 AFFORDABLE AND  
CLEAN ENERGY



12 RESPONSIBLE  
CONSUMPTION  
AND PRODUCTION



13 CLIMATE  
ACTION



15 LIFE  
ON LAND



We are dedicated to closely monitoring and minimizing our environmental impact. We have established stringent systems, processes, and controls throughout all our units to achieve this goal. Our key focus areas include adopting advanced technologies, implementing effective waste management practices, sourcing critical supplies responsibly, allocating resources judiciously, and implementing energy-saving measures.





## Key Highlights

# 48%

ENERGY CONSUMPTION FROM RENEWABLE SOURCES

# 80%

HAZARDOUS WASTE RECYCLED

# 21.95 (GJ/MT)

ENERGY INTENSITY

# 1.87 tCO<sub>2</sub>e/MT

EMISSIONS INTENSITY

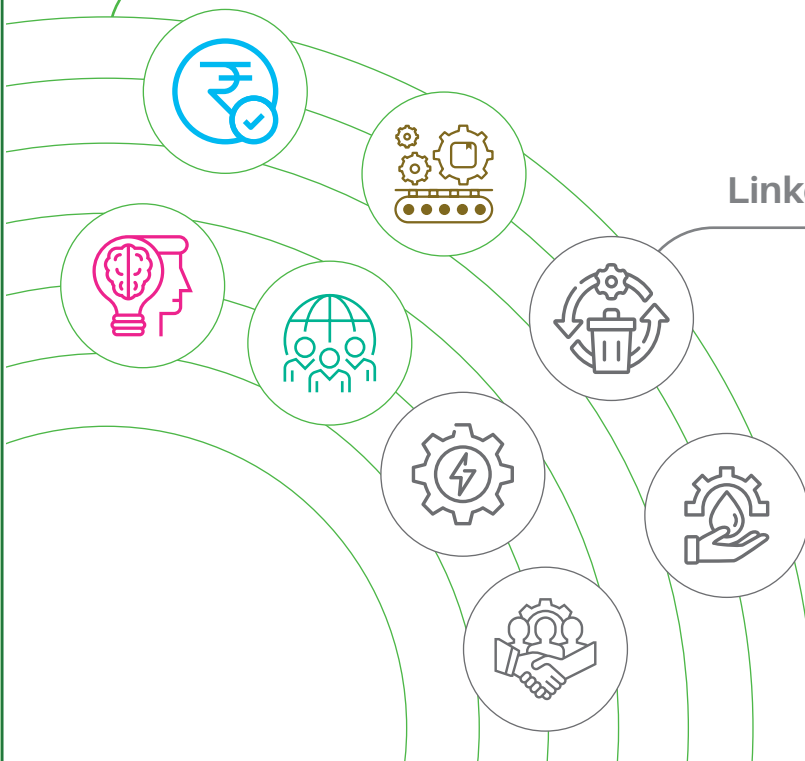
# Zero

TOTAL WASTEWATER DISCHARGE



## Linkage with Other Capitals

### Linked Material Topics



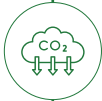
## Balancing Impact with Responsibility

The synthetic yarn industry plays a crucial role in economic development. However, the process of yarn making involves a significant number of resources which can result in adverse environmental impacts such as emissions and effluents. We are dedicated to using the most efficient production methods to reduce waste generation and minimize our negative impact on the environment.

However, we do not overlook the substantial resource consumption that accompanies yarn manufacturing. The

processes involved in producing synthetic yarn demand considerable amounts of raw materials, energy, and water. This high resource utilization can lead to adverse environmental impacts, including increased greenhouse gas emissions, water scarcity, and waste generation. Recognizing these challenges, we are resolutely committed to implementing sustainable practices that optimize our resource usage and minimize our environmental footprint.

### Strategies for Natural Capital Management



**Transition to Low-Carbon Methods:** Reduce greenhouse gas emissions and minimize carbon footprint.



**Water Conservation:** Reduce dependency on freshwater consumption by implementing efficient water management systems and exploring opportunities for water recycling.



**Pollution Prevention:** Implementing best practices in waste management and ensuring compliance with environmental regulations.



**Maximizing Waste Value:** Maximizing the value we derive from waste by implementing recycling and reuse strategies across our value chain.



**Circular Economy Opportunities:** Exploring opportunities in the circular economy to reduce waste and promote sustainability.

### Operational Excellence

#### Environmental Management Systems

Implemented ISO 14001:2015 and ISO 9001:2015 certified environmental management systems, which provides a framework for compliance and enhanced environmental performance.

#### Recent Investments

In FY 2023-24, we installed a reverse osmosis (RO) unit at our Bharuch plant to enhance water management and adopt circular economy principles.

## Efficient Material Management

Material management at Century Enka encompasses the acquisition, purchasing, storage, and effective utilization of direct and indirect materials in the manufacturing process. Our primary raw materials include caprolactam and nylon chips, with a total consumption of **67,155 MT** during the reporting period. We recognize the importance of employing alternative raw materials to reduce reliance on virgin resources, thereby significantly decreasing our environmental footprint in terms of energy consumption, pollution, and waste disposal.

	Caprolactam (in MT)	Nylon Chips (in MT)
Total Consumption	28,629	38,526

We also have recycled **1,329 MT** of caprolactam waste, which can be reused to make nylon chips for internal consumption and exports.

## Sustainable Packaging

We are using old paper tubes and plastic as packaging material, and to reduce paper tube consumption, we have been requesting our major suppliers to send back the packaging materials so that it can be reused. During the reporting period, we actively sought alternative packaging solutions to replace the plastic and paper tubes. We have started experimenting with transparent biodegradable bags, which have less microns to increase product visibility. We were successful in finding acceptance with our customers for the new packaging solution and were also able to replace paper tubes and plastic with biodegradable bags, due to which paper tube consumption per MT production of yarn has been reduced by 6% during the current reporting period. Initially, we were using 15 Micron HM Bag for packing, but according to the revised CPCB guidelines, it got converted to 51 Micron LLDPE. From a sustainability perspective, we modified and improved our packaging system by adopting biodegradable bags as packing material instead of the 51-micron LLDPE bags, also we have received acceptance from our customers for the same and it is cost effective as well. We have set an ambitious goal of achieving Zero Waste to Landfill by 2030 and are taking proactive steps towards achieving this target.

## Energy Management

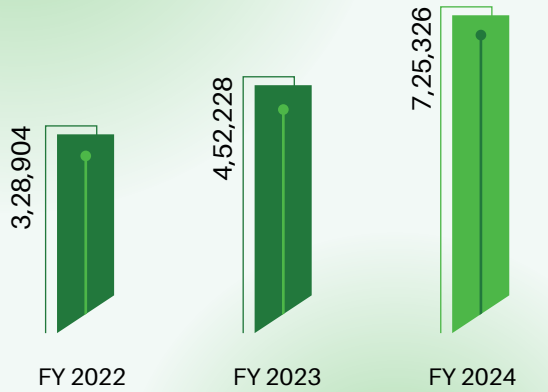
Energy is essential to our business operations, and the global economy's reliance on fossil fuels necessitates a continuous and clean energy supply. As a responsible Company, we have embraced cleaner fuel alternatives to support national and international sustainability objectives. We employ highly efficient production methods that contribute to energy conservation and focus on reducing greenhouse gas emissions by prioritizing renewable energy sources and enhancing energy efficiency.

We have implemented meticulous monitoring and reporting systems across our business sectors to track and analyze energy consumption. This comprehensive data helps us identify high energy usage areas and implement tailored strategies and initiatives for further reductions. To meet our energy demands, we use a combination of renewable and non-renewable sources. The steam purchased is generated from renewable sources like biomass (briquettes). Additionally, we use non-renewable energy sources such as purchased electricity, LNG, LDO, and HSD. We continuously strive to find more energy efficient ways to reduce our dependence on fossil fuels.

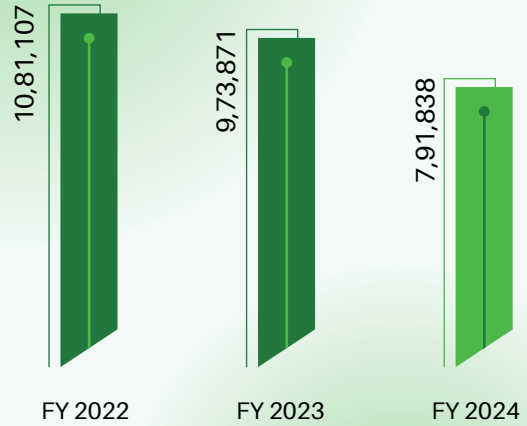
Our Energy Conservation Cell sets internal targets and monitors energy-saving projects. We consider total fuel consumption from all sources, including renewable and non-renewable, as well as energy consumed through heating, cooling, steam purchased, and self-generated energy. Our total energy consumption for the reporting period **1,517,165 GJ**, with **48%** derived from renewable sources which was **32%** in the last reporting period, showcasing our efforts at moving towards a cleaner tomorrow.



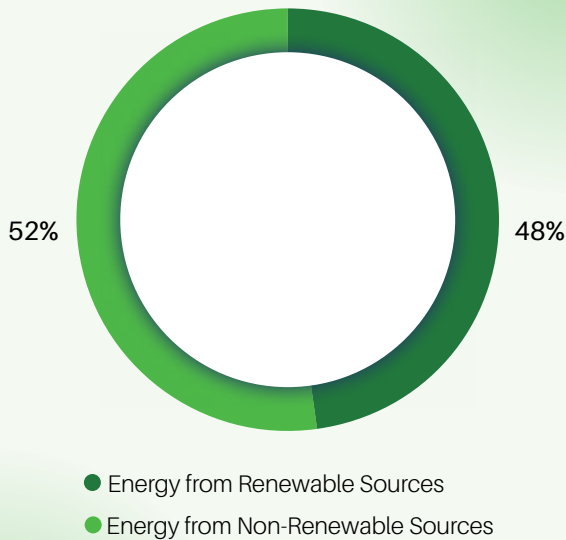
### Energy Consumption - Renewable Sources (in GJ)



### Energy Consumption - Non-Renewable Sources (in GJ)



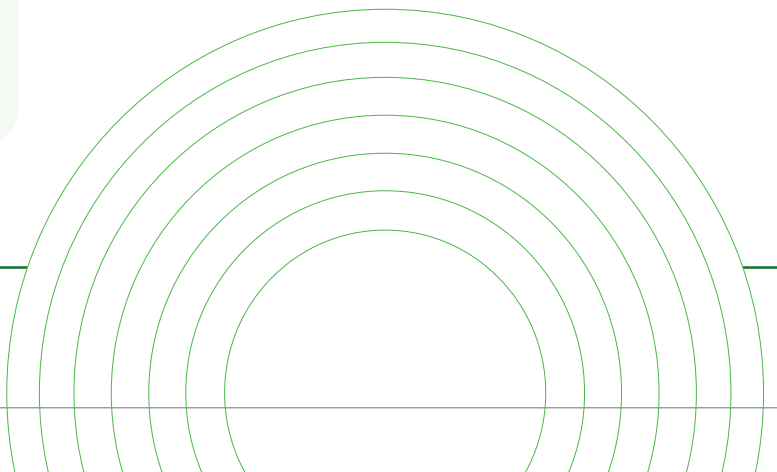
### Energy Consumption in 2023-24 (in %)



## Energy Efficiency

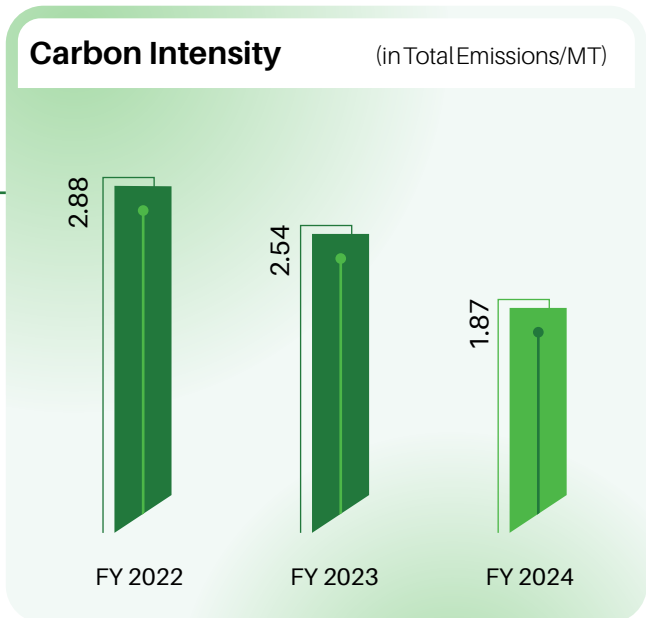
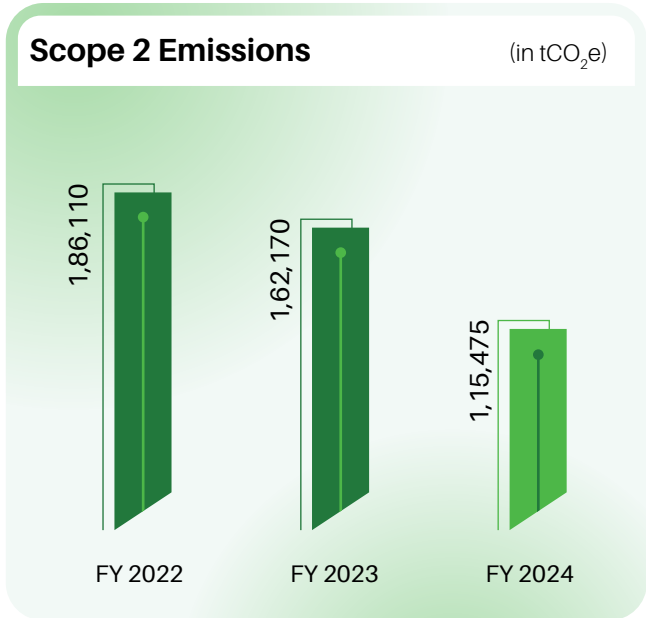
We are committed to improving energy efficiency through process improvements and investments in new technologies. In FY 2023-24, we initiated numerous energy-saving projects at both plants, including eliminating multiple cooling tubes, converting pneumatic to mechanical systems, optimizing steam consumption by isolating idle headers, and many other activities.

We invested **7.68 Lacs** in these projects, resulting in daily energy savings of **5,228 kW** and annual savings of **312 Lacs**. These measures have helped reduce our Scope 2 emissions by **1,158 tCO<sub>2</sub>e**, as energy consumption decreased by **6,870 GJ**. Both plants have implemented various fuel-saving and electricity-saving initiatives, demonstrating our commitment to a greener future.



## Emissions Management

We acknowledge the climate crisis and strive to make our processes cleaner and less impactful on the environment. We adopt eco-friendly materials and processes to reduce carbon emissions and emissions of harmful gases like SOx and NOx, and solid particulates (PM2.5 & PM10). We have invested in technology for renewable energy production, such as a briquette-fired boiler, to reduce carbon emissions. In the reporting period, we have focused to reduce the consumption of LDO (Light Diesel Oil) in our operations and replace it with LNG (Liquified Natural Gas) which has helped to reduce our Scope 1 emissions and we are on track to phase out LDO as much as possible from our consumption. Scope 2 emissions also reduced by **29%** as compared to the previous reporting period, the major reason being an increase in renewable energy sources and an improvement in the energy efficiency of various operational activities.



Biogenic emissions for the current reporting period were **61,212 tCO<sub>2</sub>e** and were mainly generated from the use of Biomass in the operations. We closely monitor ambient air quality and stack emissions to ensure compliance with the State Pollution Control Board's (SPCB) standards. We aim to minimize air emissions in our operating communities through advanced air pollution control equipment and by staying current with global pollution control technologies. We have digitized and unified environmental Key Performance Indicators (KPIs) on an environment canvas for reliable and consistent data. Online audits, a unified dashboard, and real-time measurements provide valuable insights.



## Air Emissions

(in GJ)



## Emissions Reduction

Our objective is to achieve Net-zero GHG emissions by 2050, by setting targets for reducing greenhouse gas emissions. We have set an ambitious emissions reduction goal i.e., **by 2025, we aim to reduce CO<sub>2</sub> emission by 25%, against a baseline of FY 2018-19.** To achieve this target, we are focusing on increasing the proportion of renewable sources in our energy consumption result, of which our energy consumption from renewable sources has increased by **60%** as compared to last reporting period.

## Water Management

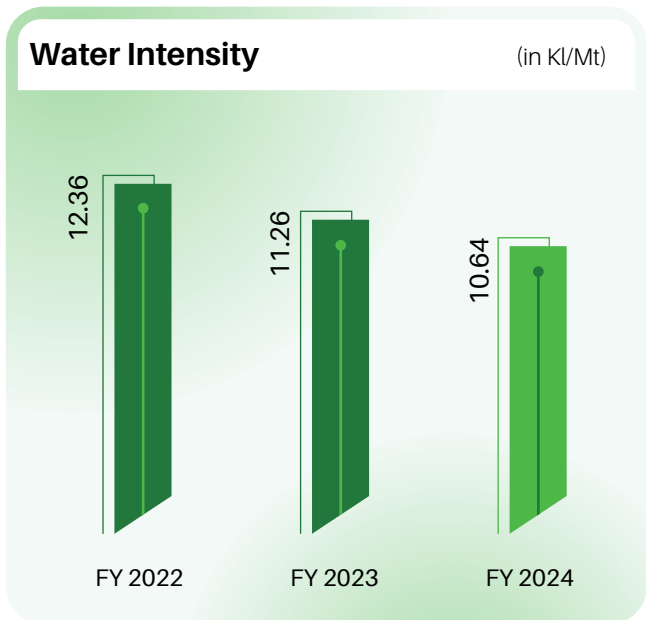
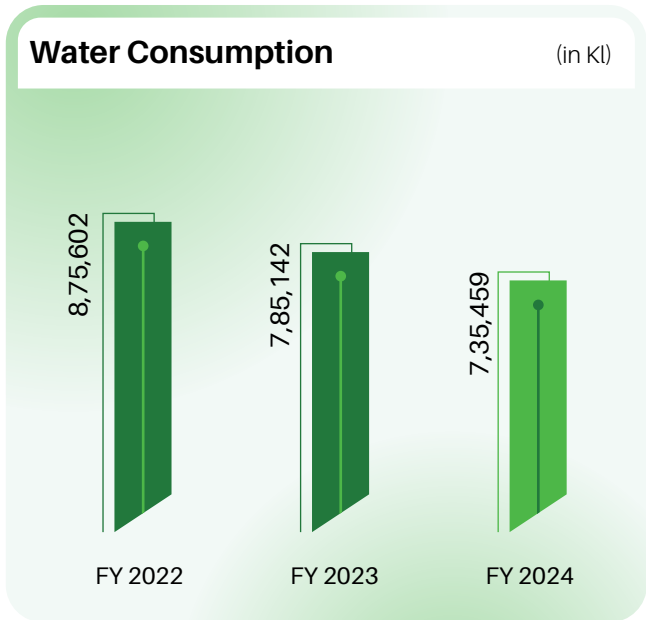
Water conservation has never been more critical due to the depletion of clean water sources, decreasing water tables, and the rising demand from residential and industrial sectors. Water is becoming an increasingly expensive resource. Although water consumption during spinning and weaving is minimal, textile wet processing operations use a significant amount. This extensive use also generates large quantities of effluents containing suspended solids, dissolved substances, and chemicals.

To address these challenges, we focus on reducing water usage at the source by identifying root problems, de-bottlenecking processes, and eliminating discharge where ever possible. Both our plants have achieved Zero Liquid Discharge (ZLD) status through the implementation of advanced water management systems.

In the current fiscal year, we have made significant advancements in our water conservation efforts. Last year, we were in the process of installing a comprehensive ZLD system at our Bharuch plant, which includes a three-stage Reverse Osmosis (RO) process, Mechanical Vapor Recompression (MEE) and Agitated Thin Film Dryer (ATFD), and commenced operations in the current reporting period. This technology has enabled us to reduce freshwater consumption by 230 m<sup>3</sup>/day.

Our aggressive target of reducing total water consumption by **40%** by FY 2025, based on a FY 2019 baseline, is progressing well. We have already achieved a **35%** reduction, and we are on track to achieve the target next year, demonstrating our commitment to environmental stewardship. The Pune plant relies on municipal water supplies, while the Bharuch plant primarily uses groundwater. In the current fiscal year, both plants have consumed a total of **7,35,459** kiloliters of water. Our continued efforts in water conservation have not only reduced environmental impact but have also contributed significantly to the preservation of this precious natural resource.

By implementing these advanced water management measures, we not only save costs but also make a substantial positive impact on the environment. Our dedication to sustainable practices ensures that we remain at the forefront of industry efforts to conserve water and protect our planet for the future generations.



\* The TDS of water withdrawal is below 600 mg/l



## Biodiversity Conservation and Ecosystem Balance

As a responsible manufacturing company, we acknowledge the critical role our business plays in maintaining a healthy ecosystem and conserving biodiversity. We understand the threats posed by over-utilization of resources, population growth, and rising demand for land and resources. To maintain the ecosystem balance, it is essential to preserve existing biodiversity and ensure our operations remain within permissible limits, avoiding any threat or environmental damage to the surrounding biodiversity.

To mitigate the impact of our operations on the surrounding ecosystem, we have taken several proactive steps. Our Pune plant, located outside the protected area, has no significant negative impact on the surrounding biodiversity. Similarly, the manufacturing activities at both Pune and Bharuch are not closely linked or directly dependent on the biodiversity regions around the plants.

We actively engage in plantation activities and green belt development, incorporating trees, shrubs, and herbs. Notably, **52%** of the total land at our Bharuch unit is dedicated to green belt development, promoting ecosystem restoration, and maintaining a healthy environment. Additionally, we have continued our tradition of celebrating World Environment Day with the theme of 'Ecosystem Restoration' by conducting a tree plantation drive of fruit trees within the factory premises. Our concerted efforts have resulted in a thriving green belt, enhancing the biodiversity around our facilities.

By integrating these practices into our operations, we contribute to the preservation of natural habitats and promote a sustainable future for the communities and environments surrounding our manufacturing locations.

## Recharging Borewells for Sustainable Water Management

In our commitment to sustainable water management, we have significantly expanded our borewell recharging initiative at the Bharuch plant. This year, we have recharged 28 borewells which were 19 in the last reporting period, each with a diameter of 150 mm and a depth of 80 meters. This initiative is designed to enhance the plant's water management system by recharging groundwater through rainwater harvesting. Each borewell is designed with a water intake capacity of approximately 200 Liters Per Minute (LPM), allowing for substantial water extraction from the surrounding area. This extracted water is then used to recharge the groundwater in the vicinity of each borewell.

With an average of 45 rain days annually, each recharge well can replenish approximately 12,960 cubic meters of water per year. Collectively, the 28 borewells are projected to recharge a remarkable 3,62,880 cubic meters of groundwater annually.

This significant enhancement in our borewell recharging capacity not only underscores our dedication to sustainable water management but also contributes to the long-term sustainability of our operations. By effectively utilizing rainwater to recharge groundwater, we are making substantial strides in preserving this vital natural resource and ensuring the resilience of our water supply for future generations.



## Waste Management

Our commitment to sustainable operations is demonstrated by our comprehensive waste management strategy, which focuses on minimizing waste generation and maximizing reuse and recycling. By adhering to the principles of reduce, reuse, and recycle, we aim to significantly reduce our environmental impact while ensuring compliance with all necessary regulations set by the State Pollution Control Board (SPCB).

### Waste Generated (in MT)

Waste Category	FY 2024	FY 2023	FY 2022
Hazardous Waste	2,938.56	2,829.54	2,703.17
Non-Hazardous Waste	8,042.55	17,993	10,689

### Waste Directed to Disposal (in MT)

Waste Disposal Method	FY 2024	FY 2023	FY 2022
Incineration	0.06	39.83	22.74
Landfill	387.68	75.05	166.74

### Waste Diverted from Disposal (in MT)

Waste Diversion Method	FY 2024	FY 2023	FY 2022
Pre-Processing	198.42	251.4	261.86
Recycling	2,352.40	2,410.86	2,212.81
Co-Processing	-	48.38	37.63
Reused	-	4.03	1.40
Others (Boiler Ash is sent to brick manufacturers and Civil Debris is sent to vendors for further processing)	8,042.55	17,993	10,689



## Eco-Friendly Solutions

We prioritize the safe handling and disposal of hazardous waste, ensuring that the items such as plastic liners, bags, and drums are responsibly recycled through registered recyclers, while insulation waste is securely disposed of in a landfill.

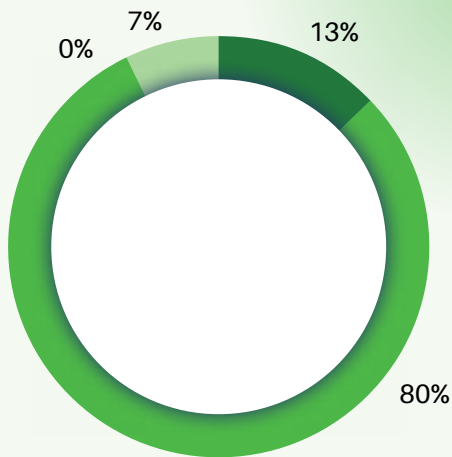
At our Bharuch plant, we have implemented an effective system for managing horticulture and gardening waste. Five composting pits have been established, converting waste into nutrient-rich manure over the course of one year. This process generates approximately 30 metric tons of manure annually, which is used for green belt development, plantation, and garden maintenance, contributing to a healthier environment.

To address the issues of effective use of kitchen waste from our canteen, we have installed a food waste composting machine with a capacity of 100 kg per day. Operational since March 1, 2023, the machine efficiently converts 20-25% of the input into compost, with the remaining liquid being vaporized during the process, resulting in zero waste. The nutrient-rich compost produced is utilized for gardening and green belt development, promoting a green and sustainable environment.

By integrating these waste management practices, we reaffirm our commitment to sustainability. Our initiatives not only ensure regulatory compliance but also enhance our contributions to environmental conservation and resource efficiency.



## Disposal of Hazardous Waste



- Landfilling
- Recycling
- Incineration
- Pre-processing





# Certifications

01

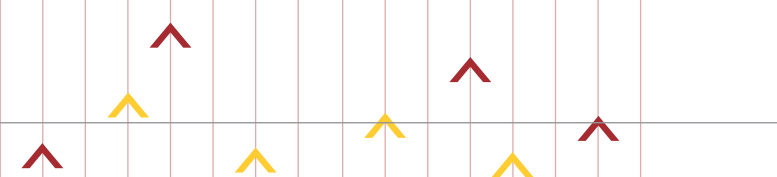
02

03

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# Awards & Recognitions



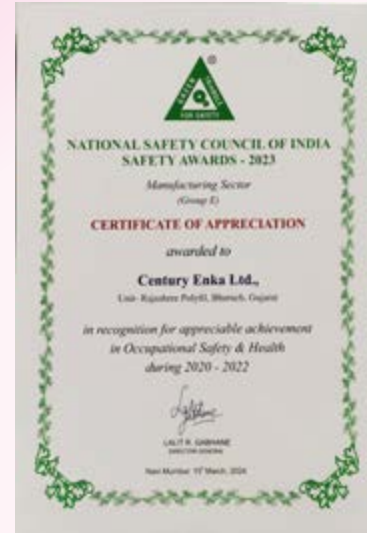
Century Enka was awarded the **Gold Trophy by the Quality Circle Forum of India** at the National Safety Convention for the theme: Elevate, Empower and Envision a Safer Tomorrow



Rajshree Polyfil Limited was awarded with the **Certificate of Recognition for outstanding performance** in Swachhata Pakwada 2023



Century Enka received the **AEPS Safety Excellence Gold Award 2024** by the Ankleshwar Environmental Preservation Society



CEL was awarded by the **National Safety Council of India** for appreciable achievement in occupational health & safety during 2020-2022



CEL won the **Jury Choice Award** across ABG sites for Water Residence



Pune Plant was felicitated with the **FICCI Water Award 2023**



# GRI Content Index

<b>Statement of use</b>	CEL has reported with reference to GRI Standards for the period 1 <sup>st</sup> April 2023 to 31 <sup>st</sup> March 2024
<b>GRI 1 used</b>	GRI 1: Foundation 2021

GRI Standard	GRI Disclosure 2021	Reference Section	Page Number	Omission	
GRI 2: General Disclosures	<b>Organizational Profile</b>				
	2-1	Organizational details	About Century Enka, BRSR	10/162	
	2-2	Entities included in the organization’s sustainability reporting	About the Report – Scope and Boundary	02	
	2-3	Reporting period, frequency, and contact point	About the Report – Reporting Period, BRSR	02/162	
	2-4	Restatements of information	About the Report – Restatements	02	
	2-5	External assurance	About the Report – External Assurance	02	
	2-6	Activities, value chain and other business relationships	About Century Enka, Value Creation process	20	
	2-7	Employees	Human Capital – Diversity & Inclusion	59	
	2-8	Workers who are not employees	Human Capital – Diversity & Inclusion	59	
	2-9	Governance structure and composition	Introduction – Governance	16-19	
	2-10	Nomination and selection of the highest governance body	Corporate Governance Report	144-145	
	2-11	Chair of the highest governance body	Corporate Governance Report	139-140	
	2-12	Role of the highest governance body in overseeing the management of impacts	Corporate Governance Report	141, 143	
	2-13	Delegation of responsibility for managing impacts	Corporate Governance Report	143-148	
	2-14	Role of the highest governance body in sustainability reporting	Leadership – Managing Director’s Message	6-7	
2-15	Conflict of interest	Corporate Governance Report, BRSR Principle 1	178-179		

GRI Standard	GRI Disclosure 2021		Reference Section	Page Number	Omission
	2-16	Communication of critical concerns	Corporate Governance Report	142, 156	
	2-17	Collective knowledge of the highest governance body	Corporate Governance Report	141-142	
	2-18	Evaluation of the performance of the highest governance body	Corporate Governance Report, Directors' Report	145/119	
	2-19	Remuneration policies	Corporate Governance Report, Directors' Report	145/119	
	2-20	Process to determine remuneration	Corporate Governance Report, Directors' Report	145/118-119	
	2-21	Annual total compensation ratio	Directors' Report - Annexure III	127	
	2-22	Statement on sustainable development strategy	Leadership - Managing Director's Message	7	
	2-23	Policy commitments	BRSR - Section B	170-173	
	2-24	Embedding policy commitments	BRSR - Section B	170-173	
	2-25	Processes to remediate negative impacts	BRSR - Grievance Redressal Mechanism	165	
	2-26	Mechanisms for seeking advice and raising concerns	BRSR - Grievance Redressal Mechanism	165	
	2-27	Compliance with laws and regulations	Corporate Governance report	139, 143, 156, 157	
	2-28	Membership associations	BRSR Principle 3	183	
	2-29	Approach to stakeholder engagement	Stakeholder Engagement	30	
	2-30	Collective bargaining agreements	Human Capital - Upholding our Commitment to Human Rights, BRSR Principle 3	60/183	

**GRI 201: Economic Performance**

GRI 3: Management of Material Topics	3-3	Management of material topics	Materiality Assessment	34-37	
GRI 201: Economic Performance	201-1	Direct economic value generated and distributed	Financial Capital - Economic Value Generation	40	
	201-3	Defined benefit plan obligations and other retirement plans	Human Capital - Retirement Benefits for a Secure Future	65	

GRI Standard	GRI Disclosure 2021		Reference Section	Page Number	Omission
<b>GRI 203: Indirect Economic Impacts</b>					
GRI 203: Indirect Economic Impacts	203-1	Infrastructure investments and services supported	Social & Relationship Capital - Rural Infrastructural Development	82-84	
	203-2	Significant indirect economic impacts	Social & Relationship Capital	72-87	
<b>GRI 205: Anti-Corruption</b>					
GRI 205: Anti-Corruption	205-1	Operations assessed for risks related to corruption	BRSR Principle 1	178-179	
	205-3	Confirmed incidents of corruption and actions taken	BRSR Principle 1	179	
<b>GRI 301: Materials</b>					
GRI 3: Management of Material Topics	3-3	Management of material topics	Natural Capital - Material Management	91	
GRI 301: Materials	301-1	Materials used by weight or volume	Natural Capital - Material Management	91	
	301-2	Recycled input materials used	Natural Capital - Material Management	91	
	301-3	Reclaimed products and their packaging materials	BRSR	180-181	
<b>GRI 302: Energy</b>					
GRI 3: Management of Material Topics	3-3	Management of material topics	Natural Capital - Energy Management	91-93	
GRI 302: Energy	302-1	Energy consumption within the organization	Natural Capital - Energy Management, BRSR Principle 6	91-93/193	
	302-3	Energy intensity	Natural Capital, BRSR Principle 6	91-93/198	
	302-4	Reduction of energy consumption	Natural Capital - Energy Management, BRSR Principle 6	91-93/198	
<b>GRI 303: Water</b>					
GRI 3: Management of Material Topics	3-3	Management of material topics	Natural Capital - Water Management	94-95	
GRI 303: Water & Effluents	303-1	Interactions with water as a shared resource	Natural Capital - Water Management, BRSR Principle 6	94-95/197	
	303-2	Management of water discharge-related impacts	Natural Capital - Water Management, BRSR Principle 6	94-95/197	
	303-3	Water withdrawal	Natural Capital - Water Management, BRSR Principle 6	94-95/192, 197-198	

GRI Standard	GRI Disclosure 2021		Reference Section	Page Number	Omission
	303-4	Water discharge	Natural Capital – Water Management, BRSR Principle 6	94-95/193-194	
	303-5	Water consumption	Natural Capital – Water Management, BRSR Principle 6	94-95/197-198	
<b>GRI 304: Biodiversity</b>					
GRI 3: Management of Material Topics	3-3	Management of material topics	Natural Capital – Supporting Biodiversity	96	
GRI 304: Biodiversity	304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Natural Capital – Supporting Biodiversity, BRSR Principle 6	96/196	
	304-2	Significant impacts of activities, products, and services on biodiversity	Natural Capital – Biodiversity Management, BRSR Principle 6	96/198	
<b>GRI 305: Emissions</b>					
GRI 3: Management of Material Topics	3-3	Management of material topics	Natural Capital – Emissions	93	
GRI 305: Emissions	305-1	Direct (Scope 1) GHG emission	Natural Capital – Emissions, BRSR Principle 6	93/195	
	305-2	Indirect (Scope 2) GHG emissions	Natural Capital – Emissions, BRSR Principle 6	93/195	
	305-4	GHG emissions intensity	Natural Capital – Emissions, BRSR Principle 6	93/195	
	305-5	Reduction of GHG emissions	Natural Capital – Emissions, BRSR Principle 6	93/195, 198	
	305-7	Nitrogen oxides (NOX), sulfur oxides (SOX), ODS and other	Natural Capital – Emissions, BRSR Principle 6	93/194	
<b>GRI 306: Effluents and Waste</b>					
GRI 3: Management of Material Topics	3-3	Management of material topics	Natural Capital – Waste Management, BRSR Principle 6	97/195-196	

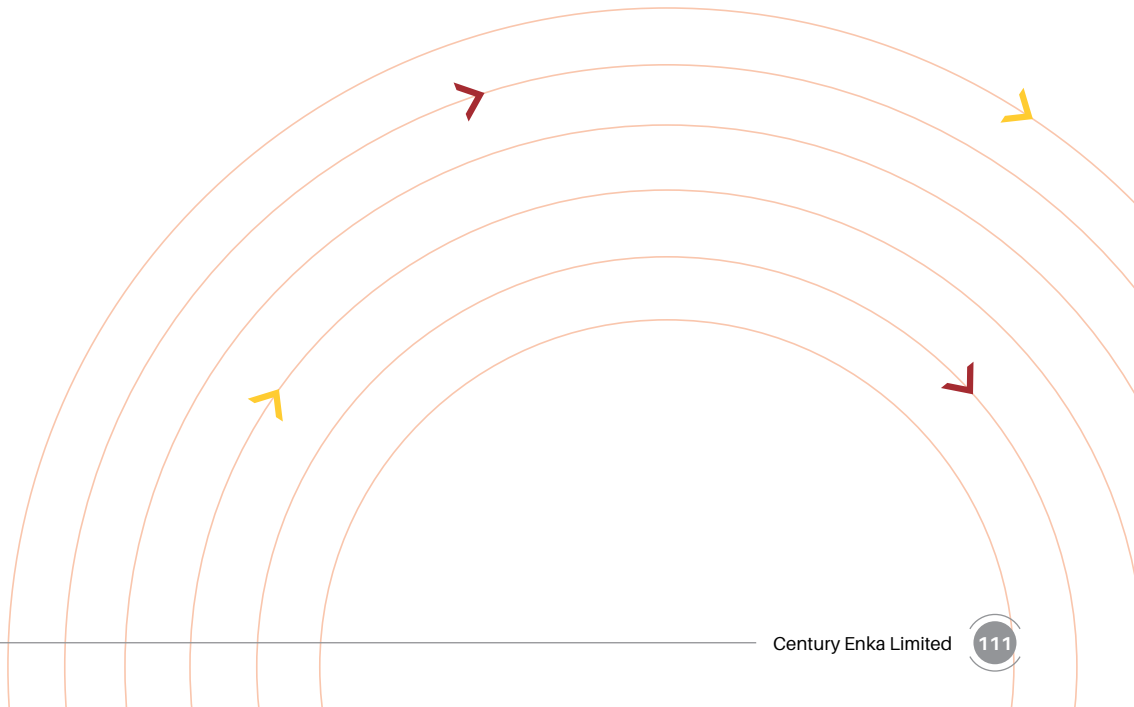
GRI Standard	GRI Disclosure 2021		Reference Section	Page Number	Omission
GRI 306: Effluents and Waste	306-1	Waste generation and significant waste-related impacts	Natural Capital – Waste Management, BRSR Principle 6	97/195-196	
	306-2	Management of significant waste-related impacts	Natural Capital – Waste Management, BRSR Principle 6	97/195-196	
	306-3	Waste generated	Natural Capital – Waste Management, BRSR Principle 6	97/195-196	
	306-4	Waste diverted from disposal	Natural Capital – Waste Management, BRSR Principle 6	97/195-196	
	306-5	Waste directed to disposal	Natural Capital – Waste Management, BRSR Principle 6	97/195-196	
<b>GRI 307: Environmental Compliance</b>					
GRI 3: Management of Material Topics	3-3	Management of material topics	Natural Capital -Environmental Compliance	91	
GRI 307: Environmental Compliance	307-1	Non-compliance with environmental laws and regulation	Natural Capital, BRSR Principle 6	91	
<b>GRI 401: Employment</b>					
GRI 3: Management of Material Topics	3-3	Management of material topics	Human Capital	56-71	
GRI 401: Employment	401-1	New employee hires and employee turnover	Human Capital – Human Resource Management	58	
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Human Capital - Human Resource Management, Financial capital – Economic Value Creation, BRSR Principle 3	65,68/181-183	
	401-3	Parental leave	BRSR Principle 3	183	
<b>GRI 402: Labor/Management Relations</b>					
GRI 402: Labor/ Management Relations	402-1	Minimum notice period regarding operational changes	There is no official notice period available, but all our employees and workers are informed about the implementation of operational changes sufficiently in advance.		



GRI Standard	GRI Disclosure 2021	Reference Section	Page Number	Omission	
<b>GRI 403: Occupational Health &amp; Safety</b>					
GRI 3: Management of Material Topics	3-3	Management of material topics	Human Capital – Health & Safety	66-71	
GRI 403: Occupational Health & Safety	403-1	Occupational health and safety management system	Human Capital – Occupational health & safety management, Employee wellbeing, BRSR	61, 66-71/184	
	403-2	Hazard identification, risk assessment, and incident investigation	Human Capital – Hazard identification and Risk assessment, BRSR	71/185	
	403-3	Occupational health services	Human Capital – Occupational health & safety management, BRSR	66-71/184	
	403-4	Worker participation, consultation, and communication on occupational health and safety	Human Capital – Occupational Health & Safety	66-71	
	403-5	Worker training on occupational health and safety	Human Capital – Safety training, BRSR Principle 3	69	
	403-6	Promotion of worker health	Human Capital – Employee well-being	61	
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Human Capital – Health & Safety	71	
	403-8	Workers covered by an occupational health and safety	Human Capital – Health & Safety, BRSR Principle 3	59/184-186	
	403-9	Work-related injuries	Human Capital – Occupational Health & Safety, BRSR report	185	
<b>GRI 404: Training &amp; Education</b>					
GRI 3: Management of Material Topics	3-3	Management of material topics	Human Capital – Learning and Development	59-69	
GRI 404: Training & Education	404-1	Average hours of training per year per employee	Human Capital – Learning and Development	59	
	404-2	Programs for upgrading employee skills and transition assistance programs	Human Capital – Learning and Development, BRSR Principle 1, Principle 3	61-64/177, 184	
	404-3	Percentage of employees receiving regular performance and career development reviews	Human Capital, BRSR Principle 3	59-60,64/184	

GRI Standard	GRI Disclosure 2021		Reference Section	Page Number	Omission
<b>GRI 405: Diversity and Equal Opportunity</b>					
GRI 3: Management of Material Topics	3-3	Management of material topics	Human Capital	58-59	
GRI 405: Diversity and Equal Opportunity	405-1	Diversity of governance bodies and employees	Human Capital – Diversity & Inclusion, BRSR Section A21	59/164	
	405-2	Ratio of basic salary and remuneration of women to men	Average pay ratio of Women/ Men = 0.85 (Excluding Board of Directors & KMP), BRSR Principle 5		
<b>GRI 406: Non-discrimination</b>					
GRI 406: Non-discrimination	406-1	Incidents of discrimination and corrective actions taken	Human Capital, BRSR Principle 5	58,60/191	
<b>GRI 407: Freedom of Association &amp; Collective Bargaining</b>					
GRI 407: Freedom of Association & Collective Bargaining	407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Human Capital - Upholding our Commitment to Human Rights, BRSR Principle 3	60/183	
<b>GRI 408: Child Labor</b>					
GRI 408: Child Labor	408-1	Operations and suppliers at significant risk for incidents of child labor	Human Capital - Upholding our Commitment to Human Rights, BRSR Principle 5	60/191-192	
<b>GRI 409: Forced or Compulsory labor</b>					
GRI 409: Forced or Compulsory labor	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	Human Capital - Upholding our Commitment to Human Rights, BRSR Principle 5	60/191-192	
<b>GRI 411: Rights of Indigenous people</b>					
GRI 411: Rights of Indigenous people	411-1	Incidents of violations involving rights of indigenous peoples	Human Capital - Upholding our Commitment to Human Rights, BRSR Principle 5	60/189	
<b>GRI 413: Local Communities</b>					
GRI 3: Management of Material Topics	3-3	Management of material topics	Social & Relationship Capital – Our CSR Initiatives	74-81	
GRI 413: Local Communities	413-1	Operations with local community engagement, impact assessments, and development programs	Social & Relationship Capital – Community Initiatives and their Impacts	74-81	

GRI Standard	GRI Disclosure 2021		Reference Section	Page Number	Omission
<b>GRI 416: Customer Health &amp; Safety</b>					
GRI 3: Management of Material Topics	3-3	Management of material topics	Social & Relationship Capital	75,84	
GRI 416: Customer Health and Safety	416-2	Incidents of non-compliance concerning the health & safety impacts of products and service	Social & Relationship Capital	75,84	
<b>GRI 417: Marketing &amp; Labelling</b>					
GRI 417: Marketing & Labelling	417-1	Requirements for product and service information and labeling	Social & Relationship Capital – Building Relationship with Customers	85	
	417-2	Incidents of non-compliance concerning product and service information and labeling	Social & Relationship Capital – Building Relationship with Customers	85	
<b>GRI 418: Customer Privacy</b>					
GRI 418: Customer Privacy	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Social & Relationship Capital – Promoting Bonds with Customers, BRSR Principle 9	84-85/202-203	



# UNSDGs Index

	UN Sustainable Development Goal	Overview	Report Section	Page Number
	Good Health & Well-Being	Ensure healthy lives and promote well-being for all at all ages	Human Capital, Social & Relationship Capital	61, 66, 74-81
	Quality Education	Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all	Human Capital, Social & Relationship Capital	66-67, 75
	Gender Equality	Achieve gender equality and empower all women and girls	Human Capital, Social & Relationship Capital	58-59
	Clean Water & Sanitation	Ensure availability and sustainable management of water and sanitation for all	Natural Capital, Social & Relationship Capital	66-68, 87, 94-97
	Affordable & Clean Energy	Ensure access to affordable, reliable, sustainable, and modern energy for all	Natural Capital	91-92
	Decent Work & Economic Growth	Promote sustained, inclusive, and sustainable economic growth, full and productive employment, and decent work for all	Financial Capital, Manufactured Capital, Human Capital, Social & Relationship Capital	38-51, 56-87

	UN Sustainable Development Goal	Overview	Report Section	Page Number
	Industry, Innovation & Infrastructure	Build resilient infrastructure, promote sustainable industrialization, and foster innovation	Manufactured Capital, Intellectual Capital, Social & Relationship Capital	44-55, 72-87
	Reduced Inequalities	Reduce inequality within and among countries	Human Capital, Social & Relationship Capital	56-87
	Responsible Production & Consumption	Ensure sustainable consumption and production patterns	Manufactured Capital, Intellectual Capital, Social & Relationship Capital, Natural Capital	44-55, 72-99
	Climate Action	Urgent actions to combat climate change and its impacts	Natural Capital	90-98
	Life on Land	Protect, restore, and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation, and halt biodiversity loss	Natural Capital	96-97



# Abbreviations

<b>ABG</b>	Aditya Birla Group
<b>ASFI</b>	Association of Synthetic Fiber Industry
<b>ATFD</b>	Agitated Thin Film Dryer
<b>ATY</b>	Air Textured Yarn
<b>BRSR</b>	Business Responsibility and Sustainability Report
<b>CAGR</b>	Compound Annual Growth Rate
<b>CEL</b>	Century Enka Ltd.
<b>CSR</b>	Corporate Social Responsibility
<b>DII</b>	Direct Institutional Investors
<b>DTT</b>	Daily Toolbox Talk
<b>DTY</b>	Draw Textured Yarn
<b>EBITDA</b>	Earnings Before Interest, Taxes, Depreciation, and Amortization
<b>ESG</b>	Environmental, Social, and Governance
<b>ESI</b>	Employee State Insurance
<b>EVD</b>	Economic Value Distributed
<b>EVG</b>	Economic Value Generated
<b>EVs</b>	Electric Vehicles
<b>FDY</b>	Fully Drawn Yarn
<b>FII</b>	Foreign Institutional Investors
<b>GDP</b>	Gross Domestic Product
<b>GHG</b>	Greenhouse Gas
<b>GRI</b>	Global Reporting Initiative
<b>GRS</b>	Green Recycled Standard
<b>HCVs</b>	Heavy Commercial Vehicles
<b>HIRA</b>	Hazard Identification and Risk Assessment
<b>HOY</b>	High Oriented Yarn
<b>HTY</b>	High Tenacity Nylon Yarn
<b>IMF</b>	International Monetary Fund
<b>ISO</b>	International Organization for Standardization
<b>ITTA</b>	Indian Technical Textile Association
<b>JSA</b>	Job Safety Analysis
<b>JSA</b>	Job Safety Analysis
<b>KMPs</b>	Key Managerial Personnel
<b>KPI</b>	Key Performance Indicator
<b>L&amp;D</b>	Learning and Development
<b>LC</b>	Letter of Credit
<b>LCVs</b>	Light Commercial Vehicles
<b>LDO</b>	Light Diesel Oil

<b>LNG</b>	Liquified Natural Gas
<b>LOTO</b>	Lockout Tagout
<b>LTIFR</b>	Lost Time Injury Frequency Rate
<b>MCCIA</b>	Mahratta Chamber of Commerce, Industries and Agriculture
<b>MEE</b>	Mechanical Vapor Recompression
<b>MHCVs</b>	Medium & Heavy Commercial Vehicles
<b>MT</b>	Metric Ton
<b>MTPA</b>	Metric Tons Per Annum
<b>NFY</b>	Nylon Filament Yarn
<b>NGO</b>	Non-Governmental Organization
<b>NGRBC</b>	National Guidelines on Responsible Business Conduct
<b>NOx</b>	Nitrogen Oxides
<b>NTCF</b>	Nylon Tyre Cord Fabric
<b>NTCF</b>	Nylon Tyre Cord Fabric
<b>OEM</b>	Original Equipment Manufacturer
<b>OHS</b>	Occupational Health and Safety
<b>OHSMS</b>	Occupational Health and Safety Management System
<b>OTR</b>	Off the Road
<b>PAT</b>	Profit after Tax
<b>PBITDA</b>	Profit before Interest, Tax, Depreciation, and Amortization
<b>PF</b>	Provident Fund
<b>POY</b>	Partially Oriented Nylon Filament Yarn
<b>POY</b>	Partially Oriented Yarn
<b>PPE</b>	Personal Protective Equipment
<b>PPEs</b>	Personal Protective Equipment.
<b>PTCF</b>	Polyester Tyre Cord Fabric
<b>PTCF</b>	Polyester Tyre Cord Fabric
<b>PTW</b>	Permit to Work System
<b>3R</b>	Reduce, Reuse, Recycle
<b>R&amp;D</b>	Research and Development
<b>SDGs</b>	Sustainable Development Goals
<b>SOs</b>	Strategic Objectives
<b>SOx</b>	Sulphur Oxides
<b>SPCB</b>	State Pollution Control Board
<b>UN SDGs</b>	United Nations Sustainable Development Goals
<b>UN SDGs</b>	United Nation Sustainable Development Goals
<b>ZLD</b>	Zero Liquid Discharge

# CORPORATE INFORMATION

## BOARD OF DIRECTORS

### **Mrs. Rajashree Birla**

Chairperson

### **Mr. Sohanlal K. Jain**

Independent Director  
(Retired w.e.f. 31<sup>st</sup> March 2024)

### **Mr. Krishna S. Thar**

Independent Director

### **Mrs. Krupa R. Gandhi**

Independent Director

### **Mr. Devajyoti N. Bhattacharya**

Non-Executive Director  
(Resigned w.e.f. 29<sup>th</sup> September 2023)

### **Mr. Jayant V. Dhobley**

Non-Executive Director  
(Appointed w.e.f. 29<sup>th</sup> September 2023)

### **Mr. Ashish Razdan**

Independent Director  
(Appointed w.e.f. 23<sup>rd</sup> November 2023)

### **Mr. Suresh Sodani**

Managing Director

## KEY MANAGERIAL PERSONNEL

### **Mr. Krishna G. Ladsaria**

Chief Financial Officer

### **Mr. Rahul Dubey**

Company Secretary

## AUDITORS

### **Statutory Auditor**

M/s. KKC & Associates LLP

### **Cost Auditor**

M/s. Dhananjay V. Joshi & Associates

### **Secretarial Auditor**

M/s. Sanjay Sangani & Co.

## REGISTERED OFFICE

Plot No. 72 & 72-A,  
MIDC, Bhosari, Pimpri-Chinchwad,  
Pune - 411 026, Maharashtra  
Tel. No.: 020-66127304  
Email: cel.investor@adityabirla.com

## SURAT OFFICE

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

## FACTORIES

Unit-Pune, Plot no, 72 & 72-A,  
MIDC, Bhosari, Pimpri-Chinchwad,  
Pune, Maharashtra -411026  
Tel. No. 020-66127300

Unit-Rajashree Polyfil, Rajashree Nagar,  
Post: Umalla, District: Bharuch,  
Gujarat - 393 120  
Tel. No. 02645 - 208555

Unit-Mahad, Plot No. C-61, Part-A & B,  
MIDC Area, Mahad, District: Raigad,  
Maharashtra - 402 309

## SHARE TRANSFER AGENT

Link Intime India Private Limited  
C-101, 247 Park, L.B.S. Marg,  
Vikhroli (West),  
Mumbai 400 083  
Tel. No. (0) 810 811 6767  
Email: rnt.helpdesk@linkintime.co.in

# DIRECTORS' REPORT For the Financial Year ended 31<sup>st</sup> March 2024

To  
The Shareholders  
Century Enka Limited

The Directors present the 58<sup>th</sup> Annual Report (3<sup>rd</sup> Integrated Report) together with audited financial statements (standalone & consolidated) of the Company for the financial year ended 31<sup>st</sup> March 2024 ('Period under review').

## FINANCIAL HIGHLIGHTS

Particulars	₹/Lacs			
	Standalone		Consolidated	
	FY 24	FY 23	FY 24	FY 23
Net Revenue from Operations	1,74,415	2,07,205	1,74,415	2,07,205
Profit before Depreciation, Finance Cost, Exceptional Items and Tax	11,628	16,137	11,628	16,137
<b>Add/(Less):</b>				
Depreciation	(5,026)	(4,122)	(5,026)	(4,122)
Finance Cost	(535)	(235)	(535)	(235)
Share in Loss of Associate (net of tax)	(1,478)	(2,736)	(1,478)	(2,736)
Taxation (Net)				
<b>Net Profit</b>	<b>4,589</b>	<b>9,044</b>	<b>4,275</b>	<b>9,032</b>

## DIVIDEND

Based on the performance of the Company, the Board of Directors recommended dividend at the rate of 100% (i.e., ₹10 per equity share of ₹10/- each) for the period under review (previous year dividend at the rate of 100% i.e., ₹10 per equity share of ₹10/- each). In terms of the amendment made under the Income Tax Act, 1961, by the Finance Act, 2020, dividend paid or distributed by the Company shall be taxable in the hands of shareholders at applicable rates of tax and the Company shall withhold tax at source appropriately.

## UNPAID/UNCLAIMED DIVIDEND

Equity shares in respect of which dividend remained unpaid/unclaimed for a period of seven consecutive years shall be transferred to the Investor Education and Protection Fund ('IEPF') Authority within the timeline laid down by the Ministry of Corporate Affairs ('MCA'), Government of India. The dividend of said equity shares shall also be transferred to the IEPF Authority. However, shareholders can claim the equity shares as well as dividend from the IEPF Authority in accordance with the procedure prescribed under the Companies Act, 2013 ('the Act') and rules made thereunder.

The Company has already been transferred equity shares along with dividend for the financial year ended 31<sup>st</sup> March 2016 to the IEPF Authority. For the financial year ended 31<sup>st</sup> March 2017, the dividend

and equity shares shall be transferred to the IEPF Authority, after the Annual General Meeting, within the timeline laid down under the Act.

## DIVIDEND DISTRIBUTION POLICY

In terms of provisions of Regulation 43A of the Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015, ('Listing Regulations'), the Company has formulated a Dividend Distribution Policy. The Board of Directors recommended dividend for the financial year based on criteria specified in Dividend Distribution Policy of the Company.

The said policy is hosted on the website of the Company and can be accessed at <https://www.centuryenka.com/pdf/policies/dividend-distribution-policy.pdf>

## TRANSFER TO GENERAL RESERVES

The Board of Directors of the Company has decided not to transfer any amount to the General Reserves, for the financial year ended 31<sup>st</sup> March 2024.

## OVERVIEW AND THE STATE OF THE COMPANY'S AFFAIRS

### Course of Business-

On a standalone basis, net revenue from operations is lower at ₹1,74,415 lacs compared to ₹2,07,205 lacs in previous year mainly on account of lower volumes in both the products, Nylon Filament Yarn (NFY) and Nylon Tyre Cord Fabric (NTCF). The profit before interest, depreciation, and tax (PBIDT) is lower at ₹11,628 lacs compared to ₹16,137 lacs in previous year. The net profit is lower at ₹4,589 lacs compared to ₹9,044 lacs in previous year. On a consolidated basis, the net profit for the year is ₹4,275 Lacs.

### Excise Duty Demand

The Customs, Excise and Service Tax Appellate Tribunal (Appellate Tribunal), vide its order dated 20<sup>th</sup> December 2019, in the Company's appeal against the order of the Commissioner of Central Excise Raigadh, upheld the denial of the benefit of Notification No. 6/2000 CE dated 1<sup>st</sup> March 2000 and remanded the proceedings to the Commissioner of Central Excise with a direction to compute the correct assessable value, allow the permissible deductions, determine the excise duty payable and allow the credit of CENVAT/ MODVAT.

The Company has preferred an appeal against the order of the Appellate Tribunal upholding the denial of benefit of Notification No. 6/2000 dated 1<sup>st</sup> March 2000 before the Hon'ble Supreme Court of India on 22<sup>nd</sup> February 2020. The Hon'ble Supreme Court of India tagged the matter with other appeals involving dispute of the similar nature. An application has been filed for stay on the recovery of interest and penalty.

The Commissioner, pursuant to the aforesaid order of the Appellate Tribunal, passed an order dated 8<sup>th</sup> September 2020, recomputed the excise duty, and confirmed the duty demand of ₹7.30 crores, (as against the original demand of ₹229.27 crores) with the interest thereon and imposed equal amount of penalty.

## DIRECTORS' REPORT (Contd.)

The Department of Central Excise has filed an appeal on 22<sup>nd</sup> January 2021 before the Appellate Tribunal against the order of Commissioner dated 8<sup>th</sup> September 2020 for not following the procedure in recomputing the differential excise duty, granting CENVAT/MODVAT credit and permissible expenditure.

The Company has been advised by legal experts that it has a reasonably good case to succeed before the Hon'ble Supreme Court.

### EXPANSION AND MODERNISATION

During the year, the expansion project for increasing the Nylon Tyre Cord Fabric (NTCF) capacity and Draw Texturizing Yarn (DTY) capacity was commissioned. Polyester Tyre Cord Fabric (PTCF) and Mother Yarn capacity has been commissioned during the reporting year FY 2024. Additional Capex is planned for modernization, generation of renewable energy, energy conservation, safety and building the infrastructure.

### CHANGE IN THE NATURE OF BUSINESS

During the period under review, there was no change in the state of affairs and/or nature of business of the Company

### CONSOLIDATED FINANCIAL STATEMENTS

In accordance with the Companies Act, 2013 ('the Act') read with the Companies (Accounts) Rules, 2014, Listing Regulations and IND AS 110-Consolidated Financial Statements and IND AS 28-Investment in Associates/Joint Ventures, the Audited Consolidated Financial Statements forms integral part of this Annual Report.

### REPORT ON PERFORMANCE OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURE COMPANIES

The Company don't have any subsidiaries and Joint-Venture Companies except an Associate Company.

ABREL Century Energy Limited is an Associate Company. In accordance with the provisions of Section 129(3) of the Act, read with the Companies (Accounts) Rules, 2014, the performance and financial position of ABREL Century Energy Limited is as under:

Latest Audited Balance Sheet Date	30 <sup>th</sup> April 2024
Number of shares held as on Balance Sheet date	88,47,800
Amount of Equity Investment	₹884.78 Lacs
Extent of Holding (%)	26%
Net Worth attributed to shareholding as per latest audited Balance Sheet	₹559.10 Lacs
Net Profit / (Loss) for the year	₹(1207.59) Lacs
Considered in consolidation	₹(313.97) Lacs
Not considered in consolidation	₹(893.62) Lacs

### ENVIRONMENT

This comprises risks associated with environmental pollution through the discharge of waste and emissions, which may cause damage

to the local ecology and environment. During the year under review, consumption of water, fuel and resources was within the prescribed limit as prescribed by State Pollution Control Board (SPCB). Generation & treatment of wastewater, hazardous waste and gaseous emission was within SPCB norms. The Company has a well-organized Environment Management System certified for ISO 14001:2015 standard. Both the manufacturing units are environmentally compliant in terms of environmental regulations. The details about Environment, Health & Safety (EHS) have been provided elsewhere in the Report.

### CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS & OUTGO

Information on Conservation of Energy, Technology Absorption and Foreign Exchange Earnings & Outgo as required to be disclosed pursuant to Section 134(3)(m) of the Act read with the Companies (Accounts) Rules, 2014, are set out in a separate statement and attached hereto as Annexure-I and forming part of the Report.

### MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The Management Discussion and Analysis Report for the period under review as stipulated under Regulation 34 of the Listing Regulations, forms an integral part of the Annual Report. It comprises details about the performance of the Company, Industry Structure and Risk Management etc.

### CORPORATE GOVERNANCE

The Board of Directors reaffirmed their continued commitment towards good Corporate Governance Practices, which forms an integral part of core values of the Company. The Company has complied with the provisions relating to Corporate Governance. The Corporate Governance Report for the period under review, as stipulated under Regulation 34 of the Listing Regulations, is presented in a separate section, and forms an integral part of the Annual Report.

### POLICY ON DIRECTORS' APPOINTMENT, REMUNERATION & OTHER RELATED MATTERS

Pursuant to the provisions of Section 178 of the Act and Regulation 19 of Listing Regulation. The Nomination and Remuneration Committee formulated a policy named as Nomination, Remuneration and Succession Policy. The main objective of the policy is to lay down criteria for:

- identification of persons who are qualified to become Directors, Key Managerial Personnel and Senior Management Personnel.
- determining qualifications, positive attributes and independence of a director.
- remuneration of Directors, Key Managerial Personnel, Senior Management Personnel & other employees
- evaluation of the performance of the Board, Committees and individual Directors and recommend to the board, all remuneration, in whatever form, payable to employees/ senior management.



## DIRECTORS' REPORT (Contd.)

The Company's remuneration strategy is market-driven and aims at attracting and retaining high calibre talent. The strategy is in consonance with the existing industry practice and is directed towards rewarding performance, based on review of achievements, on a periodical basis.

The said policy is hosted on the website of the Company and can be accessed at <https://www.centuryenka.com/pdf/policies/nomination-remuneration-and-succession-policy.pdf>

Further, the details of remuneration and criteria for payment of remuneration to non-executive and executive directors disclosed in the Corporate Governance Report, which forms an integral part of the Annual Report.

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

Pursuant to the provisions of the Act and the Listing Regulations, the Board of Directors has carried out an annual evaluation of its own performance, Independent Directors, Non-Executive Directors, Executive Director, and the Chairperson of the Board. The evaluation framework for assessing the performance of the Directors of the Company comprises contributions at meetings and strategic perspective or inputs regarding the growth and performance of the Company, among others.

The Nomination and Remuneration Committee and the Board have laid down the way in which formal annual evaluation of the performance of the Board and Individual Directors has to be made. It includes circulation of evaluation forms to respective Directors for evaluation of the Board and its Committees, Independent Directors / Non-Executive Directors / Executive Directors, and the Chairperson of the Company. The Board expressed satisfaction on the overall functioning of the Board and its Committees and is satisfied with the contribution of directors, in their respective capacities, which reflected overall engagement of individual directors.

### **DECLARATION OF INDEPENDENCE BY THE INDEPENDENT DIRECTORS**

Necessary declarations have been obtained from Independent Directors that they meet the criteria of independence as prescribed under Section 149(6) of the Act and Regulation 16(1)(b) & Regulation 25(8) of Listing Regulations. The Independent Directors have also confirmed that they have complied with Schedule IV of the Act and the Company's Code of Conduct. In the Board's opinion, there has been no change in the circumstances which may affect the status of Independent Directors of the Company and the Board is satisfied of the integrity, expertise and experience (including proficiency in terms of Section 150(1) of the Act and applicable rules thereunder) of all Independent Directors. In terms of Section 150 read with Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014, all the Independent Directors of the Company have registered their names in the databank of Independent Directors maintained with the Indian Institute of Corporate Affairs.

### **DIRECTORS' RESPONSIBILITY STATEMENT**

The audited financial statements for the period under review are in conformity with the requirements of the Act and the applicable Accounting Standards. The financial statements reflect fairly the form and substance of transactions carried out during the period under review and reasonably present the Company's financial condition and results of operation. Pursuant to Section 134(3)(c) read with Section 134(5) of the Act, the Board of Directors, to the best of its knowledge and ability, confirm that:

- in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- they had selected such accounting policies and applied them consistently and made judgments & estimates, which 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;
- they had taken proper and sufficient care for the 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 fraud and other irregularities;
- they had prepared the annual accounts on a going concern basis;
- they had laid down internal financial controls to be followed by the Company and that such internal financial controls were adequate and were operating effectively; and
- they had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

### **DIRECTORS AND KEY MANAGERIAL PERSONNEL**

#### **Appointment/Re-appointment of Directors & Key Managerial Personnel**

In accordance with the provisions of section 152 and other applicable provisions, if any, of the Act read with the Companies (Appointment & Qualification of Directors) Rules, 2014, and the Articles of Association of the Company, Mrs. Rajashree Birla (DIN: 00022995), Director of the Company, is liable to retire by rotation at the ensuing Annual General Meeting (AGM) and, being eligible, has offered herself for re-appointment. Brief profile of Mrs. Rajashree Birla forms part of the notice convening the 58<sup>th</sup> AGM to be held on Friday, 30<sup>th</sup> August 2024. The Board recommended her re-appointment in ensuing AGM.

During the period under review, Mr. Devajyoti N. Bhattacharya (DIN: 00868751), has resigned, due to other commitment, from the position of Non-Executive Non-Independent Director of the Company w.e.f. 29<sup>th</sup> September 2023. Further, Mr. Jayant Vasant Dhobley (DIN: 02402556) was appointed as the Non-Executive Non-Independent Director of the Company w.e.f. 29<sup>th</sup> September 2023 and Mr. Ashish Razdan (DIN: 03584734) was appointed as the Non-Executive Independent Director w.e.f. 23<sup>rd</sup> November 2023. Mr. Sohanlal K. Jain (DIN: 02843676) retired

## DIRECTORS' REPORT (Contd.)

on 31<sup>st</sup> March 2024 from the position of Independent Director on completion of tenure of two terms of five consecutive years.

There are no changes in Key Managerial Personnel during the period under review.

### Key Managerial Personnel

Following are the Key Managerial Personnel of the Company:

Mr. Suresh Sodani – Managing Director (MD)

Mr. Krishna G. Ladsaria – Chief Financial Officer (CFO)

Mr. Rahul Dubey – Company Secretary (CS)

### Meetings of Board of Directors

The details thereof are furnished in the Corporate Governance Report. During the period under review, 6 (six) Board meetings were held. The intervening gap between the meetings was within the period prescribed under the Act and the Listing Regulations.

During the period under review, a meeting of the Independent Directors was held on 13th March 2024.

### Details of Committees of Directors

The Company has 6 (six) Board-level Committees, which have been established in compliance with the relevant provisions of applicable laws and statutes:

- Audit Committee
- Nomination and Remuneration Committee
- Stakeholders' Relationship Committee
- Corporate Social Responsibility Committee
- Risk Management Committee
- Share Transfer Committee

The composition of aforesaid Committees and other details are provided in Corporate Governance Report and forms an integral part of the Annual Report. The Board has accepted suggestions and reconsiderations of the aforesaid Committees.

### 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 Act read with Rule 8(2) of the Companies (Accounts) Rules, 2014.

### LOANS, INVESTMENTS AND GUARANTEES BY THE COMPANY

There are no loans or guarantees given or securities provided by the Company to any entity, under Section 186 of the Act. However, the Company has invested surplus fund of the Company in Inter Corporate Deposits after due compliance with the provisions of the Act.

### INTERNAL FINANCIAL CONTROLS

The Company has put in place adequate internal control systems that are commensurate with the size of its operations. Internal control systems and procedures are periodically reviewed to keep pace with the Company's operations. The Internal Auditor monitors and evaluates

the efficacy and adequacy of internal control system in the Company, its compliance with operating systems, accounting procedures and policies at all locations of the Company. Based on the report of internal auditors, the process owners undertake corrective action in their respective areas and thereby strengthen the controls. Significant audit observations and corrective actions thereon are presented to the Audit Committee of the Board.

### PUBLIC DEPOSITS

The Company has not accepted any deposits from the public during the period under review.

### COMPLIANCE OF SECRETARIAL STANDARDS

The Company is in compliance with the 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.

### RISK MANAGEMENT

Pursuant to the requirement of Listing Regulations, the Company has constituted Risk Management Committee, which is mandated to review the risk management plan/process of the Company. Risk evaluation and management is an ongoing process within the organization. The Company has comprehensive Risk Management Policy which is periodically reviewed by the Risk Management Committee. The composition and terms of reference of the Risk Management Committee are provided in the Corporate Governance Report, which forms an integral part of the Annual report.

The Risk Management Policy is available on the website of the Company and can be accessed at <https://www.centuryenka.com/pdf/risk-management-policy.pdf>

### VIGIL MECHANISM/WHISTLE BLOWER POLICY

The Company promotes ethical behaviour in all its business activities and has put in place a mechanism for reporting illegal and unethical behaviours. The Company has a Vigil Mechanism/Whistle Blower policy under which employees are free to report any actual or potential violation of our code, policies or laws.

We have a Code of Conduct and Vigil Mechanism/Whistle Blower Policy in place through which we promote highest standards of professionalism, honesty, integrity and ethical behaviour in all our business activities.

The policy on Vigil Mechanism/ Whistle Blower is available on the website of the Company and can be accessed at <https://www.centuryenka.com/pdf/policies/vigil-mechanism-whistle-blower-policy.pdf>

### PREVENTION OF SEXUAL HARASSMENT OF WOMEN AT WORKPLACE

The Company has zero tolerance for sexual harassment at workplace and has adopted a policy on prevention, prohibition and redressal of sexual harassment at workplace in line with the provisions of the Sexual

## DIRECTORS' REPORT (Contd.)

Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules made thereunder for prevention and redressal of complaints of sexual harassment at workplace.

The Company is committed to providing equal opportunities without differentiating race, caste, sex, religion, colour, nationality, disability etc. All women associates (permanent, temporary, contractual and trainees) along with any women visiting the Company's office/premises and women service providers are covered under this policy. All employees are treated with dignity with a view to maintain a work environment free of sexual harassment whether physical, verbal or psychological.

The Company has complied with provisions relating to constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 to redress and resolve any complaints received regarding sexual harassment at the workplace.

The details of complaints received, disposed of, and pending during the period under review are given below:

- No. of complaints received: 1
- No. of complaints disposed of: 1
- No. of complaints pending: 0

### CORPORATE SOCIAL RESPONSIBILITY

In terms of the provisions of Section 135 of the Act read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, the Board of Directors of the Company has constituted a Corporate Social Responsibility ("CSR") Committee. The composition and terms of reference of the CSR Committee are provided in the Corporate Governance report, which forms an integral part of the Annual Report.

The particulars required to be disclosed pursuant to the Companies (Corporate Social Responsibility Policy) Rules, 2014 are given in Annexure-II and forms part of this Report.

The CSR Policy of the Company is available on its website and can be accessed at [https://www.centuryenka.com/investor-relations/index.html#parentHorizontalTab6|ChildVerticalTab\\_215](https://www.centuryenka.com/investor-relations/index.html#parentHorizontalTab6|ChildVerticalTab_215).

### ANALYSIS OF REMUNERATION

The disclosure pursuant to Section 197(12) read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, regarding the ratio of the remuneration of each Director to the median employee's remuneration and such other details as specified in aforesaid rule is annexed herewith as Annexure-III and forms part of this Report.

### PARTICULARS OF EMPLOYEES

Disclosures pertaining to remuneration and other details as required under Section 197(12) of the Act read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, are attached as Annexure-IV and forms part of the report. In accordance with the aforesaid provisions, the names and other particulars of employees drawing remuneration in excess of the limits set out in the aforesaid

rules forms part of this Report.

None of the employees listed in the said Annexure is a relative of any Director of the Company. None of the employees hold (by himself or along with his/her spouse and dependent children) more than two percent (2%) of the equity shares of the Company.

### AUDITORS

#### Statutory Auditors

Pursuant to the provisions of section 139 of the Act, read with the Companies (Audit and Auditors) Rules, 2014, as amended from time to time, M/s KKC & Associates LLP, Chartered Accountants, (ICAI Firm Registration No. FRN 105146W/100621) were appointed as Statutory Auditors of the Company to hold office for a term of 5 (five) consecutive years from the conclusion of 55<sup>th</sup> Annual General Meeting (AGM) until the conclusion of the 60<sup>th</sup> AGM and confirmation of shareholder of the Company has been obtained in the 55<sup>th</sup> AGM held on 13<sup>th</sup> August 2021.

#### Cost Auditors

Pursuant to the provisions of section 148 of the Act read with the Companies (Cost Records and Audit) Rules, 2014, as amended, notifications/circulars issued by the Ministry of Corporate Affairs from time to time, the cost accounts and records are duly prepared and maintained by the Company.

On recommendation of the Audit Committee, the Board in its meeting held on 16<sup>th</sup> May 2024 has re-appointed M/s Dhananjay V. Joshi & Associates, Cost Accountants (FRN-000030) as Cost Auditors for auditing the cost records of Nylon and Polyester products of the Company as covered under the aforesaid laws for the financial year ending on 31<sup>st</sup> March 2025.

Pursuant to Section 148(3) of the Act read with Companies (Cost Records and Audit) Rules, 2014, the remuneration payable to the Cost Auditor is required to be ratified by the members of the Company and accordingly, resolution seeking the ratification for the remuneration payable to M/s Dhananjay V. Joshi & Associates, Cost Accountants for the financial year ending on 31<sup>st</sup> March 2025 is included in the Notice convening the 58<sup>th</sup> AGM to be held on 30<sup>th</sup> August 2024.

The cost audit report given by M/s Dhananjay V. Joshi & Associates, Cost Accountants, Cost Auditor for the financial year 2022-23 was filed with the Ministry of Corporate Affairs on 6<sup>th</sup> September 2023.

#### Secretarial Auditors

Pursuant to the provisions of Section 204 of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board in its meeting held on 16<sup>th</sup> May 2024 has re-appointed M/s. Sanjay Sangani & Co., Company Secretaries in Practice (CP No.-3847), to undertake the Secretarial Audit of the Company for the financial year ending on 31<sup>st</sup> March 2025. The Secretarial Audit Report for the period under review is annexed herewith as Annexure-V and forming part of the report. There is one observation in the Secretarial Audit Report for the period under review which is self-explanatory in nature.

Further, M/s. Sanjay Sangani & Co., Company Secretaries in Practice

## DIRECTORS' REPORT (Contd.)

(CP No. 3847), have been re-appointed to undertake the Secretarial Audit of the Company for the financial year ending on 31st March, 2024.

The Secretarial Compliance Report for the period under review, in relation to compliance of all applicable SEBI regulations/circulars/guidelines issued thereunder, pursuant to requirement of regulation 24A of the Listing Regulations, is available on the website of the Company and can be accessed at <https://www.centuryenka.com/pdf/annual-secretarial-compliance-report-31march2024.pdf>

### REPORTING OF FRAUDS BY AUDITORS

During the period under review, the Auditors have not reported any instances of fraud committed against the Company by its officers and employees to the Audit Committee under section 143(12) of the Act.

### ANNUAL RETURN

Pursuant to Section 134(3)(a) and Section 92 of the Act read with Rule 12(1) of the Companies (Management and Administration) Rules, 2014, the Annual Return of the Company as on 31<sup>st</sup> March 2024 in Form MGT-7 is available on the website of the Company and can be accessed at [https://www.centuryenka.com/investor-relations/index.html#parentHorizontalTab6%7CChild%20ChildVerticalTab\\_212](https://www.centuryenka.com/investor-relations/index.html#parentHorizontalTab6%7CChild%20ChildVerticalTab_212).

### MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY

There have been no material changes and commitments affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which the financial statements relate and the date of this report.

### SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERNS STATUS AND COMPANY'S OPERATIONS IN FUTURE

The Company has not received any significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and the Company's operations in future.

### INTEGRATED REPORT (IR) INCLUDING BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT (BRSR)

Pursuant to Regulation 34(2)(f) of SEBI (LODR), filing of BRSR shall be mandatory for the top 1000 listed companies (by market capitalization). BRSR ensures that stakeholders shall have access to effective compliance and communication through standardized disclosure.. This report is prepared in alignment with the Integrated Reporting

(IR) Framework laid down by the International Integrated Reporting Council (IIRC) and aims at presenting the value creation approach for our stakeholders.

### GENERAL DISCLOSURES

#### During the period under review:

- the Company has not issued any Right Issue, Preferential Issue, Sweat Equity Shares, ESOP and shares with Differential Voting Rights;
- there was no revision in the financial statements;
- the Company has not made provision of any money for purchase of its own shares by employees or by Trust for the benefit of the employees pursuant to Rule 16 of the Companies (Share Capital and Debenture) Rules 2014.
- the Company has not made any application under Insolvency and Bankruptcy Code, 2016. Further, there is no proceeding pending under the said code as at the end of the financial year;
- the Company has not undergone any one-time settlement with any banks or financial institutions and therefore the disclosure in this regard is not applicable;
- the Company is not having any Employee Stock Option Scheme under Section 62(1) of the Act and SEBI (Share Based Employee Benefits) Regulations, 2014.

### ACKNOWLEDGEMENT

The Board of the Company express their deep sense of gratitude to the Central & the State Governments, Company's bankers, financial institutions, stakeholders, business associates, for their co-operation and support extended to the Company and look forward to their continued support in future.

The Board very warmly thanks all employees of the Company for their contribution to the Company's performance. We have immense respect for every person and applaud them for their superior levels of competence, dedication, and commitment to the Company.

#### For and on behalf of the Board of Directors

**Jayant Dhobley**

Non-Executive Director  
DIN: 02402556

**Suresh Sodani**

Managing Director  
DIN: 08789604

Place: Mumbai

Date: 16<sup>th</sup> May 2024

# 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 Rule 8 of the Companies (Accounts) Rules, 2014

## (A) CONSERVATION OF ENERGY

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

### (i) Steps taken and impact of conservation of energy:

Steps taken	Impact (Annualized Savings)
<b>Electricity</b>	<b>KWh (in Lacs)</b>
A. Installation of Solar system on roof top (1.0 MW)	14.96
B. Power optimisation in refrigeration by taking return air in circuit rather than exhausting the air	3.71
C. Chiller load optimisation by sealing of leakages	2.32
D. Stopping one cooling water pump out of 3 of Mist Cooling tower	3.15
E. Installation of EC fan for IY CC Air washer in place of centrifugal fan	2.27
F. Replacement of PSA towers in Nitrogen plant to reduce compressed air consumption for energy saving.	1.36
G. Replacement of Low efficiency motors with efficiency class IE-4 motors total 17 Nos	1.28
H. VFD installation for cooling trough, vapour condensate pump, warm water pump & -4m CHW booster pump for PHE stoppage.	1.18
I. Others - Interconnecting power boards to reduce the running losses of transformer, Optimisation of AHU utilization, Installation of timer-based solenoid valves to reduce usage of instrument air, installation of various VFD motors for control room and water pump etc.	3.72
<b>Steam</b>	<b>Tonnes</b>
A. Descaling recovery reboiler to enhance heat exchange & to reduce steam consumption.	350
B. IY 12 Bar Flash Steam Recovery and usage at 3.5 Bar Loom AHU to maintain R.H.	350
<b>Fuel</b>	<b>Saving in fuel cost ₹Lacs</b>
A. Conversion of LDO fired boiler to dual fuel (RLNG & LDO) fired boiler	89

### (ii) Steps taken for Utilization of alternate sources of energy:

Conversion of LDO fired to dual fuel (RLNG & LDO) fired Boiler-2 is done to reduce the fuel Cost.

### (iii) Capital investments on energy conservation equipment's during the financial year 2023-24 was ₹767.68 lacs (previous year ₹479.48 lacs).

## (B) Technology Absorption 2023-24

### (I) Efforts made for technology absorption:

- Installation of Pressure Transmitters for Mother Yarn Blowbox AHU
- Plant Area Air consumption monitoring by installation of Flowmeters
- Dipping Machine Gas leak detection system for heating zone burner.
- ETP aerator New Dissolved Oxygen system for monitoring and energy saving application.
- POLY & MY CHIPS Transport PLC Panel Installation
- Dual Fuel Conversion of Boiler No 1 & 2
- Upgradation of Heater-D control system.
- Development of Digital dashboard for chips Dryer

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

- Close monitoring & control of production parameters.
- To improve safety and equipment reliability.
- To reduce downtime.
- Energy saving & better control of production hall conditions

### (III) Information regarding imported technology (imported during the last three years (from the beginning of the financial year)

Nil

### (IV) Expenditure on Research and Development (R&D)

(₹Lacs)

Particulars	2023-24	2022-23
1. Capital Capital	See Note Below	
2. Revenue Revenue	109	296

**Note:** The Company has spent amount of ₹46 lacs during the financial year 2023-24 (previous year ₹61 lacs) as Normal Capital Expenditure although it is also used for R&D activities.

## (C) Foreign Exchange Earning and Outgo

Total foreign exchange used ₹59,016 lacs (previous year ₹69,095 lacs) and earned ₹4,935 lacs (previous year ₹6,067 lacs)



# ANNEXURE TO THE DIRECTORS' REPORT

ANNEXURE -II

## ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH 2024

### 1. Brief outline on CSR Policy of the Company:

The Company's has a multifaceted CSR Policy to cover projects and programmes in the field of education, healthcare, rural infrastructure development, disaster management, sanitation and environment. The Company's CSR projects and programmes are carried out within the CSR policy framework.

### 2. Composition of CSR Committee:

Sr. No.	Name of Director	Designation/ Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Mr. Sohanlal K. Jain	Chairperson, Independent Director	2	2
2	Mrs. Krupa R. Gandhi	Member, Independent Director	2	2
3	Mr. Suresh Sodani	Member, Managing Director	2	2

### 3. Provide the web-link(s) where Composition of CSR Committee, CSR Policy and CSR Projects approved by the board are disclosed on the website of the company.

[https://www.centuryenka.com/investor-relations/index.html#parentHorizontalTab6|ChildVerticalTab\\_215](https://www.centuryenka.com/investor-relations/index.html#parentHorizontalTab6|ChildVerticalTab_215)

### 4. Provide the executive summary along with web-link(s) of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8, if applicable - Not Applicable

5. (a) Average net profit of the company as per sub-section (5) of section 135: **₹15,252 Lacs**
- (b) Two percent of average net profit of the company as per sub-section (5) of Section 135: **₹305.10 Lacs**
- (c) Surplus arising out of the CSR Projects or programmes or activities of the previous financial years: **NIL**
- (d) Amount required to be set-off for the financial year, if any: **NIL**
- (e) Total CSR obligation for the financial year [(b)+(c)-(d)]: **₹305.10 Lacs**
6. (a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project): **₹305.10 Lacs**
- (b) Amount spent in Administrative Overheads: **NIL**
- (c) Amount spent on Impact Assessment, if applicable: **Not Applicable**
- (d) Total amount spent for the Financial Year [(a)+(b)+(c)]: **₹305.10 Lacs**
- (e) CSR amount spent or unspent for the Financial Year:

Total Amount Spent for the Financial Year. (in ₹)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per subsection (6) of section 135		Amount transferred to any fund specified under Schedule VII as per second proviso to sub-section (5) of section 135		
	Amount	Date of Transfer	Name of the Fund	Amount	Date of Transfer
₹305.10 Lacs	NIL	-	-	NIL	-

- (f) Excess amount for set-off, if any:

Sl. No.	Particular	Amount (in ₹)
(1)	(2)	(3)
(i)	Two percent of average net profit of the company as per sub-section (5) of section 135	₹305.10 Lacs
(ii)	Total amount spent for the Financial Year	₹305.10 Lacs
(iii)	Excess amount spent for the Financial Year [(ii)-(i)]	NIL
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous Financial Years, if any	NIL
(v)	Amount available for set off in succeeding Financial Years [(iii)-(iv)]	NIL

# ANNEXURE TO THE DIRECTORS' REPORT

ANNEXURE -II (CONTD.)

**7. Details of Unspent Corporate Social Responsibility amount for the preceding three Financial Years:**

1	2	3	4	5	6		7	8
Sl. No.	Preceding Financial Year(s)	Amount transferred to Unspent CSR Account under subsection (6) of section 135 (in ₹)	Balance Amount in Unspent CSR Account under subsection (6) of section 135 (in ₹)	Amount Spent in the Financial Year (in ₹)	Amount transferred to a Fund as specified under Schedule VII as per second proviso to subsection (5) of section 135, if any		Amount remaining to be spent in succeeding Financial Years (in ₹)	Deficiency, if any
					Amount (in ₹)	Date of Transfer		
1	FY-1	-	-	-	-	-	-	-
2	FY-2	-	-	-	-	-	-	-
3	FY-3	-	-	-	-	-	-	-

**8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year:**

(a) Yes (✓)                      (b) No

If Yes, enter the number of Capital assets created/ acquired: 3

Furnish the details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the Financial Year:

Sl. No.	Short particulars of the property or asset(s) [including complete address and location of the property]	Pincode of the property or asset(s)	Date of creation	Amount of CSR spent	Details of entity/ Authority/ beneficiary of the registered owner		
					CSR Registration Number, if applicable	Name	Registered address
(1)	(2)	(3)	(4)	(5)	(6)		
1	Construction of three lab and three classrooms along with approach road (Rajashree Vidya Mandir-Cenka Samaj Kalyan Sanstha) Address: Village: Bamalla, Po: Umalla, Dist: Bharuch-393120, Gujarat	393120	28-03-2024	₹135.93 Lacs	CSR00005188 (Cenka Samaj Kalyan Sanstha)	Rajashree Vidya Mandir Owned by Cenka Samaj Kalyan Sanstha	Village: Bamalla, Po: Umalla, Dist: Bharuch-393120, Gujarat
2	Support in establishing a computer lab with furniture. (Rajashree Private Industrial Training Institute-Cenka Samaj Kalyan Sanstha) Address: Village: Bamalla, Po: Umalla, Dist: Bharuch-393120, Gujarat	393120	21-07-2023	₹6.10 Lacs	CSR00005188 (Cenka Samaj Kalyan Sanstha)	Rajashree Private Industrial Training Institute owned by Cenka Samaj Kalyan Sanstha	Village: Bamalla, Po: Umalla, Dist: Bharuch-393120, Gujarat

# ANNEXURE TO THE DIRECTORS' REPORT

ANNEXURE -II (CONTD.)

Sl. No.	Short particulars of the property or asset(s) [including complete address and location of the property]	Pincode of the property or asset(s)	Date of creation	Amount of CSR spent	Details of entity/ Authority/ beneficiary of the registered owner		
(1)	(2)	(3)	(4)	(5)	(6)		
					CSR Registration Number, if applicable	Name	Registered address
3	Financial assistance (Supply of bunk beds) for construction of residential building for orphan students. (Snehwan-Koyali Forest, Koyali Tarfe Chakan, Tq. Khed, Dist.Pune-410501)	410501	22-12-2023	₹10.00 Lacs	CSR00013552	Snehwan	Sr. No. 186, Hanuman Colony- 2, Near Hanuman Temple, Chakrapani Vasahat, Bhosari, Pune-411039, Maharashtra

**9. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per subsection (5) of section 135.**

Not Applicable

**For and on behalf of the Board of Directors**

**Krupa R. Gandhi**  
Chairperson CSR Committee  
DIN: 00294629

**Suresh Sodani**  
Managing Director  
DIN: 08789604

Place: Mumbai  
Date: 16<sup>th</sup> May 2024

## ANNEXURE TO THE DIRECTORS' REPORT

(Annexure -III)

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

- i. The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the financial year 2023-24, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2023-24 are as under:

Sr. No.	Name of Director / KMP	Designation	2023-24 (₹/ Lacs)			2022-23 (₹/ 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	Mrs. Rajashree Birla	Chairperson	8.25	-8.33	1.99	9.00	5.88	2.00
2	Mr. Sohanlal K. Jain	Independent Director	10.28	0.78	2.48	10.20	9.32	2.26
3	Mr. Krishna S. Thar	Independent Director	10.43	1.46	2.51	10.28	6.53	2.28
4	Mr. Devajyoti N. Bhattacharya	Non-Independent Director	4.31	-52.90	1.04	9.15	5.78	2.03
5	Mrs. Krupa R. Gandhi	Independent Director	10.50	5.53	2.53	9.95	2.26	2.21
6	Mr. Ashish Razdan	Independent Director	3.16	**	**	**	NA	NA
7	Mr. Jayant V. Dhobley	Non-Independent Director	4.37	**	**	**	NA	NA
8	Mr. Suresh Sodani	Managing Director	268.68	-10.07	64.74	298.76	18.32	66.24
9	Mr. Krishna G. Ladsaria	Chief Financial Officer	139.34	-0.21	33.58	139.64	-4.55	30.96
10	Mr. Rahul Dubey	Company Secretary	49.57	5.08	11.94	47.17	8.34	10.46

\* Directors Remuneration is including sitting fees.

\*\* Mr. Jayant V. Dhobley (DIN-02402556) was appointed as the Non-Executive Non-Independent Director of the Company w.e.f. 29<sup>th</sup> September 2023 and Mr. Ashish Razdan (DIN-03584734) was appointed as the Independent Director w.e.f. 23<sup>rd</sup> November 2023.

- ii. The median remuneration of employees of the Company for the financial year was ₹4.15 Lacs (Previous Year ₹4.52 Lacs).
- iii. During the financial year, there was a decrease of 8.07 % in the median remuneration of employees (Previous Year increase of 1.61%).
- iv. Number of permanent employees on the rolls of the Company as on 31<sup>st</sup> March 2024 was 1551 Nos. and as on 31<sup>st</sup> March 2023 was 1590 Nos.
- v. Average percentage increase made in the salaries of employees other than the managerial personnel in the financial year 2023-24 and 2022-23 was 6.27 % & 10.22 % respectively and the managerial remuneration for the financial year 2023-24 and 2022-23 was decreased by 10.07% and increased by 18.32%, respectively.
- vi. It is hereby affirmed that the remuneration paid is as per the Remuneration Philosophy / Policy of the Company.

# ANNEXURE TO THE DIRECTORS' REPORT

(Annexure -IV)

## STATEMENT CONTAINING INFORMATION AS PER SECTION 197(12) READ WITH THE RULES 5(2) AND 5(3) OF COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014 AND FORMING PART OF DIRECTORS' REPORT FOR THE YEAR ENDED, 31<sup>ST</sup> MARCH 2024.

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

- (a) Employed throughout the financial year and was in receipt of remuneration for the year in aggregate of not less than ₹1,02,00,000
1. Mr. Suresh Sodani, Managing Director, ₹268.68 Lacs, Contractual, I.C.W.A, C.A, 31, 01-09-2020, 57, Grasim Chemical Division Vilayat, NIL.
  2. Mr. Krishna G. Ladsaria, Chief Financial Officer, ₹139.34 Lacs, Non-Contractual, B. Com, A.C.A., 29, 01-12-2016, 53, Hindalco Industries Limited, NIL.
- (b) Employed for a part of the financial year and was in receipt of remuneration at a rate in aggregate not less than ₹8,50,000/- per month.  
Nil
- (c) Employed throughout the financial year or part thereof, was in receipt of remuneration in the year which, in the aggregate or at a rate which in the aggregate was in excess of that drawn by the Whole time Director and holds by himself or along with his spouse and dependent children, not less than 2% of the equity shares of the company.  
Nil

### NOTES:

1. Remuneration includes salaries, house rent allowance, personal allowance, variable pay, long term incentive plan, leave travel assistance, encashment of leave, accident insurance premium, Company's Contribution to Provident & Superannuation Funds and the monetary value of perquisites calculated in accordance with the provisions of the Income-tax Act, 1961 and the Rules made there under and excludes provision for retiring gratuity for which separate figure is not available.
2. The above employees are not relatives of any Director of the Company.

### For and on behalf of the Board of Directors

**Jayant V Dhobley**

Non-Executive Director  
DIN: 02402556

**Suresh Sodani**

Managing Director  
DIN: 08789604

Place: Mumbai

Date: 16<sup>th</sup> May 2024



# ANNEXURE TO THE DIRECTORS' REPORT

ANNEXURE - V

## SECRETARIAL AUDIT REPORT

### FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH, 2024

[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 2024. 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 2024, 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 2024 according to the provisions of:

- 1) The Companies Act, 2013 ('the Act') and the rules made thereunder;
- 2) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- 3) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- 4) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; (Not Applicable to the Company during the Audit Period)
- 5) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; (Not Applicable to the Company during the Audit Period)
  - d) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;

(Not Applicable to the Company during the Audit Period)

- e) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021; (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, 2021; (Not Applicable to the Company during the Audit Period); and
  - h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; (Not Applicable to the Company during the Audit Period)
- 6) The management of the Company has informed that there is no industry specific law which is applicable to the Company.

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

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

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

#### We further report that

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

Adequate notice for the meetings of the Board and Committees constituted by the Board were given to all the Directors and members of the Committee and where shorter notice of meetings were given and/or agenda and notes on agenda were circulated less than seven days before the meetings, the provisions of Section 173 (3) of the Act were complied with 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 Chairperson, the decisions of the Board and Committees of the Board were unanimous and no dissenting views have been recorded.

# ANNEXURE TO THE DIRECTORS' REPORT

ANNEXURE - V

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 events/actions having a bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. has taken place. However, there was one case of a delay of few hours in giving prior intimation to the Stock Exchanges under Regulation 29 of SEBI LODR Regulations, 2015, during the year 2022-23, for which the Company had explained in detail the reason for delay as 'accidental loss of connectivity with server/ network' was technical in nature and beyond the control of the Company and applied for waiver. But, the request was not considered favorably and the Company has paid

fine of Rs. Ten thousand each to both the stock exchanges during the year 2023-24 pursuant to the letter dated 21st August 2023 from the Designated Stock Exchange (NSE).

For **Sanjay Sangani & Co.**  
Company Secretaries  
Peer Review Certificate No.: 1689/2022

**Sanjay H. Sangani**  
Proprietor  
M. No.: FCS 4090  
C.P. No.: 3847  
UDIN: F004090F000379333  
Mumbai, 16<sup>th</sup> May 2024

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

# ANNEXURE TO THE DIRECTORS' REPORT

ANNEXURE - V

## 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

Peer Review Certificate No.: 1689/2022

**Sanjay H. Sangani**

Proprietor

M. No.: FCS 4090

C.P. No.: 3847

UDIN: F004090F000379333

Mumbai, 16<sup>th</sup> May 2024

# MANAGEMENT DISCUSSION AND ANALYSIS REPORT

## 1. OVERALL REVIEW

The year 2023-24 was a year of hope and challenges for the Company. The Company completed its ambitious expansion and diversification CAPEX. While the Indian GDP, as per RBI's estimates, grew at 7.6% in FY24, demand for the Company's product remain subdued for various reasons. Elevated interest rates, slowdown in discretionary spends, below par monsoon, lower exports due to global uncertainties like continued war between Russia and Ukraine, Palestine-Israel conflict, Red Sea crises, higher ocean freight rates, impacted the demand for the Company's products. Excess capacities in China, led to significant dumping and volatility in the prices of raw material and finished goods. However, easing of inflation, expected normal monsoon, pick-up in infrastructural activity post general elections points towards better demand in next financial year.

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

### Industry Status

The Company manufactures Nylon Tyre Cord Fabric (NTCF) and Nylon Filament Yarn (NFY) in the synthetic yarn segment of the textile industry.

#### Nylon Tyre Cord Fabric (NTCF)

NTCF is used as reinforcement material in Bias/Cross ply tyres, which are primarily used in trucks, bus, two-three wheelers, and off-the-road (OTR) vehicles used for mining, forestry, farming, heavy earth moving etc.

The Indian Tyre Industry is set on a growth trajectory following the momentum in the automotive sector. The pace of growth has been further augmented by the cross-border strides made by the Indian tyre manufacturers. Indian tyre brands have created a mark in the European and, more recently, in the US markets. However, the volatile global geopolitical situation has slowed the pace of growth. In the domestic market, the infrastructure growth, and incentives from Government on EVs is expected to provide added impetus to the industry. OTR & Farm has shown promising potential aided by modernization and overall economic growth. Increasing exports of automobiles particularly two wheelers also augers well for tyre demand.

However, radialisation in Medium and Heavy Commercial Vehicles (MHCV) has outpaced projections supported by continual improvement in road infrastructure and increased consumer awareness. Nevertheless, the last mile connectivity in the hinterlands through Light Commercial Vehicles (LCV), expected growth in demand for two-wheelers & OTR segment are pegged to sustain the market for Bias tyres.

#### Nylon Filament Yarn (NFY)

The Nylon Filament Yarn industry in India is expected to grow at 6-7% in medium term. The demand for Nylon Filament Yarn in India is driven by various factors, including the growth of the textile industry, imports substitution for technical textiles and Defense fabrics, increasing demand for ethnic wear and rising

popularity of athleisure and sportswear.

The Indian government's Make in India campaign, which aims to promote domestic manufacturing, is also expected to drive the growth of the textile industry and the demand for nylon filament yarn in the country. The Indian market for athleisure and sportswear is growing rapidly, and nylon filament yarn is commonly used in the production of high-performance fabrics used in these applications. Draw textured nylon yarn (DTY) type would be the fastest growing segment in the Nylon 6 Filament Yarn market as it possesses the properties of both natural and synthetic fiber like high durability and high retention. Draw textured nylon yarn finds its application in sportswear, backpack, weaving fabric for clothes, lingerie, laces, home furnishings, and many others. Asia-Pacific is the fastest growing region in the nylon 6 filament yarn market.

However, the Indian nylon filament yarn industry also faces challenges, including fluctuating raw material prices, increasing competition from other synthetic fibers, and dependence on China for raw material. China has built-up significant over capacity in Nylon Filament Yarn and the Industry faces stiff competition from dumping by China in absence of any duty protection.

Overall, while the Indian nylon filament yarn industry is expected to experience moderate growth in the coming years. The industry needs to focus on meeting changing consumer preferences for profitable growth.

#### Company Performance

In FY24, the performance of the Company was impacted by lower demand and pressure on margin. China, which is the major Nylon producer, witnessed lower demand and margin in Nylon value chain, leading to continued dumping by China at unremunerative prices. Higher variable costs, particularly high electricity rates, further exerted pressure on the margin. Demand for NTCF was also impacted due to lower exports and lower demand for farm tyres on account of below par monsoon. These factors cumulatively impacted the Earnings before interest, depreciation, and tax (EBIDTA). EBIDTA was down by 28% to ₹116 Crs. in FY 24 against ₹161 Crs in FY23.

#### Company Outlook

Easing inflation and expected normal monsoon are expected to boost rural demand leading to better two-wheeler and farm tyres demand and increase in discretionary spends. These augers well for demand of both NTCF and NFY.

The Company has successfully commissioned spinning capacities for Polyester High Modulus Low Shrinkage (HMLS) yarn in Mar'24 and will start process of approval for Polyester Tyre Cord Fabric (PTCF). Also, during the year, the Company started receiving electricity from its Group Captive Hybrid Power facility for its Bharuch plant. This has helped in reducing electricity costs. Significant Capex to increase NTCF capacity and diversification in PTCF along with new capacities of value-added products, modernization of the plants and augmented capacities will help the Company in delivering superior results.

## MANAGEMENT'S DISCUSSION AND ANALYSIS REPORT (Contd.)

Based on the green shoots visible and initiatives undertaken, the Company is cautiously optimistic of the medium-term outlook.

### 3. RISK MANAGEMENT

The Company has a robust Risk Management Policy and Procedure in place for effective identification and monitoring of risks and implementation of mitigation plans. 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. It has been discussed in details in Integrated Report section.

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

#### Safety

The Company believes that 'Life is precious, and we should care for it'. Therefore, the Company takes care of its impact on the safety of its employees, visitors, customers, vendors, those residing in proximity to our Company's operations and plants and equipments. The Company has adopted safety as a culture by adopting structured approach, through leadership involvement. People at all levels, whether employees, contractors, service providers, suppliers, or the community, have been involved to bring those changes, which shows safety as one of the top priorities. The Safety Management System of the Company's Pune and Bharuch sites are certified ISO 45001:2018. The Bharuch site is awarded with AEPS Safety Excellence Award 2024 (Gold Award) under Ankleshwar Environmental Preservation Society. Bharuch site is also awarded with National Safety award - Certificate of Appreciation by National Safety Council and Safety Excellence by Quality Circle Forum of India (Surat Chapter). The Key highlights of safety features adopted during the year are as follows:

- Encouraging reporting of near-miss, unsafe condition, unsafe action/safety observations.
- Organizing safety promotional activities as awareness sessions / workshops, circulation of leaflets, bulletins and accident case studies etc. and safety motivational activities like campaigns, contests & competition, suggestion scheme etc.
- Displaying cautionary notices & warning signs.
- Machine guarding & fencing, plant safety round & safety survey.
- Shop floor safety training, leadership workshops and National Safety week celebration.
- Risk Assessment/HAZOP (Hazard & Operability Study)/JSA (Job Safety Analysis).
- Fire prevention, protection & firefighting system and third-party fire safety audit.
- Regular mock drill of emergency response plan & fire drill was conducted to check adequacy of emergency management system.

- National Safety Week-2024 celebrated in which various special safety training programs were conducted like Electrical safety, Mechanical safety, Boiler safety, LPG safety & BBS. In the National Safety Week, CPR & First Aid training was organized by authorized doctor to our employees. Further, firefighting & accident prevention training was also imparted to neighboring small & medium scale industries.

#### Health

The Company actively pursues healthy and conducive work environment for all employees. Medical services are made accessible to all employees at both the plant sites.

Periodical health checkups are conducted across the workforce. The Company arranges periodic preventive health check-ups for its staff. Adequate personal protective equipment is also provided.

The Company emphasizes cleanliness, personal hygiene and good housekeeping. Mechanized means of control are used such as dust extraction, fume exhaust system and noise absorbers. The WASH Committee is constituted to monitor and review workplace sanitation, hygiene, and availability of safe drinking water.

To ensure effective safety management, the Company has its fire safety system, electricity system, JSA, HIRA, and IMS surveillance system audited by external agencies during the period under review. Occupational Health and Safety Management System of the Company's Pune and Bharuch sites are certified ISO 45001:2018. MITR (Making Individuals and Team Resilient) Project provided and encouraged mental health education to all staff members at both the location.

#### Mental Health:

MPOWER - An initiative by Aditya Birla Education Trust, endeavors to be the movement to affect change. Our Company encourages and pursues actively towards creating awareness, advocate prevention and provide services with a professional, holistic and multidisciplinary approach.

MITR, an initiative by MPOWER was recognized on the ABG Global platform in ABG HR Summit and bagged second prize in the category- "Popular Choice Best HR Practice"

#### Cyclothon

MPOWER initiated and Century Enka facilitated intercity Cyclothon. (Pune - Mumbai, 170 km)

In a society where mental health often resides in the shadows, MPOWER is on a mission to bring it into the light. Cyclothon was not just about covering distances; it's about covering ground in knowledge, understanding, and mental health literacy.

Everyone had their own reason for starting cycling. Whether it's to improve fitness, build muscle or lose weight, many people start with a certain goal in mind. However, although the physical benefits are widely documented, what is often forgotten is how much it can benefit our mental health too;



## MANAGEMENT'S DISCUSSION AND ANALYSIS REPORT (Contd.)

- keeps stress at bay,
- reduces anxiety,
- fights against depression,
- boosts self-esteem,
- prevents cognitive decline,
- improves social life.

This year for the first time MPOWER initiated Intercity Cyclothon and Century Enka facilitated and participated in this event, where around 50 employees participated in a Joy ride and 8 employees participated in a long rid of 170 km.

### Environment and Sustainability

The Company respects, protects and makes effort to restore environment. The Environment Management System of both Bharuch & Pune site is certified with ISO 14001:2015. Its structured risk management approach which encompasses identifying potential environmental risks, assessing their potential impact, mitigating them through taking timely action and continuous monitoring. During the year under review, consumption of water, fuel & resources, generation and treatment of wastewater, hazardous waste & gaseous emission was under SPCB norms. The Company is devoted to nurturing sustainable development and explores new ways of environment preservation, responsible use of non-renewable resources, rationalized energy consumption, accelerated water conservation, moderated use of finite fossil fuels and increased environment protection. The key highlights of activities for the period under review are as under:

1. Amendment for change of disposal path for pre-processing & co- processing of hazardous waste.
2. Installation of rainwater harvesting recharge wells, to recharge rainwater into ground.
3. Usage of renewable source of energy like Biofuel in Boilers & Thermic Fluid Heaters for steam and heat production in line with the Company's endeavors toward energy conservation.
4. Installation of Solar Power Generation System of 1 MW.
5. Procurement of wind-solar (Hybrid) Power of 10.5 MW
6. Provision of Waste Heat Recovery System and VAM (Vapor Absorption Machine) for resources conservation.
7. Usage of High Calorific Hazardous Waste as fuel by Co-processors.
8. Installation of Zero Liquid Discharge (ZLD) unit for treatment of process wastewater and its use in Process. Sewage is treated by STP and being used in green belt development.
9. Replacement of ODS by non ODS refrigerants.
10. Celebration of World Environment Day & Ozone Day in presence of Forest Department and State Pollution Control Board Officials.

11. Review & tracking of Pollution Prevention & Control system like stacks, ETP (Effluent Treatment Plant), STP (Sewage Treatment Plant) and ambient air by third party.
12. Assessment of third-party water Audit and Hydrogeological impact.
13. NTCF products fulfills the requirements of Annex XVII and XIV of the European Chemicals Regulation REACH (registration, evaluation, authorization and restriction of chemicals) & ECHA SVHC (European Chemical Agency - Substances of Very High Concern).
14. Nylon Textile product is OEKO-TEX S-100 Certified Product and fulfills Requirements of Annex XVII and XIV of the European Chemicals Regulation REACH & ECHA SVHC.

For its Bharuch site, the Company has installed ZLD plant to conserve water and invested in 10.5 MW wind-solar hybrid Group Captive Scheme.

## 5. HUMAN RESOURCE AND INDUSTRIAL RELATIONS

The Human Resource Department (HRD) function has been in the pivotal position. The Company's employee is among the most-valued resource for its business operations.

Human Resource function is aligned and synched with the business plan of each function. The core values for the HR function are to be proactive & progressive, with the key focus being on internal customer delight.

The key initiatives in this pursuit are:

- Enriching learning & development interventions on the fronts of nurturing skills, capabilities and competencies of individuals and teams.
- Implementing progressive, objective and Enthusing Performance Management System to catalyse performance outcomes of employees.
- Strengthening the wellness & wellbeing interventions, not limiting to team members but their family members also, thereby addressing to work-life balance, physically & spiritually.
- Adding value in the Medclaim Policy and Scholarship Programmes.
- Conducive employee relations resulting in not a single-man days' loss during the year.

## 6. INTERNAL CONTROL SYSTEM AND ITS ADEQUACY

The Company has in place adequate internal financial control systems, commensurate with the size, scale, and complexity of its operations. Internal control systems, comprising of policies and procedures, are designed to ensure adherence of the Company's policies, safeguarding of its assets, optimal utilisation of resources prevention & detection of frauds, accuracy & completeness of accounting records, timely preparation of reliable financial

## MANAGEMENT'S DISCUSSION AND ANALYSIS REPORT (Contd.)

information and compliances. The Audit Committee regularly reviews the internal financial controls. During the year, such controls were tested and no reportable material weakness in the operations was observed. The internal auditor also monitors and evaluates the efficacy and adequacy of internal control systems in the Company. 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 considered for further strengthening of the control systems.

### 7. INFORMATION TECHNOLOGY

The Company is contently leveraging technology to improve productivity, operational efficiency and in better decision-making. The cyber security and data privacy continue to remain the Company's focus area and make necessary investments to secure its systems and information assets. The Company focuses on all three aspects i.e., People, Process and Technology, to secure the organization. Adequate cloud-based identity and data protection solutions were deployed to enable secure working of employees from anywhere. Access of all business applications using MFA (Multi Factor Authentication) helped to ensure authorized access. Deployment of collaborative solutions allowed seamless operations with internal and external stakeholders.

The Company increased coverage of modern workplace solutions based on cloud. The investments are made for AI driven quality inspection tools for prevention of defects as against detection. The Company is committed to leveraging the latest technologies to improve its performance.

### 8. FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

#### I. Highlights

₹Lacs

Particulars	Standalone		Consolidated	
	2023-24	2022-23	2023-24	2022-23
Net Revenue from Operations	1,74,415	2,07,205	1,74,415	2,07,205
Profit before Depreciation, Financial Cost, Exceptional Items and Tax	11,628	16,137	11,628	16,137
Add/(Less):				
Depreciation	(5,026)	(4,122)	(5,026)	(4,122)
Finance Cost	(535)	(235)	(535)	(235)
Share of Loss in Associate (net of tax)	-	-	(314)	(12)
Taxation (Net)	(1,478)	(2,736)	(1,478)	(2,736)
<b>Net Profit after Tax</b>	<b>4,589</b>	<b>9,044</b>	<b>4,275</b>	<b>9,032</b>

#### a. Net Revenue from Operations

Net revenue for the year was lower by 16% on account of lower volume and realization both for NTCF and NFY.

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

Lower sales and margin over raw material resulted in 28% lower PBIDT.

#### c. Finance Cost

Higher finance cost is on account of loan taken for expansion projects.

### II. Key Financial Ratios

Ratio	2023-24	2022-23	Explanation for change
Debtors Turnover Ratio	8.38	9.02	Better management of debtors
Inventory Turnover Ratio	7.62	8.38	Higher sales
Interest Coverage Ratio	21.73	68.67	Lower PBIDT and higher interest in current year
Operating Profit Margin (On PBIT excl. Other Income)	3.29%	5.46%	Lower margin
Net Profit Margin	2.65%	4.36%	Lower margin
Debt Equity Ratio	0.04	0.05	Lower Debt

### III. Return on Net Worth

Return on Net Worth	3.36%	6.84%	Lower Net Profit
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### 9. CORPORATE SOCIAL RESPONSIBILITY (CSR)

The Company is committed to contributing towards global efforts to achieve the Sustainable Development Goals (SDGs) outlined in the United Nations 2030 Agenda for Sustainable Development. Our CSR efforts are directed at community upliftment through cluster development approaches with a focus on Vocational training, education, upgradation of school infrastructure, healthcare and medical facility, women empowerment and rural infrastructure development. We have forged long-term partnerships with various NGOs working at grass root level and collaboration with government body at district level to ensure efficient, effective, and successful execution of CSR activities.

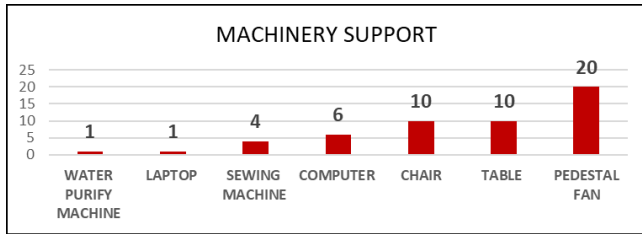
This financial year we have collaborated with 49 Anganwadi's, 67 schools, and more than 38 villages for implementing various CSR activities and reached out to about 20,605 people's living in tribal belt and aspirational districts named Narmada.

**MANAGEMENT’S DISCUSSION AND ANALYSIS REPORT (Contd.)**

**1. Education and Skill Development**

**a. Vocational Training**

The Company focused on making a positive impact on the lives of the underprivileged youth by providing them with vocational training to develop their skills & scope of employment and improve their living standard. During the past few years many boy and girl students were trained and brightened their future in various technical fields. To smooth running of vocational training institutes, the Company has been supporting for making arrangement of the well trained and qualified instructors and extending financial support for procurement of machine, tools & tackles for vocational training during this financial year. With this support more than 130 students benefited under this project. Machinery support details are as following:



**b. Poshanvahini Project**

Engagement of Poshanvahini project is being executed through Anganwadi centers which comes under Child Development Services (ICDS) of Ministry of Women and Child Development. The Company has implemented this program in partnership with the Department of Women and Child Development (WCD), District Administration in Narmada. Which is located at tribal belt and aspirational districts, the project’s major goals are as follows:

To strengthen the existing government program.

- To build the capacity of frontline workers to deliver effective services to Children up to 6 years of age, pregnant and lactating mothers, and adolescent girls.
- To encourage women empowerment providing employment to the Poshanvahini (woman assistant) to make them self-sustained.

Project has covered Children up to prenatal to 6 years of age, catering to their needs in all domains of development i.e. health and nutrition. The project provided the employment to 50 women and strengthening the Anganwadi centers. This initiative benefited around 1,350 nos. of children up to prenatal to 6 years of age and overcome malnutrition concerns.

**c. Shiksha Sathi Project**

This project is implemented at tribal belt and in the aspirational district, Narmada in partnership of Education department under the Sarva Sikha Abhiyan. The Company sponsored 45 trained and qualified teachers in 45 primary schools located in an interior area of Narmada district, to provide quality education, reduce

the drop out ratio among the children and fill the shortage of teachers in primary school. This project positively impacted 2100 students for acquiring quality education and getting employment opportunity to 45 young, trained, and qualified teachers of tribal belt and aspirational district, Narmada.

**d. Shala Praveshutsav & Kanya Kenavani project**

Shala Praveshutsav and Kanya Kelavani are unique initiatives taken by the State Government. Since 2002, both the programs are being organized by the Gujarat Government before starting the new session in June every year to encourage enrollment of eligible children in Std. 1st. and under this initiative the government aims to make sure that there should not be any drop out of the girl child for enrolling in the school. The Pravesutsav initiative is a celebration or welcome of the children who are enrolling for the first time in the school. Under this initiative we are collaborating with the government and providing uniform, shoes, school bags, water bottles, square notebooks, long books, note books, compass boxes, compass kit, slates, patty-pens, pencil boxes, drawing books, ball pens, sketch pens etc.

During this financial year 22 nos. of schools and 19 nos. of Anganwadi center were covered under this program which impacted around 1220 children with necessities of study materials.

**e. School Infrastructure Development**

The Company has supported in construction of classrooms/ laboratory and offices for commencing the higher secondary education in Cenka Samaj Kalyan Sanstha’s Rajashree Vidya Mandir located at Kaliyapura, Bamalla village, Bharuch district, this school is surrounded with tribal village and there were no adequate facilities for getting higher education and the children have no option but to travel long distance. By this initiative approx. 50 students will be benefited.

**f. Renovation and construction School Toilet**

There is an interior primary school located at Vali village. The Company has financially supported to construct toilet and urinals for girls and boys. The total beneficiaries are 48 children.

**g. Financial support in construction of residential building for building for orphan and destitute children:**

The Company supported the construction of residential building for orphan and destitute children being run and managed by “Snehwan”.

**2. Healthcare and Medical Programmes**

Preventive healthcare is an important dimension of health that needs significant attention and investment from all sections of the society. It is a national health priority and a notified area under Schedule VII of the CSR Section 135 of the Companies Act. Preventive healthcare directly improves health, well-being and productivity of community, families, and individuals, that

## MANAGEMENT'S DISCUSSION AND ANALYSIS REPORT (Contd.)

promotes equity by benefiting most of the disadvantaged and marginalized groups. It covers a range of public health activities focused on prevention of diseases, promotion of good health and strengthening of health systems.

The Company has been providing preventive and curative healthcare services to the surrounding villages. The preventive healthcare services are executed by way of health camps, health education and awareness camps etc. These are as followings:

### a. Eye Check-up and Cataract Operation Camp

Various Health camps were organized with the objectives of providing free medical check-up and medication to poor villagers and reinforce National Rural Health Mission (NRHM) under the Corporate Social Responsibility. The Company organized 4 eye check-up & cataract operation camps at Umalla, Asha, Rajpardi and Jhagadia villages of Bharuch district in which more than 20 villages have participated. A total of 1019 patients checkup was done and out of these 82 patients undergone cataract operation. Moreover, 790 patients were given spectacles on the spot free of cost in the camp.

### b. Blood Donation Camp

To wipe off the scarcity of blood and ensure availability of safe and quality blood, the Company organized a blood donation camps in the premises of its Bharuch site in association with Red Cross Society, Rajpipla-Narmada Dist. Wherein the Company's employees donated 65 no. of blood Plasma units, which will use for needy one life survival in emergency situation.

### c. Medical Aid

Distributed Walker, Walking Sticks, KneeCap, LS Belt, Face Mask & Skin care soap etc. for beggars to improve their health at Pune to 300 beggars for a healthy living near its Pune plant.

Distributed Weighing Scale & Cotton Mask at Pune for a hygiene & healthy living in nearby area. Donated free medicines to homeopathic dispensary situated near its Pune site.

### d. Women's hygiene (Distribution of sanitary Napkins)

Women in the rural areas are not aware about using sanitary napkins and also the cost of such napkins are not affordable by these poor women residing in tribal belt and thus, are getting developed with several diseases. With this initiative the Company has not only been providing the sanitary napkins free of cost but also creating awareness as how to use and repercussion when it is not used through an NGO, Dev Foundation. To overcome all these reasons and to encourage women and girls to use sanitary napkins for better menstrual hygiene the Company distributed 62500 nos. of sanitary napkins and arranged awareness session to the underprivileged women and girls to make it a habit to use sanitary napkins during menstrual period. Total 826 women from Bamalla, Kaliyapura, Tavadi, Shir, Raisangpura, Vali, Umalla and Vaghapura Villages were benefited.

### e. Support in eradication of T.B.

The World Health Organization has a vision to eliminate T. B from the world by 2030. In this regard, our Prime minister aimed to eradicate Tuberculosis from our country by 2025. To achieve this, our Company had adopted two talukas i.e., Jhagadia and Netrang of Bharuch district. All the patients of these talukas are given a government approved nutrition kit every month and the significant no of cases has been reduced.

In this Financial year we have 457 (Jhagadia - 251 & Netrang - 206) T.B patients were registered in these talukas and the Company has distributed nutrition kit to all the available patients every month i.e total 1557 nos. which resulted about 102 TB patients recovered from both Taluka (Jhagadia - 49 and Netrang - 53) and success ratio is 86% and 90% in Jhagadia and Netrang Taluka respectively.

For this remarkable work, appreciation certificate and Trophy awarded by central Minister of State -Finance in presence of MP, MLA, Collector and other officials in a Government program on 26-11-2023.

### f. Financial Support to Old Age Home

To establish and operate old age homes for destitute and needy senior citizens, for providing social security and a safe living environment for those who may not have family support. The Company has financially supported Old Age Home located at Ahmedabad district, Gujarat. This financial support is impacted to around 25 old age people residing at this old age home.

### g. Financial support to Aditya Birla Education Trust to support their initiative for improvement of Mental Health.

## 3. Rural Infrastructure

### a. High Mask Tower

Bharuch site is located at tribal area and far away from the city, there is always major concern of nearby village's people for streetlight for freely and safe movement of people in the midnight. To resolve this issue the Company has installed 17 high mask light towers in 10 villages in vicinity of its Bharuch site. As a result of this initiative a total of 3,150 people are benefited by freely and safely moving at that area now.

### b. Panchayat office renovation

Our Company is situated within the boundary of Bamalla Gram Panchayat. Panchyat and the Panchayat office was very old and required renovation, it might be the major concern of the villagers for big accident due to the present condition of the building. The Company has supported financially to the Panchayat for renovation of Panchayat office and constructed it successfully. It has impacted around 700 peoples of Panchayat and get fearless services from Panchayat currently.

### c. Check dam cleaning and renovation.

There are two check dams at Vali village near the Bharuch site.

## MANAGEMENT'S DISCUSSION AND ANALYSIS REPORT (Contd.)

These check dams have capacity to store more water for leveling the ground water, but it was in such condition that not enough water was getting stored in these check dams. The Company has supported the cleaning and renovating of these two check dams successfully and therefore, enough water is seen in these check dams which will be used for irrigation, cattle feed, and other work. A total of 2,000 people benefitted and getting enough irrigation water for farming as well as establishing drinking water for domestic and wild animals.

### d. Installation of CCTV cameras

The geographical area of the Umalla village is touched by the main road - Bharuch to Rajpipla and Vadodara. Surrounding villagers are used to using crossroad as transportation for their routine movement. It is the busiest crossroad and one of the major public movement areas located at tribal area of nearby villages. With the view to keep vigilance the Company has established 4

nos. of CCTV cameras at Umalla crossroad with a coordination of Panchayat and Police station, Umalla. It benefitted to around 1500 people of nearby area for safe movement.

### e. Road Construction

A 250 mtr. length shortcut road constructed to reduce distance between Raisingpura to Umalla under the CSR project at Raisingpura village. After construction of the road total 3,000 people are benefitted and saved their time and fuel cost.

### f. Disaster Management

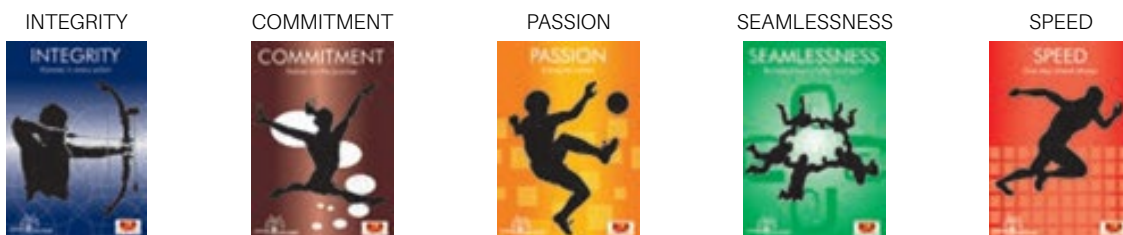
There was sudden discharged of 20 cusec water from the Sardar Sarovar dam to control inflow, resulting sudden heavy flood at the villages situated at the bank of Narmada river. We are the first initiator who supported the affected people by distributing 600 grocery kits. By doing so 1,800 people have got immediate relief in the crises.



# CORPORATE GOVERNANCE REPORT

Corporate Governance refers to a set of laws, regulations and good practices that enables an organisation to perform its business efficiently and ethically to generate long-term wealth and create value for all its stakeholders. Good Governance is an integral part of the Company's business practices based on the philosophy of Trusteeship. The Company is committed towards the adoption of the best Corporate Governance practices and its adherence in the true spirit, at all times. As a part of the ABG Group, the Company is governed by the group's purpose "To enrich lives, by building dynamic and responsible businesses and institutions, that inspire trust."

The Company is defined and driven by its unique set of 'Power of Five' values. These values-based approach is part of your Company's culture and ethics, which helps to pursue its purpose and achieve excellence in corporate governance. The Power of Five Values are:



## A. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Since more than five decades, Century Enka Limited (CEL) is known, for high quality, product innovation, fair business practices and customer satisfaction. The core value of the Company's business practices is derived from the four pillars of Trusteeship, i.e., transparency, adequate disclosure, fairness to all and independent monitoring & supervision. The strong internal control systems & procedures, better risk assessment & mitigation procedures and observance of code of conduct by the Company's directors & employees are conducive in achieving good Corporate Governance practices in the Company.

The essence of Corporate Governance lies in promoting and maintaining integrity, transparency, accountability, sustainability, safety across all business practices and compliance with the laws coupled with adherence to the highest standards of transparency and business ethics.

The Company confirms compliance with the Corporate Governance requirements stipulated in the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') and the Companies Act, 2013 ('the Act') as amended from time to time, the details of which are set out hereunder.

## B. BOARD OF DIRECTORS

### Composition of the Board

The Board is the core of Corporate Governance system. The Company has a balanced and diverse Board, which includes independent professionals who possess requisite qualification, experience, and expertise in their respective functional areas, which enables them to discharge their responsibilities.

As on 31<sup>st</sup> March 2024, the Board comprises of 7 (seven) Directors with considerable experience in their respective fields. Out of 7 (seven) directors, 1 (one) is Executive Director and 6 (six) Directors are Non-Executive Director including 2 (two)-women Director. Out of 6 (Six) Non-Executive Directors, 4 (four) are Independent Director including 1 (one)-woman Independent Director. All Independent Directors are eminent professionals account for more than fifty percent of the Board's strength. None of the Director on the Board is a director on the Board of more than 10 public limited companies or a director in more than 7 listed companies and in case he/she is serving as a Whole-Time Director/ Managing Director in any listed company, does not hold the position of Independent Director in more than three listed companies. Further, none of the Director on the Board is a member of more than 10 committees or chairperson of more than 5 committees. For determination of limit of the Board Committees, chairpersonship & membership of the Audit Committee and Stakeholders' Relationship Committee has been considered as per Regulation 26(1)(b) of the Listing Regulations.

The Managing Director is entrusted with substantial powers of management of the affairs of the Company. The Chairperson of the Company is a Non-Executive, Non-Independent Director and not related to Managing Director pursuant to definition of the term "relative" defined under the Act. The brief profile of the Board of Directors is available on the website of the Company at <https://www.centuryenka.com/about-us/overview.html>

The details of the composition of the Board of Directors of the Company and the other Directorships and Committee positions held by them as on 31<sup>st</sup> March 2024 are as under:

**CORPORATE GOVERNANCE REPORT (Contd.)**

Category of Director	Name of Director	Tenure in the Company	No. of shares held in the Company	In other companies		
				Directorships*		
				Total**	In listed entity	Committee***
Chairperson, Non-Executive Director & Promoter	Mrs. Rajashree Birla (DIN: 00022995)	9 years	26,080	5	As Non-Executive Director 1. Grasim Industries Limited 2. Hindalco Industries Limited 3. UltraTech Cement Limited 4. Century Textiles and Industries Limited 5. Pilani Investment & Industries Corporation Limited	-
Non-Executive Independent Director	Mr. Sohanlal K. Jain <sup>^</sup> (DIN: 02843676)	14 years	125	1	As Independent Director 1. Century Textiles and Industries Limited	1 (Member)
Non-Executive Independent Director	Mr. Krishna S. Thar (DIN: 00390137)	10 years	-	-	-	-
Non-Executive Independent Director	Mrs. Krupa R. Gandhi (DIN: 00294629)	4 years	-	-	-	-
Non-Executive Independent Director	Mr. Ashish Razdan <sup>^^</sup> (DIN: 03584734)	4 months	-	1	As Independent Director 1. TCPL Packaging Limited	-
Non-Executive Non-Independent Director	Mr. Jayant V Dhobley <sup>^^^</sup> (DIN: 02402556)	6 months	2,500	1	-	-
Executive - Managing Director	Mr. Suresh Sodani (DIN: 08789604)	4 years	-	-	-	-

\* This includes Directorships and Committee positions held other than Century Enka Limited.

\*\* This excludes directorship held in private limited companies, foreign companies and companies formed under section 8 of the Act.

\*\*\* Membership/Chairmanship of the Audit Committee and the Stakeholders' Relationship Committee are only considered.

**Notes:**

- Mr. Sohanlal K. Jain<sup>^</sup> (DIN:02843676), on completion of his tenure of two consecutive terms of five years as a Non-Executive, Independent Director of the Company, has retired on 31<sup>st</sup> March 2024.
- Mr. Ashish Razdan<sup>^^</sup> (DIN:03584734) was appointed as Non-Executive Independent directors of the Company w.e.f. 23<sup>rd</sup> November 2023 and Mr. Jayant V Dhobley<sup>^^^</sup> (DIN:02402556) was appointed as Non-Executive Non-Independent of the Company w.e.f. 29<sup>th</sup> September 2023.

**CORPORATE GOVERNANCE REPORT (Contd.)**

**Number of Board Meetings and Attendance**

During the financial year 2023-24, the Board met 6 (six) times. The details of attendance of Directors at the Board Meetings and at the last Annual General Meeting ('AGM') held during the year are as under:

Name of Director	Attendance at Board Meetings held on						Attendance %	Attended AGM held on 24 <sup>th</sup> August 2023
	18 <sup>th</sup> May 2023	8 <sup>th</sup> August 2023	29 <sup>th</sup> September 2023	2 <sup>nd</sup> November 2023	23 <sup>rd</sup> January 2024	30 <sup>th</sup> March 2024		
Mrs. Rajashree Birla		-	-			-	50	-
Mr. Sohanlal K. Jain <sup>^</sup>							100	
Mr. Krishna S. Thar							100	
Mrs. Krupa R. Gandhi							100	
Mr. Ashish Razdan <sup>^^</sup>	NA	NA	NA	NA			100	NA
Mr. Devajyoti N. Bhattacharya <sup>^^^</sup>			NA	NA	NA	NA	100	-
Mr. Jayant V. Dhobley <sup>^^^</sup>	NA	NA	NA			-	67	NA
Mr. Suresh Sodani							100	

**Notes:**

Mr. Sohanlal K. Jain<sup>^</sup> (DIN: 02843676), on completion of his tenure of two consecutive terms of five years as a Non-Executive, Independent Director of the Company, has retired on 31<sup>st</sup> March 2024.

Mr. Jayant V. Dhobley<sup>^^^</sup> (DIN: 02402556) was appointed as Non-Executive Non-Independent Director of the Company w.e.f. 29<sup>th</sup> September 2023 and Mr. Ashish Razdan<sup>^^</sup> (DIN: 03584734) was appointed as Non-Executive Independent directors of the Company w.e.f. 23<sup>rd</sup> November 2023.

Mr. Devajyoti N. Bhattacharya<sup>^^^</sup> (DIN: 00868751) ceased as Non-Executive Non-Independent Director of the Company w.e.f. 29<sup>th</sup> September 2023.







**Inter se relationship between directors**

None of the Directors of the Company are related inter-se, in terms of section 2(77) of the Act.

**Core Expertise/Competencies of the Board of Directors**

Skills/expertise/ attributes/ competencies	Mrs. Rajashree Birla	Mr. Sohanlal K. Jain	Mr. Krishna S. Thar	Mrs. Krupa R. Gandhi	Mr. Ashish Razdan	Mr. Jayant V. Dhobley	Mr. Suresh Sodani
Corporate Governance	✓	✓	✓	✓	✓	✓	✓
Industry Experience/ Knowledge	✓	-	✓	✓	-	✓	✓

**CORPORATE GOVERNANCE REPORT (Contd.)**

Skills/expertise/attributes/competencies	Mrs. Rajashree Birla	Mr. Sohanlal K. Jain	Mr. Krishna S. Thar	Mrs. Krupa R. Gandhi	Mr. Ashish Razdan	Mr. Jayant V. Dhobley	Mr. Suresh Sodani
 Financial literacy	-	✓	✓	✓	✓	✓	✓
 Strategic Leadership	✓	✓	✓	✓	✓	✓	✓
 Legal and Compliance	-	✓	-	-	✓	-	✓
 Risk Management	-	✓	✓	✓	✓	✓	✓
 Sustainability	✓	-	-	-	-	✓	✓
 Philanthropy	✓	-	-	-	-	-	-

**Appointment and Tenure of Directors**

The Directors of the Company are appointed/ re-appointed by the Board on the recommendations of the Nomination and Remuneration Committee (NRC) and subject to approval of the members of the Company. The NRC inter-alia considers qualifications, positive attributes, areas of expertise and number of directorship(s) in other companies including chairmanship/membership in committees as part of its recommendation to the Board. In accordance with the Articles of Association of the Company and pursuant to the Act and the Listing Regulations, all Directors, except the Executive Director and Independent Directors, are liable to retire by rotation and, if eligible, offer themselves for re-appointment. The appointment, re-appointment and tenure of appointment of Directors are governed by provisions of the Act and the Listing Regulations. The Executive Director is appointed for a fixed tenure and the Independent Directors can serve a maximum period of two terms of five years each.

**Directors' interest in other Company**

Every director shall at the first meeting of the Board in which he participates as a director and thereafter at the first meeting of the Board in every financial year or whenever there is any change in the disclosures already made, then at the first Board meeting held after such change, disclose his concern or interest in any company or companies or bodies corporate, firms, or other association of individuals which shall include the shareholding.

Whenever, the Company enters into contracts with such companies in which a Director of the Company is interested as director or member, the management will ensure that such contracts are in the ordinary course of business and at arm's length basis.

Full particulars of contracts, in which directors are directly or indirectly concerned or interested, are entered in the Register of Contracts maintained under section 189 of the Act and the same is placed in the next Board Meeting for the noting of the Directors.

**CORPORATE GOVERNANCE REPORT (Contd.)**

**Directors and Officers Insurance**

Pursuant to Regulation 25(10) of the Listing Regulations, the Company has undertaken Directors and Officers Insurance for its Directors & Officers for an appropriate amount based on quantum and risks.

**Succession Planning**

Succession planning is a necessary tool for an organization to ensure smooth functioning of the Company and its continued effective performance through leadership continuity. The Company is an artificial person and will survive forever. This necessitates the formation and existence of orderly succession planning. To avoid any leadership gap in the Board and Senior Management, the Company has succession plan in place for orderly succession for appointment to the Board of Directors and Senior Management. The Board has on recommendation of the NRC, framed a policy called as Nomination, Remuneration and Succession Policy which is available on the website of the Company at

<https://www.centuryenka.com/pdf/policies/nomination-remuneration-and-succession-policy.pdf>

**Legal Compliance Reporting**

The Company has in place a system of preparation of the legal compliance report on quarterly basis of all laws applicable to the Company, and a system to detect and ratify any instance of non-compliance. The Board also reviews the compliance reports periodically.

**Training, Induction and Familiarisation Programme**

All the Directors are free to interact with the Company’s Senior Management Personnel to discuss the matters pertaining to the Company’s affairs. The details of familiarisation programme, imparted to the Independent Directors of the Company are available on the website of the Company at <https://www.centuryenka.com/pdf/policies/familiarisation-programme-independent-director.pdf>

**COMMITTEES OF THE BOARD OF DIRECTORS**

The Board has constituted various Committees of Directors with respective terms of reference as per the provisions of the Act and the Listing Regulations to deal with matters and plays a vital role in improving the Board effectiveness in the areas where more focus and extensive discussions are required.

**The composition of the committees of the Board as on 31<sup>st</sup> March 2024 is as follows:**

Committee / Position	Audit Committee	Nomination and Remuneration Committee	Stakeholders’ Relationship Committee	Corporate Social Responsibility Committee	Risk Management Committee	Share Transfer Committee
Chairperson	Mr. Sohanlal K. Jain	Mr. Sohanlal K. Jain	Mr. Sohanlal K. Jain	Mr. Sohanlal K. Jain	Mr. Jayant V. Dhobley	Mr. Krishna S. Thar
Member	Mr. Krishna S. Thar	Mr. Krishna S. Thar	Mr. Krishna S. Thar	Mrs. Krupa R. Gandhi	Mr. Sohanlal K. Jain	Mrs. Krupa R. Gandhi
Member	Mrs. Krupa R. Gandhi	Mrs. Krupa R. Gandhi	Mr. Suresh Sodani	Mr. Suresh Sodani	Mr. Suresh Sodani	-
Member	-	-	-	-	Mr. Krishna G. Ladsaria- CFO	-

All the Committees except Share Transfer Committee have been re-constituted on 23<sup>rd</sup> January 2024; due to retirement of Mr. Sohanlal K. Jain (DIN: 02843676) w.e.f. 31<sup>st</sup> March 2024, on completion of his tenure of two consecutive terms of five years as a Non-Executive Independent Director of the Company. Mr. Ashish Razdan (DIN: 03584734) was appointed as an Non-Executive Independent Director w.e.f. 23<sup>rd</sup> November 2023 and appointed as the Member of Audit Committee, Nomination and Remuneration Committee, Stakeholders’ Relationship Committee, Corporate Social Responsibility Committee and Risk Management Committee w.e.f. 1<sup>st</sup> April 2024.

Mr. Krishna S. Thar (DIN: 00390137) is appointed as Chairperson of the Audit Committee, Nomination and Remuneration Committee & Stakeholders Relationship Committee and Mrs. Krupa R. Gandhi (DIN-00294629) is appointed as Chairperson of Corporate Social Responsibility Committee w.e.f. 1<sup>st</sup> April 2024.

**C. AUDIT COMMITTEE**

The Company has a qualified and independent Audit Committee, which acts as an interface between the statutory and internal auditors, the management and the board. All the members of the Audit Committee have the ability to read and understand the financial statements. The Chairperson of the Audit Committee possesses professional qualifications in the field of Finance and Accounting. The Audit Committee of the



## CORPORATE GOVERNANCE REPORT (Contd.)

Board comprises of three Independent Directors. The composition of the Audit Committee complies with the requirements of the Act and the Listing Regulations.

During the financial year 2023-24, 6 (six) Audit Committee meetings were held. The attendance of the members at the Audit Committee meetings held during the period under review and details of composition Audit Committee as on 31<sup>st</sup> March 2024 are as under:

Name of the members	Categories	Date of the Meetings	
		18 <sup>th</sup> May 2023, 8 <sup>th</sup> August 2023, 23 <sup>rd</sup> October 2023, 2 <sup>nd</sup> November 2023, 23 <sup>rd</sup> January 2024 and 30 <sup>th</sup> March 2024	
		Held during the FY 24	Attended during the FY 24
Mr. Sohanlal K. Jain	Non-Executive Independent Director (Chairperson)	6	6*
Mr. Krishna S. Thar	Non-Executive Independent Director (Member)	6	5
Mrs. Krupa R. Gandhi	Non-Executive Independent Director (Member)	6	5

\* Meeting held on 23<sup>rd</sup> October 2023 was adjourned due to want of quorum and later cancelled due to absence of Director.

The Managing Director & Chief Financial Officer are permanent invitees to the Audit Committee meetings. The Statutory Auditors, Internal Auditors and Senior Executives as it considers appropriate are invited to attend Audit Committee meetings. Cost Auditors are invited to the Audit Committee meetings, whenever matters relating to the Cost Audit are considered.

Mr. Rahul Dubey, Company Secretary and Compliance Officer, acts as the Secretary to the Committee. Mr. Sohanlal K. Jain, Chairperson of the Audit Committee was present at the last Annual General Meeting of the Company held on 24<sup>th</sup> August 2023.

The brief terms of reference of Audit Committee are to review 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 & procedures, internal control system and procedure & their adequacy, capital expenditure, budget, risk management, related party transaction, audit programme, nature and scope of audit programme and appointment, remuneration and terms of appointment of Auditors including approval of payment to Statutory Auditors for other services.

### Vigil Mechanism/Whistle-Blower Policy:

Your Company has adopted Whistle-Blower Policy that provides a formal Vigil Mechanism for Directors and Employees to report their genuine concerns about the unethical behavior, actual or suspected frauds of violation of the Company's Code of Conduct or Ethics Policy. The said mechanism also provides for direct access to the Chairperson of the Audit Committee in appropriate or exceptional cases. The policy provides for adequate safeguards against victimization and all personnel have access to the Audit Committee. The Whistle-Blower Policy is available on the website of the Company at <https://www.centuryenka.com/pdf/policies/vigil-mechanism-whistle-blower-policy.pdf>.

## D. NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee ('NRC') comprises of 3 (three) Independent Directors. The composition of the NRC complies with the requirements of the Act and the Listing Regulations.

During the financial year 2023-24, 2 (two) NRC meetings were held. The attendance of the members at the NRC meetings held during the period under review and details of composition of NRC as on 31<sup>st</sup> March 2024 are as under:

Name of the members	Categories	Date of the Meetings	
		8 <sup>th</sup> August 2023, 29 <sup>th</sup> September 2023.	
		Held during the FY 24	Attended during the FY 24
Mr. Sohanlal K. Jain	Non-Executive Independent Director (Chairperson)	2	2
Mr. Krishna S. Thar	Non-Executive Independent Director (Member)	2	2
Mrs. Krupa R. Gandhi	Non-Executive Independent Director (Member)	2	2

**CORPORATE GOVERNANCE REPORT (Contd.)**

Mr. Rahul Dubey, Company Secretary and Compliance Officer, acts as the Secretary to the Committee. Mr. Sohanlal K. Jain, Chairperson of the NRC was present at the last Annual General Meeting of the Company held on 24<sup>th</sup> August 2023.

The brief terms of reference of NRC inter-alia includes recommendation to Board remuneration policy for its directors, key managerial personnel & employees, formulation of criteria for performance evaluation of individual directors, board as a whole & committees, devised templates for performance evaluation and recommendation of appointment, reappointment & remuneration to be paid to board of directors, key managerial personnel & senior management personnel.

**Performance Evaluation**

The Board carries out annual performance evaluation of its own performance, the Directors individually, as well as the evaluation of the working of its committees as mandated under the Act. The performance evaluation of Non-Independent Directors and the Board as a whole was carried out by the Independent Directors. The performance of the Chairperson of the Board was also reviewed, taking into account the views of the Executive, Non-executive and Independent Directors.

The evaluation is based on criteria which includes, among others, attendance and preparedness for the meetings, participation in deliberations, understanding the Company's business and that of the industry and guiding the Company in decisions affecting the business and additionally based on the roles and responsibilities as specified in the Act and the Listing Regulation.

Structured questionnaires were circulated to the Directors for providing feedback on functioning of the Board, Committees and the Chairperson of the Board. Based on the inputs received, action plans are drawn up in consultation with the Directors to encourage greater participation and deliberations at the meetings and bringing to the table their experience and guidance in further improving the performance of the Company. The Board has on recommendation of the NRC, framed a policy called as Nomination, Remuneration and Succession Policy which is available on the website of the Company.

**E. STAKEHOLDERS' RELATIONSHIP COMMITTEE**

The Stakeholders' Relationship Committee ('SRC') comprises of 3 (three) Directors, which includes two Independent Directors and an Executive Director. The composition of the SRC complies with the requirements of the Act and the Listing Regulations.

During the financial year 2023-24, 1 (one) SRC meeting was held. The attendance of the members at the SRC meetings held during the period under review and details of composition SRC as on 31<sup>st</sup> March 2024 are as under:

Name of the members	Categories	Date of the Meetings 23 <sup>rd</sup> January 2024	
		Held during the FY 24	Attended during the FY 24
Mr. Sohanlal K. Jain	Non-Executive Independent Director (Chairperson)	1	1
Mr. Krishna S. Thar	Non-Executive Independent Director (Member)	1	1
Mr. Suresh Sodani	Executive-Managing Director (Member)	1	1

Mr. Rahul Dubey, Company Secretary and Compliance Officer, acts as the Secretary to the Committee. Mr. Sohanlal K. Jain, Chairperson of the SRC was present at the last Annual General Meeting of the Company held on 24<sup>th</sup> August 2023.

The brief terms of reference of SRC inter-alia includes consideration of various aspect of interest of shareholders, debenture holders and other security holders and resolve their grievances including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.; review of measures taken for effective exercise of voting rights by shareholders; review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent; review of the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company.

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 SRC.

The Company has designated an email id cel.investor@adityabirla.com exclusively for the purpose of grievances or correspondences of shareholders/investors.

## CORPORATE GOVERNANCE REPORT (Contd.)

Status of Shareholders'/Investors' Complaints for the period 1<sup>st</sup> April 2023 to 31<sup>st</sup> March 2024

Nature of complaint	No. of complaints received	No. of complaints resolved	No. of pending complaints
Exchange of Share Certificates	-	-	-
Transmission of Shares	5	5	-
Dividend	1	1	-
Others	14	14	-
<b>Total</b>	<b>20</b>	<b>20</b>	<b>-</b>

All complaints were redressed to the satisfaction of shareholders/investors.

### F. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The Corporate Social Responsibility Committee ('CSR') comprises of 3 (three) Directors, which includes two Independent Directors and an Executive Director. The CSR Committee recommends to the Board the CSR activities to be undertaken during the financial year and the amount to be spent on these activities and to monitor its progress. Pursuant to Rule 4 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, the Chief Financial Officer of the Company has issued certificate that the funds disbursed for CSR activity for the financial year 2023-24 has been utilized for the purpose and in the manner as approved by the Board.

During the financial year 2023-24, 2 (two) CSR Committee meetings were held. The attendance of the members at the CSR meetings held during the period under review and details of composition of CSR Committee as on 31<sup>st</sup> March 2024 are as under:

Name of the members	Categories	Date of the Meetings	
		18 <sup>th</sup> May 2023 and 2 <sup>nd</sup> November 2023.	
		Held during the FY 24	Attended during the FY 24
Mr. Sohanlal K. Jain	Non-Executive Independent Director (Chairperson)	2	2
Mrs. Krupa R. Gandhi	Non-Executive Independent Director (Member)	2	2
Mr. Suresh Sodani	Executive-Managing Director (Member)	2	2

Mr. Rahul Dubey, Company Secretary and Compliance Officer, acts as the Secretary to the Committee and Mr. Sohanlal K. Jain, Chairperson of the CSR Committee was present at the last Annual General Meeting of the Company held on 24<sup>th</sup> August 2023.

The brief terms of reference of CSR Committee are to formulate and recommend to the Board, a CSR policy indicate the activities to be undertaken by the Company in areas or subject specified in Schedule VII, amount of expenditure to be incurred on CSR projects & programmes and monitor them.

### G. RISK MANAGEMENT COMMITTEE

The Risk Management Committee ('RMC') comprises of 4 (four) Members, which includes an Independent Director, a Non- Executive Director, Managing Director and Chief Financial Officer of the Company.

During the financial year 2023-24, 2 (two) meetings of the RMC were held. The attendance of the members at the RMC meetings held during the period under review and details of composition of RMC as on 31<sup>st</sup> March 2024 are as under:

Name of the members	Categories	Date of the Meetings	
		11 <sup>th</sup> July 2023 and 2 <sup>nd</sup> January 2024	
		Held during the FY 24	Attended during the FY 24
Mr. Devajyoti N. Bhattacharya <sup>^</sup>	Non-Executive Director (Chairperson)	1	1
Mr. Jayant V. Dhobley <sup>^^</sup>	Non-Executive Director (Chairperson)	1	1
Mr. Sohanlal K. Jain	Non-Executive Independent Director (Member)	2	2
Mr. Suresh Sodani	Executive-Managing Director (Member)	2	2
Mr. Krishna G. Ladsaria	Chief Financial Officer (Member)	2	2

## CORPORATE GOVERNANCE REPORT (Contd.)

### Notes:

1. Mr. Devajyoti N. Bhattacharya^ (DIN:00868751) ceased as Non-Executive Non-Independent Director of the Company w.e.f. 29<sup>th</sup> September 2023.
2. Mr. Jayant V. Dhobley^^ (DIN:02402556) was appointed as Non-Executive Non-Independent of the Company w.e.f. 29<sup>th</sup> September 2023.

The brief terms of reference of the RMC are as under:

- to formulate a detailed risk management policy which shall include:
  - a) a framework for identification of internal and external risks specifically faced by the listed entity, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee.
  - b) measures for risk mitigation including systems and processes for internal control of identified risks.
  - c) business continuity plan.
- ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;
- monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;
- periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;
- keep the Board of Directors informed about the nature and content of its discussions, recommendations and actions to be taken;
- review the appointment, removal and terms of remuneration of the Chief Risk Officer, if any.

## H. SHARE TRANSFER COMMITTEE

The Share Transfer Committee ('STC') comprises of 2 (two) Independent Directors of the Company.

During the financial year 2023-24, 6 (six) meetings of the STC were held. The attendance of the members at the STC meetings held during the period under review and details of composition STC as on 31<sup>st</sup> March 2024 are as under:

Name of the members	Categories	Date of the Meetings	
		8 <sup>th</sup> May 2023, 26 <sup>th</sup> June 2023, 16 <sup>th</sup> August 2023, 23 <sup>rd</sup> October 2023, 24 <sup>th</sup> January 2024 and 18 <sup>th</sup> March 2024	
		Held during the FY 24	Attended during the FY 24
Mr. Krishna S. Thar	Non-Executive Independent Director (Chairperson)	6	6
Mrs. Krupa R. Gandhi	Non-Executive Independent Director (Member)	6	6

Mr. Rahul Dubey, Company Secretary and Compliance Officer, acts as the Secretary to the Committee.

There is also a delegation of authorities to Senior Executives to attend share related formalities i.e., transmission, name deletion, share transfer etc. and register the same within stipulated time, provided all the documents are valid and complete in all respect. Number of transaction in each such categories approved by the delegated authorities are placed before the STC/Board for its review & noting.

## I. INDEPENDENT DIRECTOR

The Board comprises of 4 (Four) Non-Executive Independent Directors. All the Independent Directors are Independent and are not related to any Director or Key Managerial Personnel and the Company's Management. None of the Independent Directors serve as an Independent Director in more than seven listed companies in line with the requirements of the Listing Regulations. Independent Directors have also confirmed about inclusion of their names in the databank of Independent Directors maintained with the Indian Institute of Corporate Affairs in terms of Section 150 read with Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014.

During the financial year 2023-24, one meeting of the Independent Directors was held on 13<sup>th</sup> March 2024, which was attended by all the members without the presence of any Non-Independent Directors and the Company's Executives to deal with matters as specified in Regulation 25 of the Listing Regulations and Schedule IV to the Act,

The Independent Directors expressed their satisfaction on the overall performance of the Directors, the Board as a whole, Board's freedom to express views on matters transacted at meetings and the manner in which the management discusses various subject matters specified in the agenda of meetings.

## CORPORATE GOVERNANCE REPORT (Contd.)

### Declaration/Confirmation and Status of Independent Directors

Necessary declarations have been obtained from all the Independent Directors that they meet the criteria of Independence under Section 149(6) of the Act and under Regulation 16 read with Regulation 25 of Listing Regulations. In terms of Regulation 25(8) of the Listing Regulations, Independent Directors have confirmed that they are not aware of any circumstance or situation which exists or may be reasonably anticipated, that could impair or impact their ability to discharge their duties with an objective of independent judgement and without any external influence.

The Board of Directors have taken on record the declaration and confirmation submitted by the Independent Directors and is of the opinion that they fulfil the conditions specified in the Act and the Listing Regulations and are independent of the management.

### Terms and Conditions of appointment

The terms & conditions of appointment Independent Director stipulates the manner of appointment, role & functions, duties, relevant provisions of section 149, 150 and 152 of the Act and 'Guidelines for Professional Conduct' pursuant to Schedule IV to the Act and are forming part of his appointment letter. The terms and conditions of appointment of Independent Directors are available on the website Company at

[https://www.centuryenka.com/pdf/Independent\\_directors\\_terms\\_conditions.pdf](https://www.centuryenka.com/pdf/Independent_directors_terms_conditions.pdf)

### Familiarisation Programme

Familiarisation programmes for the Independent Directors generally forms part of the Board process. Board and Committees are updated on business performance; operating results; risk management and mitigation plans; efforts and initiatives around environment and sustainability; management outlook on business; economic / industry developments, among others. Directors has an opportunity to interact with the senior management team including the Statutory and the Internal Auditors of the Company. The Directors are also regularly informed of other developments and regulatory changes and its corresponding impact on the Company. The details of familiarisation programme are available on the website of the Company at <https://www.centuryenka.com/pdf/policies/familiarisation-programme-independent-director.pdf>

### Resignation of Independent Director

During the financial year 2023-24, no Independent Director has resigned before the expiry of his/her tenure.

## J. SENIOR MANAGEMENT

The Company has covered the following persons under the definition of Senior Management Personnel:

Sr. No.	Name of Senior Management Personnel	Designation
1.	Mr. Krishna G. Ladsaria	Chief Financial Officer
2.	Mr. Rahul Dubey	AVP Legal and Company Secretary
3.	Mr. Shivappa Agasimani (upto 30 <sup>th</sup> September 2023)	Sr. Vice President (Operations) Pune Plant
4.	Mr. Alok Upadhyaya (w.e.f. 1 <sup>st</sup> November 2023)	Sr. Vice President (Unit Head-Pune Plant)
5.	Mr. Rajeev Rathi	Jt. President (Unit Head-Bharuch Plant)
6.	Mr. Milind Ashtaputre	Sr. Vice President (NTCF Marketing)
7.	Mr. Sanjay Mehrotra	Sr. Vice President (NFY Marketing)
8.	Mr. Jagannath Prasad	Vice President (HR & Admin)
9.	Mr. Kirti Nidhi Dhandh (upto 30 <sup>th</sup> September 2023)	Vice President (Commercial)
10.	Mr. Sandeep Kumar (w.e.f. 1 <sup>st</sup> October 2023)	Vice President (Commercial)

During the period under review, Mr, Shivappa Agasimani, Sr. Vice President (Operations), Pune Plant, retired on 30<sup>th</sup> September 2023 and Mr. Alok Upadhyaya, Sr. Vice President (Unit Head-Pune Plant), was appointed w.e.f. 1<sup>st</sup> November 2023. Further, Mr. Kirti Nidhi Dhandh, Vice President (Commercial) retired on 30<sup>th</sup> September 2023 and Mr. Sandeep Kumar, Vice President (Commercial) was appointed w.e.f. 1<sup>st</sup> October 2023.



**CORPORATE GOVERNANCE REPORT (Contd.)**

**K. REMUNERATION OF DIRECTORS**

**Non-Executive Directors:**

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

**(i) Sitting Fees**

The sitting fees paid, for attending meetings of the Board of Directors and Committee to each Director except Managing Director is mentioned herein below:

Type of Meeting	Sitting Fees per meeting
Board	₹25,000/-
Audit Committee	₹15,000/-
Nomination & Remuneration Committee / Corporate Social Responsibility Committee/ Stakeholders' Relationship Committee /Share Transfer Committee/Risk Management Committee	₹7,500/-

**(ii) Commission**

Pursuant to special resolution passed by the shareholders in the 53<sup>rd</sup> AGM of the Company held on 13<sup>th</sup> July 2019, commission is payable to non-executive directors at a rate not exceeding 1% of the net profits of the Company as computed in accordance with section 198 of the Act and 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 are based on the period and overall contribution.

Remuneration paid/payable to Non-Executive Directors for the financial year 2023-24:

Name of Non-Executive Director	Sitting Fees paid for Board/ Committee Meetings attended	Commission Payable
Mrs. Rajashree Birla	₹75,000/-	₹7,50,000/-
Mr. Sohanlal K. Jain	₹2,77,500/-	₹7,50,000/-
Mr. Krishna S. Thar	₹2,92,500/-	₹7,50,000/-
Mrs. Krupa R. Gandhi	₹3,00,000/-	₹7,50,000/-
Mr. Ashish Razdan	₹50,000/-	₹2,66,393/-
Mr. Devajyoti N. Bhattacharya	₹57,500/-	₹3,72,951/-
Mr. Jayant V. Dhobley	₹57,500/-	₹3,79,098/-

There were no other pecuniary relationships or transactions between the Company and Non-Executive Directors during the financial year 2023-24.

**Executive Director**

During the financial year 2023-24, the Company has paid remuneration to its Managing Director within the limits as prescribed under the applicable provisions of the Act and Listing Regulations.

Remuneration paid/ payable to Mr. Suresh Sodani, Managing Director for the financial year 2023-24 is as under:

	₹Lacs
All elements of remuneration package i.e., salary, benefits, pension etc.	206.58
Variable Pay	62.10
Total Remuneration	268.68
Appointment Period	Five years w.e.f. 01.09.2020
Notice Period	Three months' notice in writing on either side.
Severance Fees	No severance fees payable to the Managing Director.
Stock options	Nil

## CORPORATE GOVERNANCE REPORT (Contd.)

The above remuneration is exclusive of contribution to approved gratuity fund which is based on actuarial valuation done on an overall company basis.

A sum of ₹62.10 Lacs was paid towards annual variable pay linked to the achievement of business and individual performance.

### L. GENERAL BODY MEETINGS

Details of the General Meetings of the Company held during the last 3 years are as under:

Financial Year	Date & Time	Location	Particulars of Special Resolution passed
2020-21 55 <sup>th</sup> AGM	13 <sup>th</sup> August 2021 at 2:30 p.m. (IST)	Through Video Conferencing/ Other Audio-Visual Means: Recorded at Century Enka Limited Plot No. 72 & 72-A, MIDC, Bhosari, Pune-411026	(a) Reappointment of Mrs. Rajashree Birla (DIN: 00022995) as a Director of the Company, liable to retire by rotation. (b) Consider and adopt new set of Articles of Association of the Company pursuant to the Companies Act, 2013.
2021-22 56 <sup>th</sup> AGM	18 <sup>th</sup> August 2022 at 2:30 p.m. (IST)	Through Video Conferencing/ Other Audio-Visual Means: Recorded at Century Enka Limited Plot No. 72 & 72-A, MIDC, Bhosari, Pune-411026	No Special Resolution was proposed and passed at 56 <sup>th</sup> AGM of the Company
2022-23 57 <sup>th</sup> AGM	24 <sup>th</sup> August 2023 at 2:30 p.m. (IST)	Through Video Conferencing/ Other Audio-Visual Means: Recorded at Century Enka Limited Plot No. 72 & 72-A, MIDC, Bhosari, Pune-411026	(a) Reappointment of Mrs. Rajashree Birla (DIN: 00022995) as a Director of the Company, liable to retire by rotation.

### POSTAL BALLOT

#### i. Details of special resolution passed by Postal Ballot:

During the year under review, below resolution was passed by means of postal ballot on 26<sup>th</sup> December 2023:

- To appoint Mr. Ashish Razdan (DIN: 03584734) as an Independent Director of the Company.

#### ii. Details of Voting Pattern:

Favour of the Resolution			Against the Resolution			Invalid Votes		
No. of share holders	No. of e-votes cast	% of e-votes cast	No. of shareholders	No. of e-votes cast	% of e-votes cast	No. of share holders	No. of e-votes cast	% of e-votes cast
287	8679417	99.80	20	17170	0.20	-	-	-

\* The detail report is already uploaded on the Company's and Stock Exchange website where the securities of the Company are listed.

#### iii. Person who conducted the aforesaid postal ballot exercise:

Mr. Sachin Mantri, Practicing Chartered Accountant (Membership No. 101497 & FRN 118690W) conducted the aforesaid postal ballot exercise in a fair and transparent manner.

#### iv. Whether any Special resolution is proposed to be conducted through postal ballot:

Special Resolutions to be passed at the ensuing Annual General Meeting of the Company are not proposed to be put through postal ballot. However, in case of any other special resolutions, in the future, the same will be decided at the relevant time.

## CORPORATE GOVERNANCE REPORT (Contd.)

### v. Procedure for Postal Ballot:

The procedure for postal ballot is as per the provisions of the Act and the Listing Regulations as amended from time to time.

### M. MEANS OF COMMUNICATION

- The unaudited/audited financial results for each quarter and financial statements for the year are placed before the Board of Directors within the stipulated time. The results are published in Business Standard (all editions) & Loksatta (Pune edition).
- Financial results and other information of the Company are available on the website of the Company at [www.centuryenka.com](http://www.centuryenka.com)
- Investor Presentations and Official press release, if any, filed with the Stock Exchanges are simultaneously hosted on the website of the Company.

### N. GENERAL SHAREHOLDER INFORMATION

#### (a) Annual General Meeting:

Day, Date and Time: Friday, 30<sup>th</sup> August 2024, 2:30 PM (IST)  
 Venue: Plot No. 72 & 72-A, MIDC, Bhosari, Pimpri Chinchwad, Pune- 411026, Maharashtra  
 Mode: Through Video Conference

#### (b) Financial Year:

1<sup>st</sup> April - 31<sup>st</sup> March

#### (c) Financial Calendar:

Board Meetings for approval of financial reporting for the	Tentative Dates
Quarter ending 30 <sup>th</sup> June 2024	On or before 14 <sup>th</sup> August 2024
Quarter ending 30 <sup>th</sup> September 2024	On or before 14 <sup>th</sup> November 2024
Quarter ending 31 <sup>st</sup> December 2024	On or before 14 <sup>th</sup> February 2025
Quarter ending 31 <sup>st</sup> March 2025	On or before 30 <sup>th</sup> May 2025

#### (d) Book Closure:

The Register of Members and Share Transfer Register will remain closed from Wednesday, the 21<sup>st</sup> August 2024 to Thursday, the 22<sup>nd</sup> August 2024 (both days inclusive) for the purpose of payment of dividend.

#### (e) Dividend Payment Date:

On or after 3<sup>rd</sup> September 2024

#### (f) Registered Office & Contact details:

Plot No. 72 & 72-A, MIDC, Bhosari, Pimpri Chinchwad,  
 Pune- 411026, Maharashtra  
 Tel. No. (020) 66127 304  
 Fax No. (020) 27120 113  
 E-mail: [cel.investor@adityabirla.com](mailto:cel.investor@adityabirla.com)  
 Website: [www.centuryenka.com](http://www.centuryenka.com)

#### (g) Listing at Stock Exchanges:

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

#### (h) Payment of Annual Listing Fees:

The Annual Listing Fees for the financial year 2024-25 to BSE and NSE has been paid.

#### (i) Stock Code:

BSE Limited: 500280  
 National Stock Exchange of India Limited: CENTENKA

#### (j) ISIN of the Equity Shares:

INE485A01015

**CORPORATE GOVERNANCE REPORT (Contd.)**

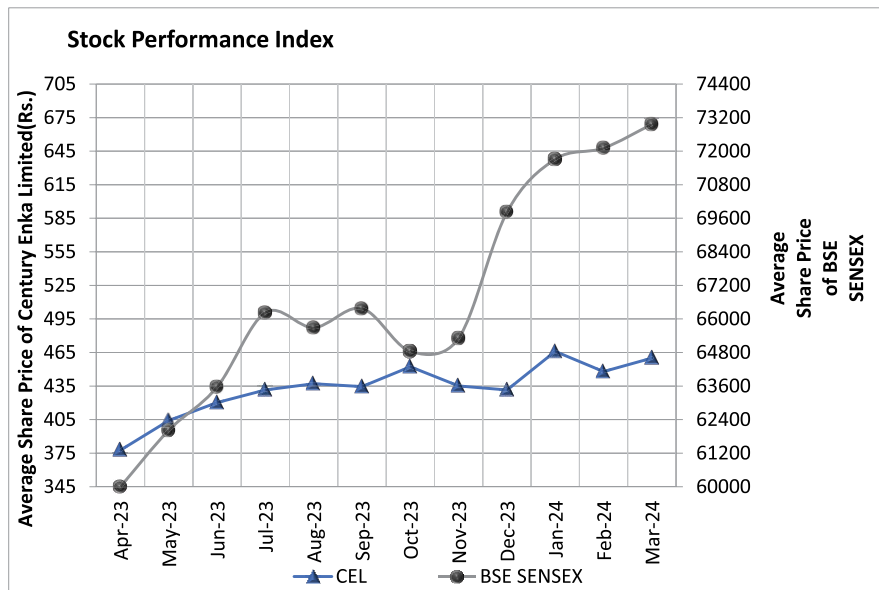
**(k) Market price Data:**

Monthly high and low prices of equity shares of the Company quoted at BSE Ltd. (BSE) and National Stock Exchange of India Ltd. (NSE) during the financial year 2023-24 are given below:

(Amount/ ₹)

Month	BSE		NSE	
	High	Low	High	Low
April-23	406.90	348.50	408.75	346.90
May-23	425.00	383.40	426.00	376.95
June-23	445.80	394.60	446.55	398.10
July-23	444.95	418.20	444.75	416.80
August-23	464.90	409.35	464.50	410.00
September-23	453.20	416.00	453.20	415.10
October-23	483.50	421.10	484.40	417.10
November-23	462.25	408.00	463.75	408.05
December-23	447.25	415.80	444.00	416.85
January-24	503.00	429.00	504.00	425.90
February-24	476.00	419.95	476.80	420.00
March-24	459.95	379.90	455.05	377.75

**(l) Stock Performance Index:**



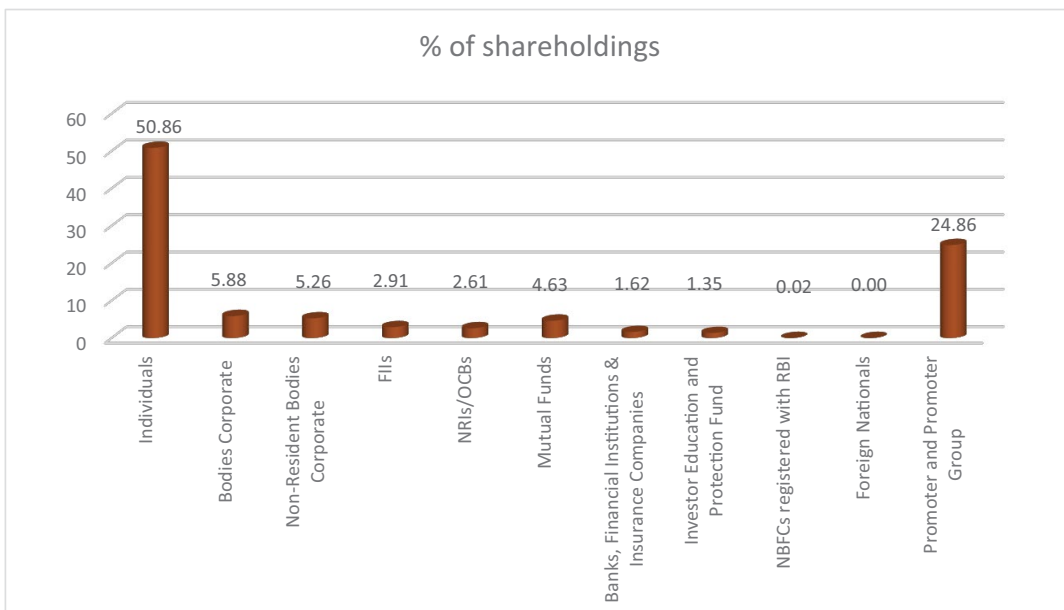
**CORPORATE GOVERNANCE REPORT (Contd.)**

**(m) Distribution of Shareholding of the equity shares of the Company as on 31<sup>st</sup> March 2024:**

No. of equity shares held	No. of shareholders	% of shareholders	No. of equity shares held	% of shareholding
1 to 10	12,083	28.5799	66,874	0.3061
11 to 50	14,642	34.6327	4,36,024	1.9955
51 to 100	5,597	13.2386	4,90,765	2.2460
101 to 500	7,092	16.7747	17,62,898	8.0680
501 to 1000	1,373	3.2476	10,84,427	4.9629
1001 to 5000	1,209	2.8596	26,64,638	12.1948
5001 and above	282	0.667	1,53,44,963	70.2268
<b>Total</b>	<b>42,278</b>	<b>100</b>	<b>2,18,50,589</b>	<b>100</b>

**(n) Categories of Shareholding as on 31<sup>st</sup> March 2024:**

Category	No. of shareholders	% of shareholders	No. of shares held	% of shareholdings
<b>Non-Promoters</b>				
Individuals	41174	97.39	11112067	50.86
Bodies Corporate	403	0.95	1284431	5.88
Non-Resident Bodies Corporate	3	0.01	1150000	5.26
FIs	45	0.11	635434	2.91
NRIs/OCBs	593	1.40	570387	2.61
Mutual Funds	6	0.01	1010225	4.63
Banks, Financial Institutions & Insurance Companies	38	0.09	354666	1.62
Investor Education and Protection Fund	1	0	295246	1.35
NBFCs registered with RBI	3	0.01	4885	0.02
Foreign Nationals	1	0	200	0.00
<b>Total Non-Promoter</b>	<b>42267</b>	<b>99.97</b>	<b>16417541</b>	<b>75.14</b>
<b>Promoter and Promoter Group</b>	<b>11</b>	<b>0.03</b>	<b>5433048</b>	<b>24.86</b>
<b>Total</b>	<b>42278</b>	<b>100</b>	<b>21850589</b>	<b>100</b>





**CORPORATE GOVERNANCE REPORT (Contd.)**

<b>(o) Dematerialisation of Shares and Liquidity:</b>	92.70% of equity shares have been dematerialized as on 31 <sup>st</sup> March 2024. Trading in the shares of Century Enka Limited is available in dematerialised form only.
<b>(p) Outstanding GDRs, ADRs, Warrants or any Convertible Instruments:</b>	The Company does not have any outstanding GDRs/ ADRs/ Warrants/ Convertible Instruments.
<b>(q) Commodity Price Risk or Foreign Exchange Risk &amp; Hedging activities:</b>	It is the policy of the Company to cover its foreign currency exposure for imports to avoid currency exchange fluctuation. There is no hedging available in caprolactam, the raw material of the Company.
<b>(r) Plant Locations:</b>	a) MIDC Bhosari, Pune, Maharashtra b) Rajashree Nagar, Bharuch, Gujarat & c) Mahad, Raigad, Maharashtra
<b>(s) Registrar to an issue and share transfer agent:</b>	Link Intime India Private Limited (Unit: Century Enka Limited) C 101, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai - 400083. Tel.: 022-8108116767, Fax: 022-49186060, E-mail: <a href="mailto:rnt.helpdesk@linkintime.co.in">rnt.helpdesk@linkintime.co.in</a>
<b>(t) Share Transfer System:</b>	Share Transfer System is explained in the para of Share Transfer Committee of this Report.
<b>(u) Address for Correspondence:</b>	Century Enka Limited Plot No. 72 & 72-A, MIDC, Bhosari, Pimpri Chinchwad Pune-411026, Maharashtra. Tel. No.: (020) 66127304 E-mail: <a href="mailto:cel.investor@adityabirla.com">cel.investor@adityabirla.com</a>

- (v) In case the securities are suspended from trading, the directors report shall explain thereof:**  
The shares are actively traded on NSE and BSE and have not been suspended from trading during the year under review.
- (w) List of credit ratings along with any revisions thereto during the financial year 2023-24**  
There has been no change in the credit ratings during the financial year 2023-24. The credit ratings have been re-affirmed for the bank facilities are as under:

Particulars	Facilities ₹(crores)	Credit Ratings
Bank Facilities (for debt instruments/facilities)		
Long Term Ratings	180	CRISIL A+/Stable (Reaffirmed)
Short Term Ratings	365	CRISIL A1+ (Reaffirmed)
<b>Total Bank Facilities</b>	<b>545</b>	

**O. OTHER DISCLOSURES**

- (a) Material significant related party transactions that may have a potential conflict with the interest of the listed entity at large**  
During the financial year 2023-24, there are no transaction of materially significant nature with related party that may have a potential conflict with the interest of the Company at large.

**CORPORATE GOVERNANCE REPORT (Contd.)**

**(b) Details of non-compliance by the listed entity, penalties and strictures imposed on the Company by Stock Exchanges or SEBI or any Statutory Authority on any matter related to capital markets, during the last three years**

There has been reported a delay of few hours while giving prior intimation to BSE & NSE regarding the Board Meeting to be held on 9<sup>th</sup> August 2022 due to accidental loss of connectivity with the server/network, the Company responded to the Show Cause Notice and had applied for waiver of fine whereas the said request for waiver was not considered by the authorities and the Company paid fine of ₹10,000/- to each stock exchanges.

Further, in the Corporate Governance Report for the financial year 2021-22, the Securities Appellate Tribunal (SAT), in the matter of Regulation 17(1) of the Listing Regulations regarding the composition of directors, quashed the order of SEBI & Stock Exchanges, vide its order dated 25<sup>th</sup> March 2022. In pursuance of the same, both the Stock Exchanges refunded an amount of ₹6,25,000/- each to the Company, being the amount paid by the Company under protest.

**(c) Details of Vigil Mechanism/Whistle Blower Policy and affirmation that no personnel have been denied access to the Audit Committee**

The Company has put in place a Vigil Mechanism/Whistle Blower Policy to provide an open and transparent working environment and to promote responsible & secure whistle blowing system and affirms that no personnel had been denied access to the Audit Committee. It provides adequate safeguards to persons who raise the concern and also have provision for direct access to the Chairperson of Audit Committee, entrusted to oversee the Vigil Mechanism/ Whistle blower.

The policy broadly covers instances of unethical behaviour, actual or suspected fraud, 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 is available on the website of the Company at <https://www.centuryenka.com/pdf/policies/vigil-mechanism-whistle-blower-policy.pdf>

**(d) Details of compliance with mandatory requirements and adoption of the non-mandatory requirements**

The Company has complied with all applicable mandatory requirements of the Listing Regulations during the financial year 2023-24 and adopted discretionary requirements (refer para 'discretionary requirements of this report') as specified in Part E of Schedule II of the Listing Regulations.

**(e) Web link, where policy on dealing with related party transactions is disclosed**

The policy on Related Party Transactions as approved by the Board of Directors is available on the website of the Company at <https://www.centuryenka.com/pdf/policies/policy-on-related-party-transactions.pdf>

**(f) Disclosure of commodity price risks and commodity 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.

**(g) Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32(7A)**

During the financial year 2023-24, the Company has not raised any funds through preferential allotment or qualified institutions placements as specified under Regulation 32(7A) of the Listing Regulations.

**(h) A certificate from a company secretary in practice that none of the directors on the board of the company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/Ministry of Corporate Affairs or any such Statutory Authority**

M/s Sanjay Sangani & Co., Company Secretaries, have issued a certificate that none of the directors on the Board of the Company are debarred or disqualified from being appointed or continuing as Directors of companies by the SEBI/Ministry of Corporate Affairs or any such Statutory Authority. The said certificate is attached as Annexure and forms part of this Report.

**(i) Where the board had not accepted any recommendation of any committee of the board, which is mandatorily required, in the relevant financial year**

During the financial year 2023-24, the Board of Directors of the Company has accepted all the recommendation of the committees.

**(j) Total fees for all services paid by the listed entity and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part**

Total Fees paid/payable to Statutory Auditors for the financial year 2023-24 is ₹55,93,210. (There is no subsidiary company/ network firm/ network entity)

**CORPORATE GOVERNANCE REPORT (Contd.)**

**(k) Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013**

The Company has received POSH complaint during the financial year 2023-24.

Number of Complaints filed during the financial year	Number of Complaints disposed during the financial year	Number of Complaints pending as on end of the financial year
1	1	0

The Company has a Policy for prevention of Sexual Harassment at Workplace, approved by the Board, to create a healthy working environment that enables employees to work without fear of prejudice, gender biasness and harassment free workplace to all employees without regard to race, caste, religion, colour, ancestry, marital status, gender, age, nationality, ethnic origin or disability. The said policy is available on the website of Company at <https://www.centuryenka.com/pdf/policies/policy-prevention-sexual-harassment-workplace.pdf>

**(l) Disclosure by listed entity and its subsidiaries of 'Loans and advances in the nature of loans to firms/companies in which directors are interested by name and amount**

No loans and advances have been given in the nature of loans/companies to the firms/companies in which, directors of the Company are interested.

**(m) Details of material subsidiaries of the listed entity; including the date and place of incorporation and the name and date of appointment of the statutory auditors of such subsidiaries.**

The Company does not have either subsidiary or material subsidiary company during the period under review.

**(n) Code of Conduct**

The Company has always encouraged and supported ethical business practices in personal and corporate behaviour by its directors and employees. The Board has laid down a Code of Conduct for all the Board members and Senior Management Personnel of the Company. The Code is available on the website of the Company at <https://www.centuryenka.com/pdf/policies/code-conduct-members-board-senior-management.pdf>

All the Board Members and Senior Management Personnel have confirmed compliance with the Code. A declaration to that effect signed by the Managing Director is attached and forming part of this Report.

**(o) Prevention of Insider Trading**

Pursuant to Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 as amended from time to time, the Company has adopted a 'Code of conduct for dealing in equity shares and other listed securities' ('Insider Trading Code') and the 'Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information' (UPS). The Codes are available on the website of the Company at <https://www.centuryenka.com/pdf/policies/insider-trading-code.pdf> and <https://www.centuryenka.com/pdf/policies/fair-disclosure-unpublished-price-sensitive-information.pdf> respectively.

The Code aims at preserving and preventing misuse of UPS. All Designated Persons of the Company are covered under the Insider Trading Code, which provides inter-alia for periodical disclosures and obtaining pre-clearances for trading in securities of the Company. PAN based online tracking mechanism for monitoring of the trade in the Company's securities by the Designated Persons and their immediate relatives is in place to ensure real time detection and taking appropriate action, in case of any non-compliance with the provisions of the Insider Trading Code.

**(p) Policies and Information available on the website of the Company**

The Company has adopted various policies and codes, as approved and periodically reviewed by the Board.

Particulars	Website Link
Dividend Distribution Policy	<a href="https://www.centuryenka.com/pdf/policies/dividend-distribution-policy.pdf">https://www.centuryenka.com/pdf/policies/dividend-distribution-policy.pdf</a>
Policy on Board Diversity	<a href="https://www.centuryenka.com/pdf/policies/policy-on-board-diversity.pdf">https://www.centuryenka.com/pdf/policies/policy-on-board-diversity.pdf</a>
Archival Policy	<a href="https://www.centuryenka.com/pdf/policies/policy-for-archival-of-documents.pdf">https://www.centuryenka.com/pdf/policies/policy-for-archival-of-documents.pdf</a>
CSR Policy	<a href="https://www.centuryenka.com/pdf/policies/csr-policy.pdf">https://www.centuryenka.com/pdf/policies/csr-policy.pdf</a>
Policy on Determination of Materiality of events or Information for Disclosure	<a href="https://www.centuryenka.com/pdf/policies/Policy_01122015.pdf">https://www.centuryenka.com/pdf/policies/Policy_01122015.pdf</a>
Secretarial Compliance Report for the financial year ended 31 <sup>st</sup> March 2024	<a href="https://www.centuryenka.com/pdf/annual-secretarial-compliance-report-31march2024.pdf">https://www.centuryenka.com/pdf/annual-secretarial-compliance-report-31march2024.pdf</a>
Annual Return as on 31 <sup>st</sup> March 2024	<a href="https://www.centuryenka.com/investor-relations/index.html#parentHorizontal parentHorizontalTab6 ChildVerticalTab_212">https://www.centuryenka.com/investor-relations/index.html#parentHorizontal parentHorizontalTab6 ChildVerticalTab_212</a>

**CORPORATE GOVERNANCE REPORT (Contd.)**

**P. NON-COMPLIANCE OF ANY REQUIREMENT OF CORPORATE GOVERNANCE REPORT OF SUB-PARAS (2) TO (10) ABOVE, WITH REASONS THEREOF SHALL BE DISCLOSED**

The Company has complied with all compliances of corporate governance report as mentioned in sub-paras (2) to (10) of Part C of Schedule V of the Listing Regulations.

**Q. THE CORPORATE GOVERNANCE REPORT SHALL ALSO DISCLOSE THE EXTENT TO WHICH THE DISCRETIONARY REQUIREMENTS AS SPECIFIED IN PART E OF SCHEDULE II HAVE BEEN ADOPTED**

Discretionary requirements adopted by the Company are as follows:

- (i) The Board: At present, there is no separate office in the Company for use of Chairperson nor any expenditure reimbursed in performance of her duty.
- (ii) Shareholders Rights: Half year financial results including summary of the significant events are presently not being sent separately to shareholders of the Company.
- (iii) Modified opinion(s) in Audit Report: The Statutory Auditors have expressed an unmodified opinion on the financial statements of the Company. The Company is in the regime of financial statements with unmodified audit opinion.
- (iv) Separate posts of Chairperson and Chief Executive Officer: The Chairperson of the Company is a Non-Executive Director. Separate individuals hold the positions of Chairperson and the Managing Director of the Company.
- (v) Reporting of Internal Auditors: Reports of Internal Auditors are placed before the Audit Committee for its review.

**R. THE DISCLOSURES OF THE COMPLIANCE WITH CORPORATE GOVERNANCE REQUIREMENTS SPECIFIED IN REGULATION 17 TO 27 AND CLAUSES (B) TO (I) OF SUB-REGULATION (2) OF REGULATION 46 SHALL BE MADE IN THE SECTION ON CORPORATE GOVERNANCE OF THE ANNUAL REPORT**

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

**S. DECLARATION SIGNED BY THE CHIEF EXECUTIVE OFFICER STATING THAT THE MEMBERS OF BOARD OF DIRECTORS AND SENIOR MANAGEMENT PERSONNEL HAVE AFFIRMED COMPLIANCE WITH THE CODE OF CONDUCT OF BOARD OF DIRECTORS AND SENIOR MANAGEMENT**

The declaration signed by the Managing Director is attached and forms part of this Report.

**T. DISCLOSURES WITH RESPECT TO SUSPENSE ESCROW DEMAT ACCOUNT AND UNCLAIMED SUSPENSE ACCOUNT**

As per the Circulars/guidelines issued by SEBI, after due verification of the investor service requests received from the Shareholders/Claimants, 'Letter of Confirmation (LOC)' are issued in lieu of physical share certificate(s) by Companies/RTAs. The validity of such LOCs is one hundred twenty (120) days from the date of issuance, within which the Shareholder/Claimant is required to make a request to the Depository Participant (DP) for dematerializing the shares covered by the LOC. In case the demat request is not submitted within the aforesaid timeline of one hundred twenty (120) days, the Companies are required to transfer such shares to Suspense Escrow Demat Account of the Company opened for this purpose. Shareholders/Claimants can claim back their shares from the aforesaid account by submitting the required documents to RTA as per SEBI Advisory dated 30th December, 2022.

Details of shares transferred to Suspense Escrow Demat Account during the FY 2023-24 are as under:

Particulars	No of Shareholders	No of Equity shares
Outstanding shares on 1 <sup>st</sup> April 2023	-	-
Shares transferred during the FY 2023-24	4	455
Shares claimed back during the FY 2023-24	2	240
Outstanding shares on 31 <sup>st</sup> March 2024	2	215

**U. COMPLIANCE CERTIFICATE FROM EITHER THE AUDITORS OR PRACTICING COMPANY SECRETARIES REGARDING COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE SHALL BE ANNEXED WITH THE DIRECTORS' REPORT**

The Compliance Certificate issued by M/s Sanjay Sangani & Co., Company Secretaries, is attached and forms part of this Report.

**V. DISCLOSURE OF CERTAIN TYPES OF AGREEMENTS BINDING LISTED ENTITIES**

There are no agreements that necessitates disclosure under clause 5A of paragraph A of Part A of Schedule III of these regulations.

## CORPORATE GOVERNANCE REPORT (Contd.)

### W. TRANSFER OF EQUITY SHARES TO INVESTOR EDUCATION AND PROTECTION FUND AUTHORITY

Pursuant to section 124 of the Act read with Rule 6 of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 as amended from time to time, all shares in respect of which dividend had not been paid or claimed for 7 (seven) consecutive years were required to be transmitted to the Investor Education and Protection Fund Authority (IEPF Authority). Accordingly, 21,994 equity shares of ₹10/- each face value representing 708 folios which had not encashed dividend for 7 (seven) consecutive years from the financial year 2015-16 were transmitted to the IEPF Authority on 15<sup>th</sup> September 2023 (55,260 equity shares of ₹10/- each face value of 678 shareholders were transmitted to IEPF Authority on 21<sup>st</sup> September 2022 in the financial year 2023).

### BRIEF RESUME OF PERSON SEEKING APPOINTMENT/ RE-APPOINTED AS DIRECTOR OF THE COMPANY AT THE ANNUAL GENERAL MEETING

[Pursuant to Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standards on General Meetings issued by the Institute of Company Secretaries of India]

Name of the Director	Mrs. Rajashree Birla	Mr. Ravindra Kastia
Directors Identification Number (DIN)	00022995	00528025
Age	78 years	69 years
Date of Appointment on the Board	5 <sup>th</sup> May 2015	1 <sup>st</sup> November 2024
Qualification	B.A.	Chartered Accountant, Company Secretary, MBA, Diploma in Labour Law
Nature of expertise	As per resolution no. 3, read with explanatory statement thereto.	As per resolution no. 4, read with explanatory statement thereto.
Other Directorships held excluding Foreign Companies, Companies under Section 8 of the Companies Act, 2013 and Private Companies	<ol style="list-style-type: none"> <li>Grasim Industries Ltd</li> <li>Hindalco Industries Limited</li> <li>UltraTech Cement Limited</li> <li>Century Textiles and Industries Limited</li> <li>Pilani Investment and Industries Corporation Limited</li> </ol>	1. H G I Industries Limited
Name of the companies in which holds membership/ chairpersonship	Chairperson/ Member of Corporate Social Responsibility Committee of following companies: <ol style="list-style-type: none"> <li>Grasim Industries Ltd</li> <li>Hindalco Industries Limited</li> <li>UltraTech Cement Limited</li> <li>Century Textiles and Industries Limited</li> <li>Pilani Investment and Industries Corporation Limited</li> </ol>	Chairperson/ Member of Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee in the following company: <ol style="list-style-type: none"> <li>H G I Industries Limited</li> </ol>
Names of listed companies from which resigned in the past three years	Nil	Nil
Terms and conditions for appointment and re-appointment	Non-Executive Director liable to retire by rotation.	Appointment as Independent Director not liable to retire by rotation.
Remuneration last drawn	As mentioned in the Corporate Governance Report (forming part of Annual Report for the financial year ended 31 <sup>st</sup> March 2024)	Not Applicable
Remuneration proposed to be paid	Entitled to sitting fees for the Board and Committee meetings attended (if designated) and Commission as per the provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.	Entitled to sitting fees for the Board and Committee meetings attended (if designated) and Commission as per the provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
No. of shares held in the Company	26,080	Nil
Relationship with other directors, Manager, Key Managerial Personnel of the Company	None	None
No. of Board meetings attended during the year	3 (three)	Not Applicable



**CORPORATE GOVERNANCE REPORT** (Contd.)

**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 financial year ended on 31<sup>st</sup> March 2024.

Place: Mumbai  
Date: 16<sup>th</sup> May 2024

**Suresh Sodani**  
Managing Director  
DIN: 08789604

**CEO/CFO CERTIFICATION**

Regulation 17(8) of the Listing Regulations

The Board of Directors  
Century Enka Limited

We certify that:

- A. We have reviewed the financial statements and the cash flow statement of 'the Company for the financial year ended on 31<sup>st</sup> March 2024 ('year') and that to the best of our knowledge and belief:
- 1) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading; and
  - 2) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting. We have disclosed to the Company's Auditors and the Audit Committee of the Company's Board of Directors, deficiencies in the design or operation of internal controls, if any, of which we are aware, and the steps taken or proposed to be taken to rectify the deficiencies.
- D. We have indicated to the Auditors and the Audit Committee:
- 1) significant changes in the internal control, if any, over financial reporting during the year;
  - 2) significant changes in accounting policies during the year, if any, and that the same have been disclosed in the notes to the financial statements; and
  - 3) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

**Suresh Sodani**  
Managing Director  
DIN: 08789604

**Krishna Gopal Ladsaria**  
Chief Financial Officer

Date: 16<sup>th</sup> May 2024  
Place: Mumbai



## CORPORATE GOVERNANCE REPORT (Contd.)

### CERTIFICATE

To,

#### **The Members of Century Enka Limited**

We have examined the compliance of the condition Corporate Governance by Century Enka Limited ('the Company') for the year ended 31<sup>st</sup> March 2024, as stipulated in Regulations 17 to 27, clauses (b) to (i) and (t) of Regulation 46 (2) and para C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time ('Listing Regulations').

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

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance for the year ended 31<sup>st</sup> March 2024, as stipulated in the above mentioned Listing Regulations and as applicable.

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

For **Sanjay Sangani & Co.**

Company Secretaries

Peer Review Certificate No. : 1689/2022

**Sanjay H. Sangani**

Proprietor

M. No. : FCS 4090

C.P. No. : 3847

UDIN : F004090F000379410

Mumbai, 16<sup>th</sup> May 2024

**CORPORATE GOVERNANCE REPORT (Contd.)**

**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 Securities and Exchange Board of India (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 ending on 31<sup>st</sup> March 2024, has been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

Sr. No.	Name of Director	DIN	Date of appointment in Company
1.	Mrs. Rajashree Birla	00022995	05/05/2015
2.	Mr. Sohanlal Kundanmal Jain (tenure completed on 31.03.2024)	02843676	11/11/2009
3.	Mr. Krishna Shantilal Thar	00390137	27/11/2014
4.	Mrs. Krupa Rajen Gandhi	00294629	14/08/2020
5.	Mr. Suresh Sodani	08789604	01/09/2020
6.	Mr. Devajyoti Nirmal Bhattacharya (resigned w.e.f. 29.09.2023)	00868751	12/10/2020
7.	Mr. Jayant Vasant Dhobley	02402556	29/09/2023
8.	Mr. Ashish Razdan	03584734	23/11/2023

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 this based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For **Sanjay Sangani & Co.**  
 Company Secretaries  
 Peer Review Certificate No.: 1689/2022

**Sanjay H. Sangani**  
 Proprietor  
 M. No.: FCS 4090  
 C.P. No.: 3847  
 UDIN : F004090F000379465

Mumbai, 16<sup>th</sup> May 2024

# BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT

Section A	General Disclosures
Section B	Management and Process Disclosures
Section C	Principle-wise Performance Disclosures
Principle 1	Businesses should conduct and govern themselves with integrity, and in an ethical, transparent and accountable way.
Principle 2	Businesses should provide goods and services in a manner that is sustainable and safe.
Principle 3	Businesses should respect and promote the well-being of all employees, including those in their value chains.
Principle 4	Businesses should respect the interests of and be responsive to all its stakeholders.
Principle 5	Businesses should respect and promote human rights.
Principle 6	Businesses should respect and make efforts to protect and restore the environment.
Principle 7	Businesses, when influencing public and regulatory policy, should do so in a responsible and transparent way.
Principle 8	Businesses should promote inclusive growth and equitable development.
Principle 9	Businesses should engage with and provide value to their consumers in a responsible manner.

In our 3<sup>rd</sup> (third) Business Responsibility and Sustainability Report (BRSR), we, at Century Enka Limited (CEL), emphasize our dedication to responsible business practices and sustainability. As a prominent Synthetic Yarn Manufacturing Company in India, we understand the influential role we play in the nylon textiles industry and the corresponding responsibility it entails.

Our belief is that our business practices should not simply comply with regulations but should also create a positive impact on the environment and society. We are committed to implementing sustainable practices that benefit our stakeholders, the community, and the planet. Our BRSR covers our performance on key principles relating to the Environment, Social, and Governance (ESG) dimensions, as defined by Regulation 34(2)(f) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015.

We are devoted to sharpening the positive outcomes across the broad parameters of environmental sustainability, societal impact and governance mechanisms. By reducing our carbon footprint, maximizing resource efficiency, and implementing effective waste and water management we minimize environmental impact. Furthermore, we understand the importance of our social impact and responsibility to the communities. Through best practices, we aim to improve people's well-being and make a credible impact on society. Our commitment to sustainability also extends to governance practices, where we prioritize transparency, responsibility, and ethical conduct at all levels within the Company.

Embracing sustainability is our way to create long-term value for our shareholders, contributing to the well-being of society, and helping us build a future for our stakeholders, which is valuable.

## Section A - General Disclosures

### I. Details of the listed entity

1.	Corporate Identity Number (CIN) of Company	L24304PN1965PLC139075
2.	Name of the Company	Century Enka Limited (CEL)
3.	Year of incorporation	1965
4.	Registered office address	Plot No. 72 & 72-A MIDC, Bhosari, Pimpri Chinchwad, Pune-411026, Maharashtra
5.	Corporate Address	Plot No. 72 & 72-A, MIDC, Bhosari, Pimpri Chinchwad, Pune-411026, Maharashtra
6.	E-mail	cel.investor@adityabirla.com
7.	Telephone	020-66127304
8.	Website	www.centuryenka.com
9.	Financial year for which reporting is being done	1 <sup>st</sup> April 2023 - 31 <sup>st</sup> March 2024
10.	Name of the Stock Exchange(s) where shares are listed	National Stock Exchange of India Limited (NSE) and BSE Limited

## BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT (Contd.)

11.	Paid-up capital	₹2,185 lacs
12.	Name and contact details of the person who may be contacted in case of any queries on the BRSR report	Mr. Rahul Dubey Company Secretary & Compliance Officer Tel. No.: 020-66127304 E-mail Id: cel.investor@adityabirla.com
13.	Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e. only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements, taken together).	Disclosures in this report are made on a standalone basis for CEL.
14.	Name of assurance provider	NA
15.	Type of assurance obtained	NA

### II. Products/services

16. Details of business activities (accounting for 90% of the turnover):

S. No.	Description of the Main Activity	Description of the Business Activity	% of turnover the entity
1	Manufacturing	Manufacturing of nylon and other man-made fibres and fabrics	96%

**Note:** Industry as per NIC code: Textile, leather and other apparel products

17. Products/services sold by the entity (accounting for 90% of the entity's turnover):

S. No.	Product/Service	NIC Code	% of total turnover contributed.
1	Nylon Tyre Cord Fabric	13999	47%
2	Nylon Filament Yarn	20203	45%
3	Nylon Chips	20297	1%

### III. Operations

18. Number of locations where plants and/or operations/offices of the entity are situated:

Location	Number of Plants	Number of offices	Total
National	3	4	7
International	-	-	-

19. Markets served by the entity:

a. Number of locations

Locations	Number
National (No. of states)	18
International (No. of countries)	9

b. What is the contribution of exports as a percentage of the total turnover of the entity?

2.83%

c. A brief on types of customers

At CEL, we primarily have Business-to-Business (B2B), selling our products to other companies. They are categorized into four types: Original Equipment Manufacturer (OEM), traders, distributors, and export customers. We supply our products to automotive OEM, trade with textile sector traders and distributors, and export to Europe, the Middle East, South-East Asia, and the United States (US).



**BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT (Contd.)**
**IV. Employees**

20. Details as at the end of Financial Year:

a. Employees and workers (including differently abled):

S.No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
<b>Employees</b>						
1.	Permanent (D)	484	465	96%	19	4%
2.	Other than permanent (E)	6	5	83%	1	17%
<b>3.</b>	<b>Total employees (D + E)</b>	<b>490</b>	<b>470</b>	<b>96%</b>	<b>20</b>	<b>4%</b>
<b>Workers</b>						
4.	Permanent (F)	1079	1079	100%	0	0
5.	Other than permanent (G)	1488	1470	99%	18	1%
<b>6.</b>	<b>Total workers (F + G)</b>	<b>2567</b>	<b>2549</b>	<b>99%</b>	<b>18</b>	<b>1%</b>

b. Differently abled employees and workers

S. No	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
<b>Differently abled employees</b>						
1.	Permanent (D)	0	0	0%	0	0%
2.	Other than permanent (E)	0	0	0%	0	0%
<b>3.</b>	<b>Total employees (D + E)</b>	<b>0</b>	<b>0</b>	<b>0%</b>	<b>0</b>	<b>0%</b>
<b>Differently abled Workers</b>						
4.	Permanent (F)	3	3	100%	0	0%
5.	Other than permanent (G)	2	2	100%	0	0%
<b>6.</b>	<b>Total employees (F + G)</b>	<b>5</b>	<b>5</b>	<b>100%</b>	<b>0</b>	<b>0%</b>

21. Participation/inclusion/representation of women

	Total (A)	No. and % of females	
		No. (B)	% (B / A)
Board of Directors	7	2	29%
Key Management Personnel	3*	0	0%

\* It also includes Managing Director.

22. Turnover rate for permanent employees and workers (Disclose trends for the past 3 years)

	FY 2023-24 (Turnover rate in current FY)			FY 2022-23 (Turnover rate in previous FY)			FY 2021-22 (Turnover rate in the year prior to the previous FY)		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	13.26%	29.41%	13.84%	12.20%	21.43%	12.49%	11.65%	24%	12.02%
Permanent Workers	6.99%	0%	6.99%	7.52%	0%	7.52%	6.70%	0%	6.70%

**BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT (Contd.)**

**V. Holding, subsidiary and associate companies (including joint ventures)**

23. (a) Names of holding / subsidiary / associate companies / joint ventures

S.No.	Name of the holding / subsidiary / associate companies / joint ventures (A)	Indicate whether Holdings/ subsidiary/ associate/ joint venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
1	ABREL Century Energy Limited	Associate	26	No

**VI. CSR details**

- 24. (i) Whether CSR is applicable as per section 135 of Companies Act, 2013)- Yes
- (ii) Turnover (in ₹) – 1,74,415 Lacs
- (iii) Net worth (in ₹) – 1,36,764 Lacs

**VII. Transparency and disclosures compliances**

25. Complaints/grievances on any of the principles (principles 1 to 9) under the National Guidelines on Responsible Business Conduct (NGBRC):

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No) If Yes, then provide web-link for grievance redress policy	FY 2023-24			FY 2022-23		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities	Yes, we have a centralized grievance redressal mechanism covering all stakeholders like our communities, shareholders/investors, employees and workers, customers and value chain partners. We also have a designated email address along with escalation matrix for resolution of grievances.  <a href="https://www.centuryenka.com/investor-relations/#parentHorizontalTab6%7CChildVerticalTab_211">https://www.centuryenka.com/investor-relations/#parentHorizontalTab6%7CChildVerticalTab_211</a>	0	0	-	0	0	-
Investors (other than shareholders)		0	0	-	0	0	-
Shareholders		20	0	-	6	0	-
Employees and workers		0	0	-	0	0	-
Customers		31	21	-	48	7	All the pending complaints were resolved as on the date of report.
Value chain partners		0	0	-	0	0	-

**BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT (Contd.)**

26. Overview of the entity's material responsible business conduct issues.

Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications, as per the following format:

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/ opportunity	Approach to adapt or mitigate	Positive/negative implications
1	Occupational Health and Safety	Risk	<p>Risk:</p> <p>Despite having proper training and established safety protocols, human errors can still occur affecting health and safety leading to accidents or injuries, and process failures posing huge risks.</p>	<p>We have implemented robust plans and procedures to mitigate occupational health and safety risks. Our employees receive well-defined training and awareness programs to foster a culture of safety and improve mental health. We have initiated programs such as MITR (Making Individuals and Team Resilient) and tied up with MPOWER to provide mental health education to all staff members at our different locations.</p> <p>Furthermore, we have an ISO certified Occupational Health and Safety Management System (ISO 45001:2018) that takes a proactive approach to identify, evaluate, and remediate risks before they cause accidents and injuries.</p> <p>To ensure safety while working on the job floors, we have implemented Hazard Identification and Risk Assessment (HIRA).</p>	<p>Positive Implications:</p> <ul style="list-style-type: none"> <li>Investing in occupational health and safety programs can lead to long-term cost savings, including reduced medical expenses, workers' compensation claims, and insurance premiums.</li> <li>Emphasizing mental health can retain employees, reduce hiring costs, and reduce property damage and production disruptions.</li> <li>Companies that prioritize employee health and safety have a competitive advantage, as customers and partners are more conscious of ethical practices. Demonstrating commitment to occupational health and safety can enhance reputation, attract top talent, win contracts, and foster collaboration with stakeholders.</li> </ul> <p>Negative implications:</p> <p>However, it's important to note that any major injury can impact the total man-hours worked, thus increasing the operational cost for the Company</p>

**BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT** (Contd.)

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/opportunity	Approach to adapt or mitigate	Positive/negative implications
2	Waste Management	Opportunity	We have implemented various strategies to reduce waste generation in our plants. During the manufacturing process, the waste generated is repurposed within the same process, which ensures that 80% of the total hazardous waste is recycled. Only a minimal 20% is disposed of through co-processing, pre-processing, landfilling, and incineration. This efficient waste management system not only contributes positively to environmental sustainability but also enables us to explore new possibilities in business.	Since waste management is an opportunity, no mitigation measures identified.	Positive implications: <ul style="list-style-type: none"> <li>Implementation of effective waste management practices can ensure cost savings through reduced waste generation and disposal costs.</li> <li>It can enhance resource efficiency and reduce the need for new raw materials, leading to potential cost savings.</li> </ul>
3	Water Management	Opportunity	We have achieved zero wastewater discharge from our manufacturing processes. Both plant locations are not in water stress zones. We have initiated several measures to reduce water consumption at both plants. Moreover, twenty eight Rainwater Recharge wells are available at Bharuch site to improve the quality and level of water.	Since water management is an opportunity, no mitigation measures have been identified.	Positive implications: <ul style="list-style-type: none"> <li>Cost savings through water efficiency.</li> <li>Adherence to all the applicable compliances to avoid fines and penalties.</li> </ul>
4	Energy Management	Risk, opportunity	<p>Opportunity:</p> <p>As we gradually decrease our dependence on non-renewable energy sources, we have a unique opportunity to define our future goals regarding energy consumption. This shift in our energy policy can also help reduce the uncertainties that come with non-renewable sources.</p> <p>Risk:</p> <p>Inadequate management of energy usage can pose various risks, including non-compliance with regulatory standards, damage to our reputation, and financial burdens. Regulatory non-compliance can result in penalties and legal consequences. Poor energy management practices can harm our reputation, leading to a loss of public trust that can negatively impact our brand and customer relationships. Inefficient energy use can also lead to higher operational costs, fines, and the need for remedial actions.</p>	Our commitment to renewable energy has resulted in a significant reduction in our carbon footprint and an increase in energy efficiency. We have increased our usage of biomass as fuel, hybrid power and installed solar panels with a capacity of 1 MWh this year. As a result, we were able to meet 48% of our total energy requirements from renewable sources during the reporting period.	Positive implications: <ul style="list-style-type: none"> <li>Transitioning to renewable energy sources and implementing energy efficiency measures can have positive financial implications. This includes minimizing energy costs, maximizing resource efficiency, and improving stakeholder perception.</li> </ul>

**BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT (Contd.)**

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/opportunity	Approach to adapt or mitigate	Positive/negative implications
5	Employee & Labour Management	Risk, Opportunity	<p>Opportunities: As a responsible Company, it is importance to ensure labour progress and well-being. Effective management of human capital can lead to increased productivity in terms of creativity, better decision-making, and enhanced stakeholder engagement.</p> <p>Risks: Poor management of human capital can have negative consequences such as reputational risks, low employee morale, and high turnover rates. It is essential to manage human capital effectively to avoid such risks</p>	We implement various strategies to ensure compliance with all applicable labor laws and regulations. We consistently invest in employee engagement initiatives, including training and development programs, wellness initiatives, and work-life balance efforts. These initiatives help us attract and retain skilled, motivated employees, ultimately enhancing their productivity and job satisfaction.	<p>Positive Implications:</p> <ul style="list-style-type: none"> <li>Investing in human capital can have significant positive financial implications.</li> <li>By focusing on employee retention and productivity, companies can increase customer satisfaction, which leads to improved revenues and reduced costs. This strategy ensures the business's long-term sustainability and helps build a strong reputation in the industry.</li> </ul> <p>Negative Implications:</p> <ul style="list-style-type: none"> <li>High , absenteeism of employees, and the consequent low productivity can lead to increased costs and reduced revenues.</li> <li>Frequent hiring and training can increase recruitment and training costs.</li> <li>Operational efficiency decreases, and excessive overtime can lead to burnout and reduced productivity.</li> <li>Non-compliance with employment laws can result in legal disputes and penalties.</li> </ul>
6	Customer Centricity	Opportunity	Maintaining strong relationships with customers presents us with an opportunity to enhance our revenue and profitability. Our ability to produce highly customized products gives us an edge in establishing effective customer relationship management practices. Positive customer relationships can potentially result in increased customer loyalty, repeat business, and positive word-of-mouth advertising, which in turn can attract new customers	Since customer centricity is an opportunity, no mitigation measures identified	<p>Positive Implications:</p> <ul style="list-style-type: none"> <li>Maintaining positive customer relationships and increasing customer loyalty can increase our market share and customer retention rates, which will ultimately lead to higher revenue and profitability.</li> <li>Additionally, satisfied customers are likely to share their positive experiences with others, which can attract new customers and further drive revenue growth. Therefore, investing in building positive customer relationships is crucial for our long-term success.</li> </ul>



**BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT** (Contd.)

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/opportunity	Approach to adapt or mitigate	Positive/negative implications
7	Supply Chain Management	Risk, Opportunity	<p>Opportunity:</p> <p>By embracing ethical supply chain practices, we can enhance our reputation as a socially responsible company, gain a competitive advantage, foster better supplier relationships and access new markets that prioritize sustainable practices.</p> <p>Customers now seek companies that prioritize ethical and sustainable practices. By implementing ethical supply chain management, we can differentiate ourselves from competitors and appeal to a wider audience. This approach not only improves our reputation but also builds trust and loyalty with our customers.</p> <p>Also, by working closely with our suppliers, we can improve supplier performance, promote better communication, and drive innovation throughout the supply chain. This collaboration results in synergy, benefiting both parties.</p> <p>Furthermore, as markets and industries demand ethical sourcing and responsible supply chains, we can capitalize on this trend. Expanding our customer base and revenue potential becomes a significant opportunity for our growth.</p> <p>Risk: However, inefficient supply chain management could lead to delayed deliveries, customer dissatisfaction, and potential legal liabilities. To avoid these risks, making the implementation of ethical supply chain management practices imperative.</p>	<p>We constantly work with suppliers to improve their capabilities and establish them as important partners. Moreover, we invest in upgrading supplier technology to enhance their efficiency.</p> <p>We support vendors and product development activities, creating new opportunities to advance the supply chain management system.</p> <p>In our supplier selection process, we verify suppliers who hold ISO 14001, ISO 45001, and other relevant ISO certifications. We actively encourage suppliers who comply with these standards and demonstrate best practices in ethics and sustainability, demonstrating our commitment to sourcing from responsible and environmentally conscious partners.</p> <p>Going forward, we are planning to leverage analytics and data to identify supply chain risks and opportunities and will take proactive measures to manage them.</p>	<p>Positive Implications:</p> <ul style="list-style-type: none"> <li>Effective supply chain management has several positive implications, such as cost savings, improved supplier relationships, enhanced customer service, and increased brand value. These benefits ultimately lead to higher revenue and profitability in the long run.</li> </ul> <p>Negative Implications:</p> <ul style="list-style-type: none"> <li>Inefficient supply chain management can have negative consequences, such as increased costs due to higher transportation and storage expenses, and lost revenue from delayed deliveries and dissatisfied customers.</li> </ul>
8	Community Development	Opportunity	<p>Engaging in community development offers a significant opportunity for the company to understand the people they serve. By establishing partnerships and collaborations with local organizations and businesses, the Company can leverage shared resources, knowledge, and networks, fostering mutually beneficial relationships and amplifying the positive impact in the community.</p>		<p>Positive Implications:</p> <ul style="list-style-type: none"> <li>Commitment to community development has positive financial implications. It enhances reputation, expands the customer base, identifies new business opportunities, and fosters valuable partnerships.</li> </ul>

## SECTION B: MANAGEMENT AND PROCESS

This section is aimed at helping businesses demonstrate the structures, policies, and processes put in place towards adopting the NGRBC principles and core elements.

Disclosure questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
<b>Policy and management processes</b>									
<b>1. a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)</b>	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
<b>b. Has the policy been approved by the Board? (Yes/No)</b>	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
<b>c. Web-link of the policies, if available.</b>									
<b>Principle 1</b>	Anti-Harassment and Anti-Discrimination Policy Code of Conduct for BoD and Senior Management Nomination-Remuneration and Succession Policy Policy on Board Diversity Suppliers Code of Conduct Policy on Related Party Transactions Familiarization Program for Independent Director								
<b>Principle 2</b>	Product Responsibility Policy								
<b>Principle 3</b>	Employee Wellbeing Policy Nomination-Remuneration and Succession Policy Risk Management Policy Suppliers Code of Conduct Vigil Mechanism Policy Policy on Sexual Harassment of Women at Workplace								
<b>Principle 4</b>	Stakeholder Relationship Policy Suppliers Code of Conduct								
<b>Principle 5</b>	Human Rights Policy Nomination-Remuneration and Succession Policy Policy on Board Diversity Policy on Sexual Harassment of Women at Workplace Vigil Mechanism Policy								
<b>Principle 6</b>	Environmental Policy Suppliers Code of Conduct Risk Management Policy								
<b>Principle 7</b>	Public Policy Risk Management Policy								
<b>Principle 8</b>	CSR Policy Environmental Policy Suppliers Code of Conduct								
<b>Principle 9</b>	Product Responsibility Policy								
Web-link to access all above policies: <a href="https://www.centuryenka.com/investor-relations/#parentHorizontalTab6%7CChildVerticalTab_211">https://www.centuryenka.com/investor-relations/#parentHorizontalTab6%7CChildVerticalTab_211</a>									
<b>2. Whether the entity has translated the policy into procedures (Yes / No)</b>	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
<b>3. Do the enlisted policies extend to your value chain partners? (Yes / No)</b>	Yes	No	Yes	Yes	No	Yes	No	Yes	No

**BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT** (Contd.)

Disclosure questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
<b>4. Name of the national and international codes / certifications / labels / standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustee) standards (e.g. SA 8000, OHSAS, ISO, BIS) mapped to each principle</b>									
<b>Principle 1</b>	Provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 Quality Management System (ISO 9001:2015)								
<b>Principle 2</b>	NABL-ISO/IEC 17025:2017 STANDARD 100-OEKO TEX								
<b>Principle 3</b>	ISO 45001:2018: Occupational Health and safety Management System								
<b>Principle 4</b>	CSR disclosures pursuant to Section 135 of the Companies Act, 2013, read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, as amended								
<b>Principle 5</b>	The International Integrated Reporting Council (IIRC)- <IR> Framework United Nations Sustainable Development Goals (SDGs) Global Reporting Initiative (GRI)								
<b>Principle 6</b>	ISO 50001: 2018: Energy Management System ISO 9001:2015: Quality Management System ISO 14001: 2015: Environment Management System Global Recycled Standard								
<b>Principle 7</b>	The International Integrated Reporting Council (IIRC)- <IR> Framework United Nations Sustainable Development Goals (SDGs)								
<b>Principle 8</b>	CSR disclosures pursuant to Section 135 of the Companies Act, 2013, read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, as amended.								
<b>Principle 9</b>	Quality Management System (ISO 9001:2015)								
<b>5. Specific commitments, goals and targets set by the entity with defined timelines, if any</b>									
<b>Environmental - P6</b>									
<ul style="list-style-type: none"> <li>• By 2025, Reduce CO2 emissions by 25% against baseline of FY 2019.</li> <li>• To achieve Zero waste to landfill by 2030 and implement measures to reuse waste across all business segments in due course of time.</li> <li>• 40% reduction in water consumption by 2025 against the baseline of FY 2019</li> </ul>									
<b>Social - P1,P3</b>									
<ul style="list-style-type: none"> <li>• To achieve 10% year-on-year increase in women staff of the total fresh hire until 2025.</li> <li>• Zero harm to be achieved by 2025</li> <li>• To achieve year-on-year increase in training hours per person per year by 10% until 2025.</li> </ul>									
<b>Governance - P1,P5,P6</b>									
<ul style="list-style-type: none"> <li>• 100% code of conduct training on POSH/Ethics/Human Rights for permanent employees by 2024 and other than permanent employees by 2025.</li> <li>• To screen new major suppliers on ESG criteria starting FY 2024.</li> <li>• Conducting periodic reviews of existing policies and improvement of policies as applicable.</li> </ul>									
<b>6. Performance of the entity against specific commitments, goals and targets along with reasons in case the same are not met.</b>	<p>We are cognizant of the criticality of our sustainability goals and have set out specific ESG targets in FY 2023. We have a detailed plan in place, and as the execution of these targets and initiatives have commenced last year, and we have reported performance for some targets below, and we are on track of achieving the targets:</p> <ul style="list-style-type: none"> <li>• Energy consumption from renewable sources increased by 60% as compared to the last reporting period of FY 2023).</li> <li>• Reduced emissions intensity by 12.7%, as compared to the last reporting period.</li> <li>• Total GHG emissions reduced by 27% as compared to last reporting period.</li> <li>• Reduced total water consumption by 6.3% as compared to last reporting period.</li> </ul>								

**BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT (Contd.)**

Disclosure questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
<b>Governance, leadership, and oversight</b>									
<b>7. Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements (listed entity has flexibility regarding the placement of this disclosure)</b>	Refer to Managing Director's Message in Integrated Report under Leadership Section.								
<b>8. Details of the highest authority responsible for implementation and oversight of the business responsibility policy/policies</b>	The highest authority responsible for overseeing the implementation of business responsibility practices and policies is Mr. Suresh Sodani, Managing Director (DIN: 08789604).								
<b>9. Does the entity have a specified committee of the Board/ Director responsible for decision-making on sustainability-related issues? (Yes / No). If yes, provide details.</b>	Yes, Mr. Suresh Sodani, Managing Director (DIN: 08789604) is responsible for oversight and decision making on sustainability related matters in the Company.								
<b>10. Details of review of NGRBCs by the company:</b>									
Subject for Review	Indicate whether review was undertaken by Director / Committee of the Board/ Any other Committee								
	<b>P 1</b>	<b>P 2</b>	<b>P 3</b>	<b>P 4</b>	<b>P 5</b>	<b>P 6</b>	<b>P 7</b>	<b>P 8</b>	<b>P 9</b>
Performance against above policies and follow up action	Yes, performance against policies is periodically reviewed by the Managing Director. Frequency (Annually/ Half yearly/ Quarterly/ Any other - please specify) Annually								
Compliance with statutory requirements of relevance to the principles, and rectification of any non-compliances	Indicate whether review was undertaken by Director / Committee of the Board/ Any other Committee Yes, performance against policies is periodically reviewed by the Managing Director. Frequency (Annually/ Half yearly/ Quarterly/ Any other - please specify) Quarterly								
<b>11. Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency?</b>	<b>P 1</b>	<b>P 2</b>	<b>P 3</b>	<b>P 4</b>	<b>P 5</b>	<b>P 6</b>	<b>P 7</b>	<b>P 8</b>	<b>P 9</b>
	No independent assessment has been carried out by any external agency during this financial year.								

**BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT** *(Contd.)*

**12. If answer to question (1) above is “No” i.e., not all principles are covered by a policy, reasons to be stated:**

Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
The entity does not consider the principles material to its business (Yes/No)									
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)									
The entity does not have the financial or/human and technical resources available for the task (Yes/No)		Not Applicable							
It is planned to be done in the next financial year (Yes/No)									
Any other reason (please specify)									

**SECTION C: PRINCIPLE-WISE PERFORMANCE DISCLOSURE**

This section is aimed at helping entities demonstrate their performance in integrating the principles and core elements with key processes and decisions. The information sought is categorized as “Essential” and “Leadership”. While the essential indicators are expected to be disclosed by every entity that is mandated to file this report, the leadership indicators may be voluntarily disclosed by entities which aspire to progress to a higher level in their quest to be socially, environmentally, and ethically responsible.

**PRINCIPLE 1: BUSINESSES SHOULD CONDUCT AND GOVERN THEMSELVES WITH INTEGRITY, AND IN A MANNER THAT IS ETHICAL, TRANSPARENT, AND ACCOUNTABLE.**

At Century Enka Limited (CEL), we are committed to promoting good governance practices across our business operations. Good corporate governance is crucial for efficient business conduct. We believe in the core values of transparency, fairness to all, adequate disclosures, and independent monitoring, which play a vital role in maintaining a strong and ethical governance system.

We have adopted various measures and governance practices to maintain the highest standards of ethical business conduct. We ensure that all our employees and senior management adhere to the Code of Conduct and comply with all applicable regulations and laws.



**BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT (Contd.)**

**ESSENTIAL INDICATORS**

1. Percentage coverage by training and awareness programmes on any of the principles during the financial year:

Segment	Total number of training and awareness programmes held	Topics/principles covered under the training and its impact	% of persons in respective category covered by the awareness programmes
<b>Board of directors</b>	4	<ul style="list-style-type: none"> <li>• Updates on business model, strategic aspects</li> <li>• Updates on business Performance</li> <li>• Updates on Risk Management framework</li> <li>• Updates on Internal Financial Control</li> <li>• Impact of government policies on the business of the Company</li> <li>• Capital Budgeting</li> <li>• Statutory Auditors presentation on Change in laws relating to Company Accounts</li> <li>• Product offerings, quality, price trend in raw material and finished products</li> <li>• Discussion on Environment, Health and Safety matters</li> <li>• Changes in business environment and the industry</li> <li>• Key regulatory developments &amp; statutory Compliances</li> </ul>	95.83%
<b>Key managerial personnel</b>	5	<ul style="list-style-type: none"> <li>• Updates on business model, strategic aspects</li> <li>• Updates on business Performance</li> <li>• Updates on Risk Management framework</li> <li>• Updates on Internal Financial Control</li> <li>• Impact of government policies on the business of the Company</li> <li>• Capital Budgeting</li> <li>• Statutory Auditors presentation on change in laws relating to Company Accounts</li> <li>• Product offerings, quality, price trend in raw material and finished products</li> <li>• Discussion on Environment, Health and Safety matters</li> <li>• Changes in business environment and the industry</li> <li>• Key regulatory developments &amp; statutory Compliances</li> <li>• BRSR (Business Responsibility &amp; Sustainability Reporting)</li> </ul>	100%
<b>Employees other than BoD and KMPs</b>	92	<p><b>Principle 1: Business Ethics and Sustainability Trainings:</b></p> <ol style="list-style-type: none"> <li>1. Annual Member &amp; Major Actions Awareness of ESG &amp; Sustainability reporting</li> <li>2. Conflict Management</li> <li>3. CSR Compliance</li> <li>4. ESG Awareness</li> <li>5. ESG-2023 National Seminar &amp; Summit</li> <li>6. NABL Training</li> <li>7. 7<sup>th</sup> ABG Sustainability Seminar</li> </ol> <p><b>Principle 3: Employee wellbeing, Skill Development and Health and Safety Trainings</b></p> <ul style="list-style-type: none"> <li>• Behavioral Based Safety</li> <li>• Chemical Safety Prevention</li> <li>• Dealing with Overthinking</li> <li>• Disciplinary Action in Manufacturing Sectors</li> </ul>	100%

**BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT (Contd.)**

Segment	Total number of training and awareness programmes held	Topics/principles covered under the training and its impact	% of persons in respective category covered by the awareness programmes
		<ul style="list-style-type: none"> <li>• Dose of Happiness</li> <li>• Effective Communication Skills</li> <li>• Emergency Awareness Training Session</li> <li>• Emotional Intelligence @ workplace</li> <li>• 8D Problem Solving: Empowering Engineers</li> <li>• EPF Awareness</li> <li>• ESIC Awareness</li> <li>• Excel Advance Level</li> <li>• Excel Intermediate Level</li> <li>• Fire Fighting &amp; Prevention &amp; Protection</li> <li>• Fire Squad</li> <li>• Fire Wet Drill at LNG area</li> <li>• First Aid</li> <li>• Forward Planning &amp; Strategic Thinking</li> <li>• General Safety Awareness</li> <li>• Group Medical Coverage (GMC) Awareness</li> <li>• Growth Mindset</li> <li>• Hazardous Waste Management</li> <li>• Health &amp; Hygiene</li> <li>• Health Talk</li> <li>• HIRA</li> <li>• IMS Internal Auditor</li> <li>• IMS Training</li> <li>• Incident Investigation Safety Standard and Techniques</li> <li>• Influencing Skills</li> <li>• Introspection Workshop</li> <li>• JSA (Job Security Analysis)</li> <li>• Managerial Development &amp; Effectiveness</li> <li>• Mock Drill Rescue of Unconscious</li> <li>• Occupational Health Management</li> <li>• Onsite Emergency</li> <li>• Parental Wellness Workshop</li> <li>• Permit to Work &amp; Hot Work</li> <li>• Role of Effective Communication in Business</li> <li>• Safe Handling of Chemical (Boiler House)</li> <li>• Safe Handling of Chemical (Dipping)</li> <li>• Safe Handling of Chemical (Lab)</li> <li>• Safe work permit &amp; JSA</li> <li>• Safe Working with Electrical Safety and Risk Management in MAH Installation".</li> <li>• Shopfloor Safety &amp; PPE</li> <li>• Storage of Chemical Safety</li> <li>• Shopfloor Safety &amp; PPE</li> </ul>	

**BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT (Contd.)**

Segment	Total number of training and awareness programmes held	Topics/principles covered under the training and its impact	% of persons in respective category covered by the awareness programmes
		<ul style="list-style-type: none"> <li>• SMART Goal Setting</li> <li>• Smart Supervisor</li> <li>• Storage of Chemical Safety</li> <li>• Stress Management</li> <li>• Sustainable Future Embracing ESG for India’s Development Seminar</li> <li>• Talent Management Process</li> <li>• Tapping Your Own Potential Enriching and Empowering Within</li> <li>• The Power of WE</li> <li>• Time Management</li> <li>• Unsafe Condition &amp; Unsafe Action</li> <li>• Uses of Elevator</li> <li>• Wealth Wellness Program</li> <li>• Workplace Etiquettes</li> <li>• World of Safety - We Care</li> <li>• ABG Vibes Manager Scores &amp; Presentation</li> </ul> <p><b>Principle 5: Human Rights:</b></p> <ul style="list-style-type: none"> <li>• POSH and Human Rights Trainings</li> </ul> <p><b>Principle 6: Environmental conservation and awareness building</b></p> <ul style="list-style-type: none"> <li>• Biodiversity capacity building Workshop</li> <li>• Climate Change &amp; Sustainability Full day Seminar</li> <li>• Energy Conservation Awareness</li> <li>• EnMS (Internal Auditor)</li> <li>• Environment Aspect Impact Analysis</li> <li>• International Conventions on Waste &amp; Chemicals</li> <li>• Mainstreaming Biodiversity for Environmental Sustainability</li> <li>• Ozone Day Awareness</li> <li>• Vendor Management System</li> <li>• Water Champion Program Phase -3</li> <li>• Global Recycled Standard(GRS)</li> </ul> <p><b>Principle 8: Wellbeing of local communities</b></p> <p>CSR Compliance Training</p> <p><b>Principle 9: Cybersecurity and Data Privacy</b></p> <ul style="list-style-type: none"> <li>• Training on IT and Cybersecurity</li> <li>• SAP Training</li> </ul>	

**BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT** (Contd.)

Segment	Total number of training and awareness programmes held	Topics/principles covered under the training and its impact	% of persons in respective category covered by the awareness programmes
Workers	46	<p><b>Principle 3: Employee wellbeing, Skill Development and Health and Safety Trainings</b></p> <ul style="list-style-type: none"> <li>• Chemical Safety</li> <li>• Commandos Training</li> <li>• Dealing with Overthinking</li> <li>• Dose of Happiness</li> <li>• Effective Communication Skills</li> <li>• Emergency Awareness Training Session</li> <li>• EPF Awareness</li> <li>• ESG Awareness</li> <li>• ESIC Awareness</li> <li>• Fire Fighting &amp; Prevention &amp; Protection</li> <li>• Fire Squad</li> <li>• General Safety Awareness</li> <li>• Health &amp; Hygiene</li> <li>• Health Talk</li> <li>• HIRA</li> <li>• IMS Training</li> <li>• Incident Investigation Safety Standard and techniques</li> <li>• JSA(Job Security Analysis)</li> <li>• Mock Drill Rescue of Unconscious</li> <li>• Onsite Emergency</li> <li>• Road Safety Awareness</li> <li>• Permit to Work &amp; Hot Work</li> <li>• Safe Handling of Chemical (Boiler House)</li> <li>• Safe Handling of Chemical (Dipping)</li> <li>• Safe Handling of Chemical (Lab)</li> <li>• Safe work permit &amp; JSA</li> <li>• Safety Seminar</li> <li>• Shopfloor Safety</li> </ul> <p><b>Principle 5: Human Rights</b> POSH Training</p> <p><b>Principle 6: Environmental conservation and awareness building</b></p> <ul style="list-style-type: none"> <li>• Climate Change &amp; Sustainability Full- day Seminar</li> <li>• Environment Aspect Impact Analysis</li> <li>• Global Recycling Standards(Standards (GRS)</li> <li>• Incident Investigation Safety Standard and techniques</li> <li>• Mainstreaming Biodiversity for Environmental Sustainability</li> <li>• Ozone Day Awareness</li> </ul> <p><b>Principle 9: Data Privacy and Cybersecurity</b></p> <ul style="list-style-type: none"> <li>• IT &amp; Cyber Security Training</li> <li>• SAP Training</li> </ul>	100%

**BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT (Contd.)**

2. Details of fines/penalties/punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/judicial institutions in the financial year, in the following format (Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on the entity's website):

**MONETARY**

	NGRBC Principles	Name of the regulatory/ enforcement agencies/ judicial institution	Amount (INR)	Brief of the Case	Has an appeal been preferred? (Y/N)
Penalty/fine	There were no such instances during the financial year				
Settlement					
Compounding Fee					

**NON-MONETARY**

	NGRBC Principles	Name of the regulatory/ enforcement agencies/ judicial institution	Brief of the Case	Has an appeal been preferred? (Y/N)
Imprisonment	There were no such instances during the financial year			
Punishment				

3. Of the instances disclosed in Question 2 above, details of the Appeal/ Revision are preferred in cases where monetary or non-monetary action has been appealed.

Case details	Name of the regulatory/ enforcement agencies/ judicial institutions
There were no such instances during the financial year	

4. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web link to the policy.  
We have established a code of conduct for our employees which underlines the importance of adherence to professional and ethical behavior for all employees through the adoption of ethical business practices and maintaining the highest standards of honesty and transparency. The code clearly highlights various identifiable and non-negotiable actions applicable to all employees in the Company.

Our Code of Conduct for the Board of Directors and Senior Management encourages all members to practice ethical and professional behaviour and ensure fairness and transparency while dealing with customers, suppliers, employees, and others in the best interest of the Company.

5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption.

	FY 2023-24	FY 2022-23
<b>Directors</b>		
<b>KMPs</b>	No disciplinary action has been taken against any of the directors, KMPs, employees and workers pertaining to anti-corruption and anti-bribery during the current and previous financial year.	
<b>Employees</b>		
<b>Workers</b>		

6. Details of complaints with regard to conflict of interest:

	FY 2023-24		FY 2022-23	
	Number	Remarks	Number	Remarks
<b>Number of complaints received in relation to issues of conflict of interest of the directors</b>	No such complaints received during the current financial year.		No such complaints received during the financial year.	
<b>Number of complaints received in relation to issues of conflict of interest of the KMP's</b>	No such complaints received during the current financial year.		No such complaints received during the financial year.	



**BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT (Contd.)**

7. Provide details of any corrective action taken or underway on issues related to fines/penalties/action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest.

There were no cases of corruption and conflicts of interests, hence no corrective action was taken on issues related to fines/ penalties/ action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest at CEL during this financial year

8. Number of days of accounts payable ((Accounts payable \*365)/Cost of goods/services procured) In the following format.

	FY 2023-24	FY 2022-23
Number of Days of accounts Payable	37.77	27.07

9. Openness of Business

Provide details of concentration of purchases and sales with trading houses, dealers, and related parties along with loans and advances and investment, with related parties, in the following format:

Parameters	Metrics	FY 2023-24	FY 2022-23
<b>Concentration of purchase</b>	a. Purchase from trading houses as % of total purchase	16.31	22.54
	b. Number of trading houses where purchases are made from	2	4
	c. Purchases from top 10 trading houses as % of total purchase from trading houses	16.31	22.54
<b>Concentrations of sales</b>	a. Sales to dealers/ distributors as % of total sales	0	0
	b. Number of dealers/distributors to whom sales are made	0	0
	c. Sales to top 10 dealers/distributers as % of total sales to dealers/ distributors	0	0
<b>Share of RPTs in</b>	a. Purchases (purchases with related parties/total purchase) (In INR Lakhs)	0	0
	b. Sales (Sales to related parties/total sales)	0	0
	c. Loans and advances (Loans and advances with related parties/ total loans and advances)	0	0
	d. Investments (Investments to related parties/total investments made)	0	0

**LEADERSHIP INDICATORS**

1. Awareness programmes conducted for value chain partners on any of the Principles during the financial year:

Total number of awareness programmes held	Topics/principles covered under the training	% of value chain partners covered (by value of business done with such partners) under the awareness programmes
No awareness programs were held for value chain partners during this financial year.		

2. Does the entity have processes in place to avoid/ manage conflict of interests involving members of the Board? (Yes/No) If yes, provide details of the same.

Yes, we have established robust procedures to avoid situations of conflict of interest. We have established a Code of conduct for Board of Directors and senior management personnel which provides guidelines and encourages all members to avoid any situation of conflict of interest, either directly or indirectly which may have an impact on the business. In case of such situations, one should immediately inform the Company for effective redressal. The code can be accessed through our Company’s website through this link: Code of Conduct for Board of Directors and Senior Management

**PRINCIPLE 2: BUSINESSES SHOULD PROVIDE GOODS AND SERVICES IN A MANNER THAT IS SUSTAINABLE AND SAFE.**

CEL is committed to sustainable production throughout its value chain, ensuring that all vendors comply with environmental regulations. We implement innovative practices, conduct rigorous checks, and establish monitoring systems for our suppliers. We prioritize sourcing raw materials locally to support domestic production and reduce environmental impact.

**BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT (Contd.)**

Additionally, we adhere to Central Pollution Control Board (CPCB) waste management guidelines, ensuring efficient waste disposal and recycling to minimize our environmental footprint and promote preservation.

**ESSENTIAL INDICATORS**

- Percentage of R&D and capital expenditure (CAPEX) investments in specific technologies to improve product and processes' environmental and social impacts to total R&D and capex investments made by the entity, respectively.

	<b>FY 2023-24</b> (₹/Lacs)	<b>FY 2022-23</b> (₹/Lacs)	<b>Details of improvements in environmental and social impacts</b>
R&D	11	57	Yarn production from recycled raw material, green polymer fabric,
Capex	0	61	biodegradable bags usage for packaging, changes in fabric creels, optimisation of additives and upgradation of system.

- Does the entity have procedures in place for sustainable sourcing? (Yes/No)  
No. However, we are currently working on building standardized practices for sustainable sourcing. We have already added new checkpoints to our vendor registration forms that will aid us in enhancing our supplier selection criteria
  - If yes, what percentage of inputs were sourced sustainably?  
No, there were no procedures for identification of inputs that were sourced sustainably in the current reporting period.
- Describe the processes in place to safely reclaim your products for reusing, recycling, and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste.  
As part of Extended Producer Responsibility (EPR), we have implemented processes to manage the end-of-life reclamation of its plastic packaging materials. Partnering with a third-party agency, CEL ensures the responsible reclamation and recycling of these materials. Meanwhile, other categories of waste such as e-waste, hazardous waste, and miscellaneous waste, are disposed of in strict compliance with applicable regulations and guidelines.
- Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the EPR plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.  
Yes, EPR applies to CEL specifically for its plastic packaging waste. The Company is registered with the Central Pollution Control Board (CPCB) as a Producers, Importers, and Brand Owners (PIBO) and we acknowledge our responsibility to mitigate the environmental impact of packaging materials.  
Aligned with the CPCB guidelines, we have implemented a comprehensive waste collection plan to ensure the effective gathering, recycling, and disposal of packaging waste associated with PIBO. Moreover, CEL maintains full compliance with the Plastic Waste Management (PWM) rules, 2016.

**LEADERSHIP INDICATORS**

- Has the entity conducted Life Cycle Perspective / Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)? If yes, provide details in the following format?

<b>NIC Code</b>	<b>Name of product / service</b>	<b>% of total Turnover contributed</b>	<b>Boundary for which the Life Cycle Perspective / Assessment was conducted</b>	<b>Whether conducted by an independent external agency (Yes/No)</b>	<b>Results communicated in the public domain (Yes/No) If yes, provide the web-link.</b>
20297	Nylon 6, Recycled Chips	1%	Standalone	Yes, It was conducted by independent external agency.	No

- If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products/services, as identified in the Life Cycle Perspective / Assessments (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same.

<b>Name of product/service</b>	<b>Description of the risk/concern</b>	<b>Action taken</b>
No, there were no such concerns or risks observed arising from production or disposal of products identified in LCA.		

**BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT (Contd.)**

3. Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry).

Indicate input material	Recycled or reused input material to total material
FY 2023-24	FY 2022-23
Ration of recycled input material / Total material- 100%	

4. Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed of.

	FY 2023-24			FY 2022-23		
	Re-used	Recycled	Safely disposed	Re-used	Recycled	Safely disposed
<b>Plastics (including packaging)</b>						
<b>E-waste</b>						
<b>Hazardous waste</b>						Not Applicable
<b>Other waste</b>						

5. Reclaimed products and their packaging materials (as a percentage of products sold) for each product category.

Indicate Product Category	Reclaimed products and their packaging materials as % of total products sold in respective category.
Recycled Chips	7.5%

**PRINCIPLE 3: BUSINESSES SHOULD RESPECT AND PROMOTE THE WELL-BEING OF ALL EMPLOYEES, INCLUDING THOSE IN THEIR VALUE CHAINS.**

At CEL, the well-being of our employees is paramount for us. We have established a comprehensive employee wellbeing policy to ensure equal opportunities for all employees and create an environment where they feel valued and safe. We recognize the importance of creating a respectful workplace where everyone is treated with fairness and dignity to ensure a healthy work culture.

We have taken several measures to ensure that our employees have access to all facilities and benefits which are crucial for their growth and fulfilment including health insurance, accident insurance coverage, maternity benefits, occupational health and safety practices, mental health awareness and stress management trainings and workshops.

We encourage all employees and workers to adhere to the Code of Conduct to ensure ethical business conduct and maintain a healthy and safe workplace. We also ensure that all our suppliers and value chain partners adhere to the Supplier Code of Conduct for sustainable and responsible operations.

**ESSENTIAL INDICATORS**

1. a. Details of measures for the well-being of employees.

Category	% of employees covered by										
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		No. (B)	%	No. (C)	%	No. (D)	% (D/A)	No. (E)	%	No. (F)	%
	(B/A)	(C/A)	(D/A)	(E/A)	(F/A)						
<b>Permanent employees</b>											
Male	465	465	100%	465	100%	0	0%	0	0%	0	0%
Female	19	19	100%	19	100%	19	100%	0	0%	0	0%
<b>Total</b>	<b>484</b>	<b>484</b>	<b>100%</b>	<b>484</b>	<b>100%</b>	<b>19</b>	<b>4%</b>	<b>0</b>	<b>0%</b>	<b>0</b>	<b>0%</b>
<b>Other than Permanent employees</b>											
Male	5	2	40%	5	100%	0	0%	0	0%	0	0%
Female	1	0	0%	1	100%	1	100%	0	0%	0	0%
<b>Total</b>	<b>6</b>	<b>2</b>	<b>33.33%</b>	<b>6</b>	<b>100%</b>	<b>1</b>	<b>16.67%</b>	<b>0</b>	<b>0%</b>	<b>0</b>	<b>0%</b>

**BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT (Contd.)**

b. Details of measures for the well-being of workers:

Category	% of workers covered by										
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		No. (B)	% (B/A)	No. (C)	% (C/A)	No. (D)	% (D/A)	No. (E)	% (E/A)	No. (F)	% (F/A)
<b>Permanent employees</b>											
Male	1079	1079	100%	1079	100%	0	0%	0	0%	0	0%
Female	0	0	0%	0	0%	0	0%	0	0%	0	0%
<b>Total</b>	<b>1079</b>	<b>1079</b>	<b>100%</b>	<b>1079</b>	<b>100%</b>	<b>0</b>	<b>0%</b>	<b>0</b>	<b>0%</b>	<b>0</b>	<b>0%</b>
<b>Other than Permanent workers</b>											
Male	1470	448	31%	473	33%	0	0%	0	0%	0	0%
Female	18	11	67%	11	67%	18	100%	0	0%	0	0%
<b>Total</b>	<b>1488</b>	<b>459</b>	<b>31%</b>	<b>484</b>	<b>33%</b>	<b>18</b>	<b>1%</b>	<b>0</b>	<b>0%</b>	<b>0</b>	<b>0%</b>

C. Spending on measures towards well-being of employees and workers (including permanent and other than permanent) in the following format:

	FY 2023-24	FY 2022-23
Cost incurred on well-being measures as a % of total revenue of the company.	0.60	0.47

2. Details of retirement benefits.

Benefits	FY 2023-24			FY 2022-23		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
PF	100	100	Yes	100	100	Yes
Gratuity	100	100	Yes	100	100	Yes
ESI	2.07	2.13	Yes	4.42	1.80	Yes
Others-NPS	5.17	0	Yes	9.57	0	Yes
Others-Supperannuation	1.86	0	Yes	8.09	0	Yes

**Note:** ESI is applicable only to workers with maximum salary of ₹21,000, and it is not applicable for Bharuch plant.

**Note:** NPS and superannuation is only applicable to the employees who opt for the same.

3. Accessibility of workplaces

Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.

We are committed towards promoting a culture of inclusion and diversity for our employees and comply with the Rights of Persons with Disabilities Act, 2016, ensuring equality and non-discrimination in recruitment, promotion, training, and career advancement opportunities. We also strive to provide an accessible and inclusive work environment for all individuals, including those with disabilities.

4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web link to the policy.

Yes, At CEL, we promote and ensure creation of an inclusive workplace environment free of all forms of discrimination and compliance to all relevant human rights regulations. We have a comprehensive anti-harassment and anti-discrimination policy in place which explicitly extends to individuals with disabilities. This policy can be accessed at: <https://www.centuryenka.com/pdf/policies/anti-discrimination-and-anti-harrasement-policy.pdf>

**BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT (Contd.)**

5. Return to work and Retention rates of permanent employees and workers that took parental leave.

Gender	Permanent employees		Permanent workers	
	Return to work rate	Retention rate	Return to work rate	Retention rate
Male	Only 1 (one) of our employees and workers has availed maternity leave during the FY 2024. Retention Rate: NA, as no one availed maternity leave in FY 2023.			
Female				
Total				

6. Is there a mechanism available to receive and redress grievances for the following categories of employees and workers? If yes, give details of the mechanism in brief.

(If Yes, then give details of the mechanism in brief)	
Permanent workers	Yes, we are dedicated to ensuring a safe and positive work environment for all employees and workers. To achieve this, we have implemented an open-door policy where employees and workers can freely express their grievances. Additionally, we have established a centralized Grievance Redressal Mechanism to address any concerns promptly. Furthermore, in compliance with relevant laws, we have a Vigil Mechanism Policy in place to protect whistleblowers from any form of retaliation.
Other than permanent workers	
Permanent employees	
Other than permanent employees	

7. Membership of employees and workers in association(s) or Unions recognized by the listed entity:

Category	FY 2023-24			FY 2022-23		
	Total employees/workers in the respective category (A)	No. of employees/workers in the respective category, who are part of the association(s) or Union (B)	% (B / A)	Total employees/workers in the respective category (C)	No. of employees/workers in the respective category, who are part of the association(s) or Union (D)	% (D / C)
<b>Permanent employees</b>						
<b>Total Permanent Employees</b>	<b>484</b>	<b>NA</b>	<b>NA</b>	<b>470</b>	<b>NA</b>	<b>NA</b>
Male	465	NA	NA	455	NA	NA
Female	19	NA	NA	NA	NA	NA
<b>Permanent Workers</b>						
<b>Total Permanent workers</b>	<b>1079</b>	<b>419</b>	<b>39%</b>	<b>1120</b>	<b>440</b>	<b>39%</b>
Male	1079	419	39%	1120	440	39%
Female	0	NA	NA	0	NA	NA

**Note:** Membership of workers in association or unions exists only in Pune plant. Out of total 420 permanent workers in Pune, 419 are part of unions as rest 1 has newly joined and is undergoing probation period for FY24.

**BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT (Contd.)**

## 8. Details of training given to employees and workers:

Category	FY 2023-24 (Current Financial Year)					FY 2022-23 (Previous Financial Year)				
	Total (A)	On Health and safety measures		On Skill upgradation		Total (D)	On Health and safety measures		On Skill upgradation	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
<b>Employees</b>										
Male	470	464	98%	464	98%	477	450	94%	448	94%
Female	20	18	90%	18	90%	19	15	79%	15	79%
<b>Total</b>	<b>490</b>	<b>482</b>	<b>98%</b>	<b>482</b>	<b>98%</b>	<b>496</b>	<b>465</b>	<b>94%</b>	<b>463</b>	<b>93%</b>
<b>Workers</b>										
Male	2549	1079	42%	1079	42%	3027	1729	57%	646	21%
Female	18	0	0%	0	0	26	13	50%	0	0%
<b>Total</b>	<b>2567</b>	<b>1079</b>	<b>42%</b>	<b>1079</b>	<b>42%</b>	<b>3053</b>	<b>1742</b>	<b>57%</b>	<b>646</b>	<b>21%</b>

## 9. Details of performance and career development reviews of employees and workers:

Category	FY 2023-24			FY 2022-23		
	Total (A)	No. (B)	% (B / A)	Total (C)	No. (D)	% (D / C)
<b>Employees</b>						
Male	470	420	89%	477	431	90%
Female	20	14	70%	19	12	63%
<b>Total</b>	<b>490</b>	<b>434</b>	<b>89%</b>	<b>496</b>	<b>443</b>	<b>89%</b>
<b>Workers*</b>						
Male	2549	1054	41%	3027	735	24%
Female	18	0	0%	26	0	0%
<b>Total</b>	<b>2567</b>	<b>1054</b>	<b>41%</b>	<b>3053</b>	<b>735</b>	<b>24%</b>

**Note:** Performance and career development reviews for workers are conducted on an annual and triennial basis for Bharuch and Pune, respectively.

## 10. Health and safety management system:

- Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No). If yes, what is the coverage of such a system?  
 Yes, At CEL, safety is the utmost priority for all stakeholders, including visitors, consumers, service providers, vendors and suppliers. We have implemented an Occupational Health and Safety Management System (OHSMS) designed to identify and manage health and safety issues. This system is applicable to all employees, labourers, and temporary workers. Regular internal and external audits are conducted to ensure the comprehensive effectiveness of the Occupational Health and Safety Management System.
- What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?  
 We use a comprehensive approach to identify work-related hazards, including regular inspections, safety audits, and job safety analyses. Hazard identification and risk assessments (HIRA) are conducted to pinpoint key hazards like chemical handling, noise, mechanical issues, ergonomics, and electrical risks. The HIRA sheet is used to assess risks for all work activities, and appropriate control measures are implemented based on risk ratings. The risk assessment process includes daily safety sampling rounds, identifying potential hazards, assessing risks, and implementing control measures according to the hierarchy of controls.
- Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks.  
 Yes, we have established comprehensive procedures to facilitate the reporting of work-related hazards by our employees and workers. Our approach includes robust training and awareness programs aimed at enhancing hazard identification skills and familiarizing our workforce with the reporting protocols.



**BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT (Contd.)**

We offer multiple avenues for reporting hazards, such as dedicated forms, direct communication channels with supervisors, and access to the Health and Safety Department. Additionally, we provide a safety observation tool accessible to all employees. This tool allows them to report any unsafe conditions, near misses, or other safety observations promptly. In the event of identifying a hazard, employees are encouraged to take immediate action to remove themselves from danger and to notify their supervisors or follow established evacuation procedures.

d. Do the employees/ workers of the entity have access to non-occupational medical and healthcare services?

Yes, at CEL we prioritize the health and well-being of all employees by offering accessible medical services, including annual health check-ups for all employees at both plants. Our medical benefits include:

1. **Comprehensive Health Insurance:** Our employees and their immediate family members are covered under a health insurance policy. This coverage supports them financially for medical expenses arising from illnesses or injuries, ensuring they have access to necessary treatments and services beyond work-related incidents.
2. **Accident Coverage:** We provide accident insurance to our employees, offering financial protection in cases of disability or loss of life due to accidents. This coverage provides additional support to employees and their families during unexpected events.
3. **On-site Medical Facilities:** Both our Bharuch and Pune plants have medical dispensaries functioning as clinics and emergency first-aid centers. These facilities offer general medical consultations, preventive care, vaccinations, and treatment for common illnesses and injuries. Additionally, these clinics have arrangements with specialists or hospitals for referrals and further medical care, if required.

Furthermore, we have partnered with Mpower, a renowned organization, to combat mental health stigma by offering online sessions and resources. These sessions provide a safe, confidential space for employees to discuss and seek expert guidance. CEL is committed to fostering a supportive environment that empowers individuals to prioritize their well-being both within and outside the workplace.

11. Details of safety related incidents, in the following format:

Safety incident/number	Category	FY 2023-24	FY 2022-23
Lost Time Injury Frequency Rate (LTIFR) (per one-million-person hour worked)	Employees	0	0
	Workers	0.26	0
Total recordable work-related injuries	Employees	0	0
	Workers	2	0
No. of fatalities	Employees	0	0
	Workers	0	0
High consequence work-related injury or ill-health (excluding fatalities)	Employees	0	0
	Workers	0	0

12. Describe the measures taken by the entity to ensure a safe and healthy workplace.

CEL prioritizes a safe and healthy workplace through various initiatives. Our Safety Committee oversees the effective implementation of our Occupational Health and Safety (OHS) management system, including safety trainings and awareness programs for employees. To ensure widespread understanding, we distribute safety manuals, bulletins, health guides, fire manuals, and “do’s and don’ts” to all employees and workers. These materials, including the “Occupational Health Prevention Guide,” are available in regional languages.

We conduct theme-based safety campaigns and encourage active participation in our annual safety week celebrations. Our communication channels are open to address staff concerns and consider their recommendations on safety-related matters.

To identify and mitigate risks, we undertake Hazard Identification and Risk Assessment (HIRA), Job Safety Analysis (JSA), and Hazard and Operability Analysis (HAZOP) initiatives covering all employees and workers. We prioritize hazard elimination through the selection of safe machinery and materials. Engineering safeguards, interlocks, and artificial intelligence further enhance safety measures.

Hygiene and sanitation are paramount, and we have a WASH Committee to ensure safe drinking water, sanitation, and hygienic practices in our plants and colonies. Personal protective equipment (PPE) is readily available for all employees and workers. To continually improve safety, we provide regular training, post warning signs in hazard-prone areas, and conduct regular medical examination.

**BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT (Contd.)**

13. Number of complaints on the following made by employees and workers

	FY 2023-24			FY 2022-23		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working conditions						
Health & safety			No such complaints have been received in the current and previous year.			

14. Assessments for the year

	<b>% of your plants and offices that were assessed (by entity or statutory authorities or third parties)</b>
Health and safety practices	100%. Internally assessed by the respective location's administration team.
Working conditions	100%. Internally assessed by the respective location's administration team.

15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks/concerns arising from assessments of health & safety practices and working conditions.

We remain committed to ensuring a safe workplace environment, continuously mitigating safety risks and implementing effective corrective actions. Our approach includes safety surveys, workplace monitoring, and exposure assessments for noise, dust, fumes, and gases. In the current reporting period, we have reported 2 Lost Time Injuries. However, we have proactively addressed other safety incidents and risks through the following measures:

- We have established robust reporting processes encouraging employees to promptly report near-miss accidents, recordable incidents, and work-related illnesses, ensuring timely hazard identification and mitigation.
- Installation of a fall protection system to minimize fall-related incidents from heights.
- Conducting internal and external audits to assess safety-related data and practices, which are integral to our Occupational Health and Safety (OHS) management system to identify areas for improvement.
- Critical electrical panels are equipped with CO2 flooding systems, and transformers have nitrogen flooding systems to prevent electrical fires, ensuring employee safety and facility protection.
- Installation of machine guards to protect workers from rotating parts and sharp edges of equipment.
- Addressing hoist failure issues by providing a cage with a door interlocked with the hoist motor.
- Installation of anti-skid plates on all staircases to prevent mishaps due to slippery floors.

**LEADERSHIP INDICATORS**

- Does the entity extend any life insurance or any compensatory package in the event of death of (A) Employees (Y/N) (B) Workers (Y/N).  
Yes, CEL provides life insurance coverage for its employees and accident insurance coverage to both its employees and workers.
- Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.  
We prioritize compliance by engaging with our value chain partners. Our Supplier Code of Conduct mandates vendors to adhere to all relevant laws and stay informed about any legal or regulatory changes affecting their operations. Additionally, we conduct online verification of Goods and Services Tax (GST) returns, as well as confirmations of Provident Fund (PF) and Employee State Insurance (ESI) deposits provided by contractors or third parties.
- Provide the number of employees/workers having suffered high consequence work-related injury / ill-health / fatalities (as reported in Q11 of Essential Indicators above), who have been rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:

	Total no. of affected employees/ workers		No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment	
	FY 2023-24	FY 2022-23	FY 2023-24	FY 2022-23
Employees	0	0	0	0
Workers	0	0	0	0

**BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT (Contd.)**

4. Does the entity provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes/ No)

No

5. Details on assessment of value chain partners:

<b>% of value chain partners (by value of business done with such partners) that were assessed</b>	
Health and safety conditions	Currently, we do not assess our value chain partners for health & safety and working conditions.
Working conditions	

6. Provide details of any corrective actions taken or underway to address significant risks/concerns arising from assessments of health and safety practices and working conditions of value chain partners.

Not applicable, as assessment is not carried out for the value chain partners.

**PRINCIPLE 4: BUSINESSES SHOULD RESPECT THE INTERESTS OF AND BE RESPONSIVE TO ALL ITS STAKEHOLDERS.**

Stakeholders are the cornerstone of CEL and are extremely valuable to us. We are committed to creating value for our stakeholders through innovation, increased efficiency, sustainable practices, and cost reduction. We regularly engage with all our stakeholders to understand their concerns and address them effectively, resulting in growth and strong relationships. Stakeholder engagement is significant for building trust and promoting reliability in business operations.

**ESSENTIAL INDICATORS**

1. Describe the processes for identifying key stakeholder groups of the entity.

Stakeholder engagement is vital to our company and value chain since it emphasizes the necessity of maintaining positive relationships with our stakeholders. Engagement with stakeholders allows us to better understand our stakeholders’ requirements and expectations, which aids in the prioritization of business initiatives. We use a comprehensive strategy to identify and engage with our stakeholders based on the impact the business has on numerous environmental, economic, and social factors.

Our approach to stakeholder engagement involves identifying and prioritizing relevant stakeholders, determining the most efficient mode of engagement, collecting responses from key stakeholders and business leaders, analyzing feedback to identify sustainability topics relevant to the business, and prioritizing these topics to create a materiality matrix for business growth and stakeholder value creation.

2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.

<b>Stakeholder group</b>	<b>Whether identified as vulnerable &amp; marginalized group (Yes/No)</b>	<b>Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community meetings, Notice board, Website), Other</b>	<b>Frequency of engagement (Annually/ half-yearly/ quarterly / others - please specify)</b>	<b>Purpose and scope of engagement including key topics and concerns raised during such engagement</b>
Government and Regulators	No	Official correspondence, Meetings and Consultations, Correspondence Regulatory reporting, Regulatory Submissions, Regulatory Portals and platforms, Website	As and when required	Pre-project approval, ongoing compliances, issue resolutions, transparency and reporting, collaboration, and consultation, building trust and credibility
Employees	No	Emails and meetings, training programs, Intranet portals, performance appraisal reviews and grievance redressal mechanism	Continuous (as and when required)	HR and internal policy-related matters and matters related to the well-being of the employees, performance of the company, important announcements, procedures, and other relevant information.

**BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT (Contd.)**

Stakeholder group	Whether identified as vulnerable & marginalized group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community meetings, Notice board, Website), Other	Frequency of engagement (Annually/ half-yearly/ quarterly / others - please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Investors	No	Annual general meeting, annual reports, Notices, Newspapers, E-mail, telecalls, Website, regular business interactions and Quarterly Investor Meet	Quarterly and Annually	Cultivate trust, improve transparency, obtain access to capital, influence shareholders, and fulfil mandatory regulatory requirements.
Customers	No	Direct Contact, Online Platforms, Emails, Phone, Survey and feedback forms, social media platforms, Website	Continuous (as and when required)	Pre-sales inquiries, project updates, post-sales support, understanding the demand and needs, feedback and surveys, building relationships and trust, resolving complaints and issues
Contract Labour	Yes	Direct contact, Helpline number, suggestion box, and meetings	Continuous (as and when required)	Safe working environment, timely and fair payment of compensation
Rating Agencies	No	Emails, Website	Annually & as and when required	Timely disclosure of corporate and business performance information
Communities	Yes	Community Meetings, Outreach programs, Website	As and when required	Establish positive relationships, address community concerns, community development, promote social responsibility
Supply chain Partners	No	Emails, phone, direct in-person meetings, website and stakeholder engagement surveys	Continuous (as and when required)	Supplier selection and evaluation, business operations-related matters, to enhance collaboration and innovation, explore opportunities for process improvements, contract negotiations, and cost optimization.
Future Generation	No	Social media, Job interview interactions	Continuous (as and when required)	Protect environment, transparency in communication, Be a responsible Company.

**LEADERSHIP INDICATORS**

1. Provide the processes for consultation between stakeholders and the board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the board.

At CEL, we consider Stakeholder Engagement for value creations and stakeholder management. . We ensure that consultations with stakeholders on various topics are assigned by the Board and governed in accordance with the Company's operating policies. Valuable feedback from these consultations is regularly communicated to the Board through board and committee meetings.

**BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT (Contd.)**

- Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes / No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into the policies and activities of the entity.

Yes, stakeholder consultation is used to support the identification and management of environmental and social topics. We actively seek inputs from stakeholders on these issues and incorporate their suggestions into our policies and activities. Through these consultations, we reaffirm our ongoing priorities related to the identified material topics. The inputs received from stakeholders plays a crucial role in shaping our approach to environmental and social matters, ensuring alignment with stakeholder expectations, and enhancing the overall sustainability of our operations.

- Provide details of instances of engagement with, and actions are taken to, address the concerns of vulnerable/ marginalized stakeholder groups.

At CEL, we engage with our communities regularly as part of our Corporate Social Responsibility (CSR) activities which also include vulnerable or marginalized groups. The modes of engagement are panchayat meetings, understanding problems with the village sarpanch, public hearings, and even direct meetings in some instances. Input from attendees at these meetings is used to steer our resources and drive various programs to assist various areas of the community.

During the reporting year, schools were updated with bathrooms, classrooms, clean drinking water, benches, theme paintings, playgrounds, compound walls, and other amenities to improve educational infrastructure and deliver quality education. Furthermore, we are working towards providing insurance for contract workers empowering underprivileged girls/women to become leaders in their communities, reducing school dropout rates for females through financing, and installing feminine hygiene facilities, etc. We also assist with the overall development of communities, with an emphasis on boosting access to basic facilities and improving rural infrastructure to benefit the community. Efforts in water management for surrounding regions have helped to make water accessible for drinking and agriculture all.

**PRINCIPLE 5: BUSINESSES SHOULD RESPECT AND PROMOTE HUMAN RIGHTS.**

CEL is dedicated to leading with trust and dignity by improving the quality of life and upholding compliance with all relevant human rights regulations. Our Human Rights Policy emphasizes the importance of respecting and protecting the rights of our people while eliminating discrimination, harassment, and unethical practices.

Additionally, we have implemented a POSH (Prevention of Sexual Harassment) policy to effectively address issues of sexual harassment and ensure that all employees have access to a Grievance Redressal Mechanism when needed. Our Company’s Code of Conduct sets clear guidelines for anti-corruption and anti-bribery, mandating adherence from all employees and senior management.

**ESSENTIAL INDICATORS**

- Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:

Category	FY 2023-24			FY 2022-23		
	Total (A)	No. of employees/ workers covered (B)	% (B / A)	Total (C)	No. of employees/ workers covered (D)	% (D /C)
<b>Employees</b>						
Permanent	484	365	75%	470	0	0
Other than permanent	6	-	0	26	0	0
<b>Total employees</b>	<b>490</b>	<b>365</b>	<b>75%</b>	<b>496</b>	<b>0</b>	<b>0</b>
<b>Workers</b>						
Permanent	1079	1079	100%	1120	0	0
Other than permanent	1488	1183	79%	1933	0	0
<b>Total workers</b>	<b>2567</b>	<b>2262</b>	<b>88%</b>	<b>3053</b>	<b>0</b>	<b>0</b>

**BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT (Contd.)**

## 2. Details of minimum wages paid to employees and workers

Category	FY 2023-24 (Current Financial Year)					FY 2022-23 (Previous Financial Year)				
	Total (A)	Equal to minimum wage		More than minimum wage		Total (D)	Equal to minimum wage		More than minimum wage	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
	<b>Employees Permanent</b>									
Male	465	Nil	Nil	465	100%	455	Nil	Nil	455	100%
Female	19	Nil	Nil	19	100%	15	Nil	Nil	15	100%
<b>Other than Permanent</b>										
Male	5	Nil	Nil	5	100%	22	Nil	Nil	22	100%
Female	1	Nil	Nil	1	100%	4	Nil	Nil	4	100%
<b>Workers Permanent</b>										
Male	1079	Nil	Nil	1079	100%	1120	Nil	Nil	1120	100%
Female	0	Nil	Nil	0	100%	Nil	NA	NA	NA	NA
<b>Other than permanent</b>										
Male	1470	818	55%	652	45%	1907	1044	55%	863	45%
Female	18	7	39%	11	61%	26	13	50%	13	50%

## 3. Details of remuneration/salary/wages

## a. Median remuneration/wages:

	Male		Female	
	Number	Median remuneration/ salary/ wages of respective category	Number	Median remuneration/ salary/ wages of respective category
Board of Directors (BoD)	5	₹10,28,000	2	₹9,38,000
Key managerial personnel	2	₹94,45,000	0	0
Employees other than BoD and KMP	451	₹6,39,931	18	₹3,79,259
Workers	1,079	₹3,21,276	0	0

## b. Gross wages paid to females as % of total wages paid by the entity, in the following format:

	FY 2023-24	FY 2022-23
Gross wages paid to females as % of total wage	0.56%	0.38%

## 4. Do you have a focal point (individual/ committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)

Yes, the Human Resource Department addresses issues pertaining to human rights.

## 5. Describe the internal mechanisms in place to redress grievances related to human rights issues.

We are committed towards the prompt redressal of grievances of stakeholders, aiming to minimize conflicts and enhance stakeholder relationships. We have a robust grievance redressal process in place which emphasizes integrity, accountability, fairness, transparency, equity, impartiality, and procedural accuracy. We also ensure that this mechanism is easily accessible to stakeholders and resolves issues through dialogue and discussion.

Furthermore, we have established a whistleblower system to enable employees to report potential human rights violations or misconduct. This system allows employees to confidentially raise concerns to management, providing an extra layer of transparency and accountability in our operations.



**BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT (Contd.)**

6. Number of complaints on the following made by employees and workers:

	FY 2023-24			FY 2022-23		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed During the year	Pending resolution at the end of year	Remarks
Sexual Harassment	1	0		1	1	Complaint was disposed of within the prescribed timelines, after the reporting period ending, i.e., 31 <sup>st</sup> March 2023, before this report's date.
Discrimination at workplace	Nil	Nil	Nil	Nil	Nil	Nil
Child labour	Nil	Nil	Nil	Nil	Nil	Nil
Forced labour/Involuntary labour	Nil	Nil	Nil	Nil	Nil	Nil
Wages	Nil	Nil	Nil	Nil	Nil	Nil
Other human rights-related issues	Nil	Nil	Nil	Nil	Nil	Nil

7. Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, in the following format:

	FY 2023-24	FY 2022-23
Total Complaints reported under Sexual Harassment on of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH)	1	1
Complaints on POSH as a % of female employees / workers	2.6%	2.2%
Complaints on POSH upheld	0	0

8. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.

We are dedicated to fostering a workplace that is devoid of discrimination and harassment, ensuring a healthy and inclusive environment for all employees and workers, irrespective of caste, gender, religion, disabilities, or any other forms of discrimination. In accordance with the Sexual Harassment of Women at Workplace (Prevention, Prohibition, and Redressal) Act, 2013, we have established a Prevention of Sexual Harassment (POSH) Policy aimed at effectively addressing grievances related to sexual harassment. The complainant can report incidents to the Internal Committee (IC), which then takes appropriate steps to provide redressal.

The committee has implemented mechanisms to prevent adverse consequences for the complainant. These include interim relief, such as transferring the complainant to another job, providing additional leave beyond their entitlements, and preventing the respondent from evaluating their performance. If dissatisfied with the resolution of their complaint or the actions taken by the Unit IC or Business IC, the complainant can file an appeal before the appropriate court or tribunal.

9. Do human rights requirements form part of your business agreements and contracts? (Yes/No)

Yes, human rights requirements form an essential part of CEL's business agreements and contracts, as outlined in our Human Rights Policy. The policy emphasizes on respecting human rights in the workforce, communities, and towards all those impacted by their operations and products. It also includes provisions for legal compliance, promoting awareness, engaging with stakeholders, valuing diversity, prohibiting child, and forced labor, and ensuring access to remedies for grievances related to human rights.

**BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT (Contd.)**

10. Assessments of the year

	% of your plants and offices that were assessed (by the entity or statutory authorities or third parties)
Child labour	100% by entity itself.
Forced/involuntary labour	
Sexual harassment	
Discrimination at workplace	
Wages	
Others – please specify	

11. Provide details of any corrective actions taken or underway to address significant risks/concerns arising from the assessments at Question 10 above.

There were no significant risks or concerns arising from the assessments stated in question 10 above. We follow all applicable regulations regarding human rights and have also formulated a Human Rights Policy outlining our commitment towards human rights. The policy is applicable to all employees and highlights our stance on zero-tolerance of any violations of human rights related aspects.

**LEADERSHIP INDICATORS**

1. Details of a business process being modified/introduced as a result of addressing human rights grievances/complaints.

We have a comprehensive human rights policy in place that complies with all mandated regulations related to human rights. Our policy ensures grievance redressal through mechanisms such as the Whistleblower and Prevention of Sexual Harassment (POSH) policies. The policy is aligned with key human rights principles including freedom of association, equal remuneration, land acquisition, and supply chain management. Additionally, we have established a robust grievance redressal mechanism specifically tailored to address human rights impacts and violations, ensuring that any grievances or complaints related to human rights are promptly and effectively addressed.

2. Details of the scope and coverage of any human rights due diligence conducted

Human rights due diligence has not been conducted by CEL.

3. Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?

Yes, we are committed to ensuring accessibility for all individuals, including differently abled visitors. Our premises are designed to be accessible in accordance with the requirements of the Rights of Persons with Disabilities Act, 2016

4. Details on assessment of value chain partners:

	% of value chain partners (by value of business done with such partners) that were assessed
Sexual harassment	At the time of enrollment of suppliers we do keep a proper check on the basic Human rights issues, apart from that currently we do not have any system in place from which we can derive the ratios.
Discrimination at workplace	
Child labour	
Forced/involuntary labour	
Wages	
Others – please specify	

5. Provide details of any corrective actions taken or underway to address significant risks/concerns arising from the assessments at Question 4 above

Not Applicable, as we currently do not assess any of our value chain partners for human rights issues.

**PRINCIPLE 6: BUSINESSES SHOULD RESPECT AND MAKE EFFORTS TO PROTECT AND RESTORE THE ENVIRONMENT.**

At CEL, we are work towards minimizing the impact of our operations on the environment. We constantly ensure the implementation of strict monitoring systems and processes across all business units and have adopted cutting edge technologies to ensure resource efficiency, energy savings, responsible sourcing and proper waste and water management.

We understand the importance of environmental conservation and ensure that our operations are responsible and sustainable as a step towards mitigating the risk of climate change and environmental degradation on our business. We continuously strive to reduce our carbon footprint and ensure that our value chain partners adhere to the same values and commitments to ensure a sustainable value chain and responsible operations.

## BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT (Contd.)

### ESSENTIAL INDICATORS

1. Details of total energy consumption (in Joules or multiples) and energy intensity:

Parameter	FY 2023-24	FY 2022-23
From Renewable Sources		
Total electricity consumption (A)	1,24,791.25	39,087.91
Total fuel consumption (B)	6,00,535.11	4,13,140.11
Energy consumption through other sources (C)	0.00	0.00
Total energy consumed from renewable sources (A+B+C)	7,25,326.35	4,52,228.02
From non-renewable sources		
Total electricity consumption (D)	5,80,602.67	7,39,002.80
Total fuel consumption (E)	2,11,235.64	2,34,868.23
Energy consumption through other sources (F)	0.00	0.00
Total energy consumed from non-renewable sources (D+E+F)	7,91,838.31	9,73,871.03
Total energy consumed (A+B+C+D+E+F)	15,17,164.66	14,26,099.05
Energy intensity per rupee of turnover (Total energy consumed / Revenue from operations)	8.70	6.88
Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total energy consumed / Revenue from operations adjusted for PPP) (in Lakhs)	199.02	157.47
Energy intensity in terms of physical output (GJ/MT)	21.95	20.45
Energy intensity (optional) - the relevant metric may be selected by the entity.		

**Note:** Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

2. Does the entity have any sites/facilities identified as designated consumers (DCs) under the performance, achieve, and trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken if any.

According to Bureau of Energy Efficiency (BEE) regulations, the Pune facility is recognized as a Designated Consumer (DC) under the Performance, Achieve, and Trade (PAT) Scheme. We successfully completed PAT cycle 1 targets and obtained 1,395 ESCerts. For PAT cycle 2, ESCerts were stated on the negative side Partially to a formulae inaccuracy. The topic has been referred to BEE to resolve the issue.

3. Provide details of the following disclosures related to water, in the following format:

Parameter	FY 2023-24	FY 2022-23
Water withdrawal by source (in kiloliters')		
(i) Surface water	0	0
(ii) Groundwater	3,97,000	4,13,795
(iii) Third-party water (municipal water supplies)	3,38,459	3,71,347
(iv) Seawater / desalinated water	0	0
(v) Others (Rainwater and Municipality water)	0	0
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	7,35,459	7,85,142
Total volume of water consumption (in kilolitres)	7,35,459	7,85,142
Water intensity per rupee of turnover (water consumed / turnover)	4.22	3.79
Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total water consumption / Revenue from operations adjusted for PPP)	96.48	86.70
Water intensity in terms of physical output (KL/MT)	10.64	11.26
Water intensity (optional) - the relevant metric may be selected by the entity		

**Note:** Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

**BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT (Contd.)**

4. Provide the following details related to water discharged:

Parameter	FY 2023-24	FY 2022-23
<b>Water discharge by destination and level of treatment (in kiloliters).</b>		
(i) To Surface water	Nil	Nil
- No Treatment		
- With treatment-please specify level of treatment		
(ii) To Groundwater	Nil	Nil
- No treatment		
- With treatment - please specify level of treatment		
(iii) To Seawater	Nil	Nil
- No treatment		
- With treatment-please specify level of treatment		
(iv) Sent to third parties	Nil	Nil
- No treatment		
- With treatment-please specify level of treatment		
(v) Others	Nil	Nil
- No treatment		
- With treatment-please specify level of treatment		
<b>Total water discharged (in kiloliters)</b>	<b>Nil</b>	<b>Nil</b>

**Note:** Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

5. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.

Yes, we have developed an Effluent Treatment Plant (ETP) at both of our factories with a capacity of 4042m<sup>3</sup>/day for waste-water treatment, utilizing 100% of the wastewater after treatment for processes and gardening purposes at the plant, resulting in Zero Liquid Discharge (ZLD). Further we have also established a Reverse Osmosis plant in addition to Multi-effect Evaporator (MEE)/ Agitated Thin Film Dryer (ATFD) at our Bharuch factory for further purification and use of such water in the process itself, which got operational in the current reporting period.

6. Please provide details of air emissions (other than GHG emissions) by the entity:

Parameter	Unit	FY 2023-24	FY 2022-23
NOx	MT	25.64	54.14
SOx	MT	29.26	35.43
Particulate matter (PM)	MT	26.52	39.71
Persistent organic pollutants (POP)	MT	NA	NA
Volatile organic compounds (VOC)	MT	NA	NA
Hazardous air pollutants (HAP)	MT	NA	NA
Others - Please specify.	MT	NA	NA

**Note:** Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

**BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT (Contd.)**

7. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) and its intensity:

Parameter	Unit	FY 2023-24	FY 2022-23
Total Scope 1 emissions (Break-up of the GHG into CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , if available)	Metric tonnes of CO <sub>2</sub> equivalent	13,948.98	14,691.32
Total Scope 2 emissions (Break-up of the GHG into CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , if available)	Metric tonnes of CO <sub>2</sub> equivalent	1,15,475.42	1,62,169.67
Total Scope 1 and Scope 2 emissions per rupee of turnover (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations)	(tCO <sub>2</sub> e/₹lacs)	0.74	0.85
Total Scope 1 and Scope 2 emission intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations adjusted for PPP)	(tCO <sub>2</sub> e/PPP in Lacs)	16.98	19.53
Total Scope 1 and Scope 2 emission intensity in terms of physical output	(tCO <sub>2</sub> e/MT)	1.87	2.54
Total Scope 1 and Scope 2 emission intensity (optional) – the relevant metric may be selected by the entity			

**Note:** Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

8. Does the entity have any project related to reducing greenhouse gas emission? If yes, then provide details.

Yes, we have taken several initiatives to reduce our carbon emissions and ensure minimal environmental impact through the adoption of renewable energy sources like solar energy and biofuel for steam and heat production.

9. Provide details related to waste management by the entity, in the following format:

Parameter	FY 2023-24	FY 2022-23
Total waste generated (in metric tonnes)		
Plastic waste (A)	634.28	698.93
E-waste (B)	3.90	3.04
Bio-medical waste (C)	0.06	0.05
Construction and demolition waste (D)	2,186.70	10,593
Battery waste (E)	0.00	0.56
Used Oil DG (F)	0.00	0.00
Other Hazardous waste. Please specify, if any. (G)	2,300.33	2,126.96
Other Non-hazardous waste generated (H). Please specify, if any.	5,856	7,400
Total (A+B + C + D + E + F + G + H)	10,981.11	20,822.54
Waste intensity per rupee of Turnover (Total waste generated /Revenue from operations)	0.06	0.10
Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total waste generated / Revenue from operations adjusted for PPP)	1.44	2.30
Waste intensity in terms of physical output (MT/MT)	0.16	0.30
Waste intensity (optional) – the relevant metric may be selected by the entity.		

**BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT (Contd.)**

For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)

Parameter	FY 2023-24	FY 2022-23
<b>Category of waste</b>		
(i) Recycled	2,352.40	2,410.86
(ii) Re-used	0.00	4.03
(iii) Other recovery operations	0.00	0.00
<b>Total</b>	<b>2,352.40</b>	<b>2,414.89</b>

For each category of waste generated, total waste disposed of by nature of disposal method (in metric tonnes)

Category of waste	FY 2023-24	FY 2022-23
(i) Incineration	0.06	39.83
(ii) Landfilling	387.68	75.05
(iii) Other disposal operations	8,240.97	18,292.78
<b>Total</b>	<b>8,628.70</b>	<b>18,407.66</b>

**Note:** Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

10. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce the usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such waste.

We aim for sustainable operations by minimizing the amount of waste generated and maximizing its reuse and recycling. We follow the 3R approach to ensure effective waste management across operations. Some of the practices we follow include:

- Selling lube oil, and waste oil to recyclers, contaminated containers and liners to registered recyclers, sending ETP/WTP/insulation waste to government-approved landfills, incinerating biomedical waste at a common facility,
- And selling electronic waste to government-registered recyclers, purchasing scrap batteries on a buy-back basis, depolymerizing chips, polymer lumps, and yarn waste for finished goods, and disposing waste to co-processing units.

11. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones, etc.) where environmental approvals/clearances are required, please specify details in the following format:

S. No.	Location of operations/offices	Type of operations	Whether the conditions of environmental approval/clearance are being complied with? (Y/N) If no, the reasons thereof and corrective action taken, if any.
	No, CEL does not have any offices and plants located in/around ecologically sensitive areas		

12. Details of Environmental Impact Assessments of projects undertaken by the entity based on applicable laws, in the current financial year:

Name and brief details of project	EIA notification no.	Date	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant web link
No environmental impact assessments of the projects were done during the current reporting period.					

13. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (prevention and control of pollution) Act, Air (prevention and control of pollution) Act, Environment Protection Act, and rules there under (Y/N). If not, provide details of all such non-compliances, In the following format:

S.No	Specify the law/ regulation /guidelines which was not complied with	Provide details of the non-compliance	Any fines /penalties /action taken by regulatory agencies such as pollution control boards or by courts	Corrective action taken if any
Yes, we affirm towards compliance with applicable environmental laws mandated by the government authorities and have not been subjected to any penalties or corrective actions from regulatory authorities.				



**BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT (Contd.)**

**LEADERSHIP INDICATORS**

1. Water withdrawal, consumption and discharge in areas of water stress (in kilolitres):

For each facility / plant located in areas of water stress, provide the following information:

- (i) Name of the area: Not Applicable
- (ii) Nature of operations: Not Applicable
- (iii) Water withdrawal, consumption and discharge: Not Applicable

Parameter	FY 2023-24	FY 2022-23
Water withdrawal by source (in kilolitres)		
(i) Surface water	NA	NA
(ii) Groundwater	NA	NA
(iii) Third party water	NA	NA
(iv) Seawater / desalinated water	NA	NA
(v) Others	NA	NA
Total volume of water withdrawal (in kilolitres)	NA	NA
Total volume of water consumption (in kilolitres)	NA	NA
Water intensity per rupee of turnover (Water consumed / turnover)	NA	NA
Water intensity (optional) - the relevant metric may be selected by the entity	NA	NA
Water discharge by destination and level of treatment (in kilolitres)		
(i) Into surface water	NA	NA
- No treatment	NA	NA
- With treatment - please specify the level of treatment	NA	NA
(ii) Into groundwater	NA	NA
- No treatment	NA	NA
- With treatment - please specify the level of treatment	NA	NA
(iii) Into seawater	NA	NA
- No treatment	NA	NA
- With treatment - please specify the level of treatment	NA	NA
(iv) Sent to third parties	NA	NA
- No treatment	NA	NA
- With treatment - please specify the level of treatment	NA	NA
(v) Others	NA	NA
- No treatment	NA	NA
- With treatment - please specify the level of treatment	NA	NA
Total water discharged (in kilolitres)	NA	NA

2. Please provide details of total Scope 3 emissions & their intensity:

Parameter	Unit	FY 2023-24	FY 2022-23
Total Scope 3 emissions (Break-up of the GHG into CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , if available)	Metric tonnes of CO <sub>2</sub> equivalent	NA	NA
Total Scope 3 emissions per rupee of turnover	Metric tonnes of CO <sub>2</sub> equivalent	NA	NA
Total Scope 3 emission intensity (optional) - the relevant metric may be selected by the entity	Metric tonnes of CO <sub>2</sub> equivalent	NA	NA

**BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT (Contd.)**

3. With respect to the ecologically sensitive areas reported at Question 10 of essential indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along with prevention and remediation activities.

Not Applicable, CEL does not have any plants or offices in ecologically sensitive areas

4. If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions / effluent discharge/waste generated, please provide details of the same as well as the outcome of such initiatives:

S.No	Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along-with summary)	Outcome of the initiative
1.	<b>Energy Reduction Initiatives</b>	<ol style="list-style-type: none"> <li>Established an Energy Conservation Cell to set internal targets and monitor performance of various projects.</li> <li>Adoption of renewable energy sources for heating, steaming and cooling processes.</li> <li>Steam consumption optimization.</li> <li>Fuel saving projects at Bharuch and Pune plants.</li> </ol>	<p>Energy consumption from renewable sources increased by 60% as compared to the last reporting period.</p> <p>Investing in energy reduction initiatives, we were able to save 5,228 kWh/day of energy in the current reporting period. This translates to an annual energy saving of ₹312 lacs.</p>
2.	<b>Emission Reduction Initiatives</b>	<ol style="list-style-type: none"> <li>Maximum reduction in usage of Light Diesel Oil (LDO) and increased the usage of Biomass (Briquette).</li> <li>Discontinued labour and energy intensive two step mono yarn production at Pune plant and started with one step monyarn process resulting in significant energy reduction and increased manhour efficiency.</li> <li>Increase in energy consumption from renewable energy as compared to last reporting period.</li> </ol>	<p>We were able to reduce carbon intensity (GJ/MT) by 12.7% as compared to last year.</p> <p>Total GHG emissions reduced by 26.82% as compared to last reporting period.</p>
3.	<b>Waste Management Practices</b>	<ol style="list-style-type: none"> <li>Reuse of packaging material.</li> <li>Recycling of the generated nylon waste and converting it to Caprolactam.</li> <li>Conversion of food waste to manure for gardening purposes.</li> </ol>	<p>We were able to recycle 80% of the total hazardous waste generated and only 20% was sent to Pre-processing, landfilling, incineration, etc.</p>
4.	<b>Water Conservation practices</b>	<ol style="list-style-type: none"> <li>Adoption of 3R Approach - Reuse, Recycle, Reduce for effective water management</li> <li>Commencement of Zero Liquid Discharge (ZLD) unit with a designed capacity of 230 m3/day, ensuring zero wastewater generation.</li> <li>We have Installed 28 groundwater recharging borewells with a depth of 80 meters at the Bharuch plant.</li> </ol>	<p>Reduced water consumption by 6.32% as compared to last reporting period.</p> <p>Achieved zero wastewater discharge.</p>
5.	<b>Biodiversity Management Practices</b>	<ol style="list-style-type: none"> <li>We have dedicated 52% of our Bharuch plant and 33% of our Pune plant area for plantation and green belt development which promotes planting various herbs and flora.</li> </ol>	<p>Supporting flora and fauna</p> <p>All 28 borewells combined will be able to recharge groundwater by an impressive 3,62,880 cubic meters every year</p>

**BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT (Contd.)**

5. Does the entity have a business continuity and disaster management plan? Give details in 100 words/ web link.  
 Yes, we have an onsite emergency response plan in place that covers all natural and man-made disasters such as fires, explosions, hazardous chemical releases, and structural collapses. This thorough plan focuses on managing crises by assessing the likelihood of various situations. The plan aims to promptly control and minimize the impact of events, ensuring employee safety while also protecting assets and the environment. It involves outlining employees’ roles and responsibilities during emergencies and emphasizes the safe recovery of affected areas and the restoration of normal operations, as well as ensuring employee safety before returning to work. By integrating business continuity and disaster management into our operations, we strive to promote resilience, adaptability, and sustained growth.
6. Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard.  
 At CEL, we actively ensure that our suppliers and vendors comply with all relevant certifications such as ISO 14001 and other environmental requirements and we have not observed any significant environmental impacts arising from our value chain.
7. Percentage of value chain partners (by the value of business done with such partners) that were assessed for environmental impacts.  
 We currently do not have any system in place to assess our value chain partners for their environmental impacts.

**PRINCIPLE 7: BUSINESSES, WHEN ENGAGING IN INFLUENCING PUBLIC AND REGULATORY POLICY, SHOULD DO SO IN A MANNER THAT IS RESPONSIBLE AND TRANSPARENT.**

CEL is an active member of multiple trade organizations, demonstrating our unwavering commitment to robust corporate governance and building lasting partnerships. Through collaboration with various industry associations, we showcase our sustainability achievements and work hand in hand with these associations to advocate for sustainable business practices.

**ESSENTIAL INDICATORS**

1. a. Number of affiliations with trade and industry chambers/ associations.  
 The company has 12 affiliations to industry chambers and associations.
- b. List the top 10 trade and industry chambers/ associations (determined based on the total members of such a body) the entity is a member of/ affiliated to.

S. No.	Name of the trade and industry chambers/ associations	Reach of trade and industry chambers/ associations (State/National)
1	The Synthetic & Rayon Textiles Export Promotion Council	National
2	Association of Synthetic Fibre Industry (ASFI)	National
3	Indian Technical Textile Association (ITTA)	National
4	Mahratta Chamber of Commerce Industries and Agriculture, Pune (MCCIA)	State
5	Federation of Gujarat Industries	State
6	Jhagadia Industries Association	State
7	Nylon Spinners association	State
8	Gujarat Employers’ Organisation	State
9	National Safety Council of India	National
10	Gujarat Safety Council	State

2. Provide details of corrective action taken or underway on any issues related to anti-competitive conduct by the entity, based on adverse orders from regulatory authorities.

Name of authority	Brief of the case	Corrective action taken
Not Applicable, as we do not have any adverse orders against issues related to anti-competitive conduct during the current financial year.		

## BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT (Contd.)

### LEADERSHIP INDICATORS

1. Details of public policy positions advocated by the entity:

S. No.	Public policy advocated	Method resorted for such advocacy	Whether information available in the public domain? (Yes/No)	Frequency of review by board (Annually/ half yearly/ quarterly / others - please specify)	Web-link, if available
We have not advocated public policy positions in the current financial year.					

### PRINCIPLE 8: BUSINESSES SHOULD PROMOTE INCLUSIVE GROWTH AND EQUITABLE DEVELOPMENT

At CEL, we place great importance on cultivating long-term relationships built on trust and shared benefits. These relationships form the backbone of our engagements with stakeholders, and we are dedicated to gauging the impact of our initiatives on them and their life.

Through our CSR Policy, we are committed to creating value for our communities, who are our vital stakeholders. We consistently strive to enhance society through initiatives encompassing healthcare, education, infrastructure, quality of life, and environmental protection, in collaboration with charitable organizations, NGOs, and local authorities.

Our relentless dedication to positively impact our communities for the betterment of society and the environment is at the core of our CSR efforts. We believe that regularly engaging with and creating value for the communities is essential for ensuring sustained growth and fostering strong stakeholder relationships.

### ESSENTIAL INDICATORS

1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.

Name and brief details of project	SIA notification No.	Date of notification	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain. (Yes/No)	Relevant web link
We have not conducted any Social Impact Assessments projects in the current financial year.					

2. Provide information on the project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity:

S No.	Name of project for which R&R is ongoing	State	District	No. of project affected families (PAFs)	% of PAFs covered by R&R	Amounts paid to PAFs in the FY (In ₹)
NA, there is no ongoing project undertaken by the Company for which R&R is to be provided.						

3. Describe the mechanisms to receive and redress grievances of the community.

At CEL, the grievances from communities are communicated through face-to-face meetings, which are then analyzed to identify key focus areas based on the recommendations received by nearby panchayat and trusts. Additionally, we also have a grievance redressal mechanism that covers all our stakeholders including communities covered in the areas we operate.

4. Percentage of input material (inputs to total inputs by value) sourced from suppliers:

	FY 2023-24	FY 2022-23
Directly sourced from MSMEs/ small producers	6.83%	4.98
Directly from within India	42.84%	17.81

5. Job creation in smaller towns – Disclose wages paid to persons employed (including employees or workers employed on a permanent or non-permanent / on contract basis) in the following locations, as % of total wage cost

Location	FY 2023-24	FY 2022-23
Rural	49.65%	51.92%
Semi-Urban	-	-
Urban	50.35%	48.08%
Metropolitan	-	-

**BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT (Contd.)**

**LEADERSHIP INDICATORS**

1. Provide details of actions taken to mitigate any negative social impacts identified in the social impact assessments (Reference: Question 1 of essential indicators above):

Details of negative social impact identified	Corrective action taken
	We have not conducted any Social Impact Assessments projects in the current financial year

2. Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies:

S. No.	State	Aspirational district	Amount spent (In ₹)
1	Gujarat	Narmada	27.74 Lacs

3. (a) Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized/vulnerable groups?  
No, we do not have a preferential procurement policy in place. However, we are purchasing raw material from MSME and small producers
- (b) From which marginalized/vulnerable groups do you procure?  
We are sourcing raw material from MSME and small producers
- (c) What percentage of total procurement (by value) does it constitute?  
NA

4. Details of the benefits derived and shared from the intellectual properties owned or acquired by the entity (in the current financial year), based on traditional knowledge:

S.No.	Intellectual property based on traditional knowledge	Owned/acquired (Yes/No)	Benefit shared (Yes/No)	Basis of calculating benefit share
	We have not applied and acquired intellectual properties in the current financial year			

5. Details of corrective actions taken or underway, based on any adverse order in intellectual property-related disputes wherein usage of traditional knowledge is involved.

Name of the authority	Brief the Case	Corrective action taken
NA	NA	NA

6. Details of beneficiaries of CSR projects:

S.No	CSR project	No. of persons benefited from CSR projects	% of beneficiaries from vulnerable and marginalized groups
1.	Poshanvahini Project for strengthening Anganwadi center	1350	Most of the CSR activities and projects undertaken by us are specifically targeted towards benefiting vulnerable and marginalized groups in society. However, presently it is challenging to provide an accurate percentage of beneficiaries from these groups.
2.	Shikshasathi Project	2100	
3.	Kanya Kenavani & Praveshutsav	1220	
4.	Women Health Checkup camps	826	
5.	Eye Checkup	1019	
6.	Old Age Home	25	
7.	Nutrition support	1157	
8.	Check Dam Renovation	2000	
9.	Road Construction in Village	3000	
10.	Disaster Management-Grocery Kit Distribution	1800	

**PRINCIPLE 9: BUSINESSES SHOULD ENGAGE WITH AND PROVIDE VALUE TO THEIR CONSUMERS IN A RESPONSIBLE MANNER**

At CEL, we prioritize building strong relationships with our consumers and customers to drive increased revenue, growth, and profitability. Our commitment is to consistently deliver the highest quality products and create positive value for our consumers.

We have established a centralized grievance redressal mechanism to ensure that our consumers can easily reach out to us in case of any issues regarding our products. Additionally, we regularly conduct customer satisfaction surveys to gather constructive feedback on product quality and pricing. By actively seeking and addressing feedback, we aim to attract new customers through positive word of mouth.

**BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT (Contd.)**

**ESSENTIAL INDICATORS**

- Describe the mechanisms in place to receive and respond to consumer complaints and feedback.  
We ensure that all consumer complaints and feedback are promptly acknowledged by our Technical Marketing team and forwarded to the relevant departments for thorough investigation. Our responses to these issues are tailored to meet the specific requirements and expectations of our customers.

- Turnover of products and/or services as a percentage of turnover from all products/services that carry information about:

	<b>As a % to total turnover</b>
Environmental and social parameters relevant to the product	0%
Safe and responsible usage	
Recycling and/or safe disposal	

- Number of consumer complaints in respect of the following:

	<b>FY 2023-24</b>			<b>FY 2022-23</b>		
	<b>Receive during the year</b>	<b>Pending resolution at end of year</b>	<b>Remarks</b>	<b>Received during the year</b>	<b>Pending resolution at end of year</b>	<b>Remarks</b>
Data privacy	No complaints received during the year			No complaints received during the year		
Advertising						
Cyber-security						
Delivery of essential services						
Restrictive trade practices						
Unfair trade practices						
Other						

- Details of instances of product recalls on account of safety issues.

	<b>Number</b>	<b>Reason for Recall</b>
Voluntary recalls		
Forced recalls	NIL	

- Does the entity have a framework/policy on cyber security and risks related to data privacy? If available, provide a web link to the policy.  
Yes, we have a policy on cyber security and risks related to data privacy, available at <https://www.centuryenka.com/privacy-policy.html>
- Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty/action taken by regulatory authorities on the safety of products/services.  
Not Applicable, as there were no complaints received for mentioned topics during the current reporting period.
- Provide the following information relating to data breaches:
  - Number of instances of data breaches  
No instances received during the current financial year
  - Percentage of data breaches involving personally identifiable information of customers  
NA
  - Impact, if any, of the data breaches  
NA



**BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT** (Contd.)

**LEADERSHIP INDICATORS**

1. Channels/platforms where information on products and services of the entity can be accessed.  
Brief information about our products and services is provided on our website. For more detailed information, please refer to our annual reports, which can be accessed through the following .
2. Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.  
Based on the requirements of the customers, our technical and marketing personnel interact with various customers for creating awareness about proper usage and technical description of the products
4. Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.  
Not Applicable, CEL’s operations do not fall into the category of essential services
4. Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/Not Applicable)  
No
5. Did your entity carry out any survey with regard to consumer satisfaction relating to the major products/services of the entity, significant locations of operation of the entity, or the entity as a whole? (Yes/No)  
Yes, we conduct customer satisfaction surveys to gather feedback on our major products and services, as well as our operations in significant locations. These surveys include customer feedback forms that cover aspects such as quality, pricing, availability, and after-sales services. For NTCF customers, surveys are conducted annually, while for NFY customers, they are conducted semi-annually. The data collected is analyzed to identify areas for improvement and enhance overall customer satisfaction. For more information, please refer to the ‘Building relationship with customers’ section in the social and relationship capital of our integrated report.

# INDEPENDENT AUDITOR'S REPORT

To  
The Members of  
**Century Enka Limited**

## REPORT ON THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

### OPINION

- We have audited the accompanying Standalone Financial Statements of Century Enka Limited ('the Company'), which comprise the Standalone Balance Sheet as at 31<sup>st</sup> March 2024, and the Standalone Statement of Profit And Loss (including Other Comprehensive Income), Standalone Statement of Changes in Equity and Standalone Statement of Cash Flows for the year ended on that date, and notes to the Standalone Financial Statements, including a summary of material accounting policy information and other explanatory information ('the Standalone Financial Statements').
- In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Financial Statements give the information required by the Companies Act, 2013 ('Act') in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ('Ind AS') and other accounting principles generally accepted in India, of the State of Affairs of the Company as at 31<sup>st</sup> March 2024, and its Profit and 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 Standalone 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 ('ICAI') together with the ethical requirements that are relevant to our audit of the Standalone 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 on the Standalone Financial Statements.

### EMPHASIS OF MATTER

- We draw attention to the fact that Note 45(b) of the Standalone Financial Statements wherein it is stated that, the Excise department had issued an order dated 31<sup>st</sup> December 2013 denying the applicability of Notification No. 6/2000 dated 1<sup>st</sup> March 2000 and raised a demand of ₹22,927 lacs plus interest thereon and penalty equivalent to duty demand amount. In this matter, CESTAT in its order dated 20<sup>th</sup> December 2019, upheld the denial of aforesaid notification and remanded back the matter to Central Excise Department to redetermine quantum of duty short paid, imposition of equal amount of penalty on redetermined amount of duty demand and applicable interest. The Commissioner, CGST & Central Excise, Raigad Commissionerate has re-determined assessable value pursuant to order of CESTAT and confirmed the demand amounting to ₹730 lacs (as against above demand of ₹22,927 lacs), interest at appropriate rate on the duty and equal amount of penalty vide its order dated 08<sup>th</sup> September 2020. Against the said order of the Commissioner, CGST & Central Excise, Raigad, Department has filed an appeal before the Appellate Tribunal. The Company's appeal in the matter is pending before the Honourable Supreme Court of India. The Company has deposited the amount of duty of ₹730 Lacs under protest. Based on expert legal advice and merits of the case, no provision has been considered necessary by the Company. Our opinion on the Standalone Financial Statements is not modified in respect of the above matter.

### KEY AUDIT MATTERS

- Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Standalone Financial Statements of the current year. These matters were addressed in the context of our audit of the Standalone Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	How the matter was addressed in our audit
<b>Inventory Valuation</b> <ul style="list-style-type: none"> <li>The Company has significant balances of inventory as on 31<sup>st</sup> March 2024 (refer note 9 to the Standalone Financial Statements)</li> <li>Inventories are valued at lower of cost or net realizable value (NRV). Cost is determined using weighted average cost method</li> <li>Valuation of inventories can be subjective due to inherent uncertainty due to volatility in prices of raw material and volatility in prices of finished goods due to changes in consumer demands</li> </ul>	<b>Our procedures included:</b> <ul style="list-style-type: none"> <li>Obtaining understanding of production process and testing of key controls over recognition and measurement of inventory</li> <li>For sample locations, conducted physical verification of inventories at the year end</li> <li>For sample of inventory items, re-performed the weighted average cost calculation</li> </ul>

Key Audit Matter	How the matter was addressed in our audit
<ul style="list-style-type: none"> <li>• Determination of whether inventory will be realized for value less than cost requires management to exercise judgement and apply assumption</li> <li>• Because of size, inherent uncertainty in volatility in prices of raw material, assumption and complexities involved in inventory valuation, this is considered key audit matter</li> </ul>	<ul style="list-style-type: none"> <li>• Obtaining management’s calculation and relevant supporting for inventory valuation, validated mathematical accuracy of production costs and agreed the same with financial statements</li> <li>• Assessing reasonableness of assumption and judgements applied by management in inventory valuation including evaluating consistencies with management’s prior period estimations</li> <li>• Assessing appropriateness of NRV estimated by management, on sample basis, by comparing NRV to recent market prices</li> <li>• Obtaining and re-performing the calculation of inventory write down based on ageing and NRV of inventory</li> </ul> <p>Comparing historical trend of prices of raw material and finished goods to determine appropriateness of valuation of inventory.</p>

**OTHER INFORMATION**

6. The Company’s Board of Directors are responsible for the other information. The other information comprises the information included in the Company’s annual report but does not include the Standalone Financial Statements and our auditors’ report thereon. The Other Information is expected to be made available to us after the date of this auditor’s report.
7. Our opinion on the Standalone Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.
8. In connection with our audit of the Standalone Financial Statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the Standalone Financial Statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.
9. When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate action as applicable under the relevant laws and regulations.

accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection of the appropriate accounting software for ensuring compliance with applicable laws and regulations including those related to retention of audit logs, 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 Standalone Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

11. In preparing the Standalone Financial Statements, the Board of Directors 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 the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.
12. The Board of Directors are also responsible for overseeing the Company’s financial reporting process.

**RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE STANDALONE FINANCIAL STATEMENTS**

10. The Company’s Board of Directors are responsible for the matters stated in section 134(5) of the Act, with respect to the preparation of these Standalone 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 conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate

**AUDITOR’S RESPONSIBILITIES FOR THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS**

13. Our objectives are to obtain reasonable assurance about whether the Standalone Financial Statements as a 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 of 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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Standalone Financial Statements.
14. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism

throughout the audit. We also:

- 14.1. Identify and assess the risks of material misstatement of the Standalone 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.
- 14.2. 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) the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to Standalone Financial Statements in place and the operating effectiveness of such controls.
- 14.3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- 14.4. Conclude on the appropriateness of the 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 Standalone 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.
- 14.5. Evaluate the overall presentation, structure and content of the Standalone Financial Statements, including the disclosures, and whether the Standalone Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.
15. 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.
16. 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.
17. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Standalone Financial Statements of the current year 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

18. As required by the Companies (Auditor's Report) Order, 2020 ('the Order'), issued by the Central Government of India in terms of sub-section (11) of section 143 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.
19. As required by Section 143(3) of the Act, we report that:
  - 19.1. 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.
  - 19.2. 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 except for the matters in respect of audit trail stated in paragraph 20.8 below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended).
  - 19.3. The standalone balance sheet, the standalone statement of profit and loss including Other Comprehensive Income, the Statement of Changes in Equity and the Standalone Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - 19.4. In our opinion, the aforesaid Standalone Financial Statements comply with the Ind AS specified under Section 133 of the Act read with the relevant rules thereunder.
  - 19.5. On the basis of the written representations received from the directors as on 31<sup>st</sup> March 2024 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March 2024 from being appointed as a director in terms of Section 164(2) of the Act.
  - 19.6. The modification relating to the maintenance of accounts and other matters connected therewith, in respect of audit trails are as stated in paragraph 19.2 above on reporting under Section 143(3)(b) and paragraph 20.8 below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.
  - 19.7. With respect to the adequacy of the internal financial controls with reference to Standalone Financial Statements of the Company and the operating effectiveness of such controls, refer to our separate Report in 'Annexure B'.
  - 19.8. 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.

20. 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 (as amended), in our opinion and to the best of our information and according to the explanations given to us:

20.1. The Company has disclosed the impact of pending litigations as at 31<sup>st</sup> March 2024 on its financial position in its Standalone Financial Statements – Refer Note 45(d) to the Standalone Financial Statements;

20.2. The Company has made provision, as required under the applicable law or Ind AS, for material foreseeable losses, if any, on long-term contracts including derivative contracts – Refer Note 45(c) to the Standalone Financial Statements;

20.3. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

20.4. The Management has represented, to best of their knowledge and belief as disclosed in the Note 44(b) to the Standalone Financial Statements, that no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ('Intermediaries'), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

20.5. The Management has represented, to best of their knowledge and belief, as disclosed in the Note 44(h) to the Standalone Financial Statements, that no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ('Funding Parties'), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

20.6. Based on such audit procedures, that have been considered reasonable and appropriate in the circumstances, performed by us, nothing has come to our notice that has caused us to believe that the representation under para 20.4 and 20.5 contain any material misstatement.

20.7. In our opinion and according to the information and explanations given to us, the dividend declared and / or paid during the year by the Company is in compliance with Section 123 of the Act.

20.8. Based on our examination which included test checks, the Company has used accounting software for maintaining its books of account that have a feature of recording audit trail (edit log) facility and the audit trail feature has operated throughout the year for all relevant transactions recorded in the respective software, except that the feature of recording audit trail (edit log) facility was not available for us to verify at the database layer to log any direct data changes.

Based on our procedures performed above, for the accounting software other than the aforesaid databases where the question of our commenting does not arise, we did not notice any instance of the audit trail feature being tampered with during the course of our audit.

As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from 1<sup>st</sup> April 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the financial year ended 31<sup>st</sup> March 2024.

For **KKC & Associates LLP**  
**Chartered Accountants**

(formerly Khimji Kunverji & Co LLP)

Firm Registration Number: 105146W/W100621

**Kamlesh R Jagetia**  
**Partner**

Place: Mumbai

Date: 16<sup>th</sup> May 2024

ICAI Membership No: 139585

UDIN: 24139585BKAMZK4676

# ANNEXURE '[A]' TO THE INDEPENDENT AUDITOR'S REPORT

on the Standalone Financial Statements of Century Enka Limited for the year ended 31<sup>st</sup> March 2024

(Referred to in paragraph 18 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

i. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of Property, Plant and Equipment ('PPE').

The Company is maintaining proper records showing full particulars of intangible assets.

(b) The Company has a regular programme of physical verification of its PPE by which all PPE are verified in a phased manner over a period of 2 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 PPE 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 all the immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favor of the lessee) disclosed in the financial statements are held in the name of the Company except for the following which are not held in the name of the Company.

Description of property	Gross carrying value	Held in name of	Whether promoter, director or their relative or employee	Period held	Reason for not being held in name of company
Freehold Land	2	Ex Whole Time Director	NA	1982 till date	Housing Society allows individual to own the land

(d) In our opinion and according to the information and explanations given to us, the Company has not revalued its PPE (including Right of Use assets) or intangible assets or both during the year.

(e) 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, no proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

ii. (a) In our opinion and according to the information and explanations given to us, the physical verification of inventories has been conducted at reasonable intervals by the Management and, the coverage and procedure of such verification by the Management is appropriate. No discrepancies were noticed on verification between the physical stocks and the book records that were more than

10% in the aggregate of each class of inventory. In respect of Goods in transit, subsequent goods receipts have been verified.

(b) In our opinion and according to the information and explanations given to us, the Company has been sanctioned working capital limits in excess of rupees five crore, in aggregate, from banks or financial institutions which are secured on the basis of security of current assets. The quarterly returns or statements filed by the Company with such banks or financial institutions are in agreement with the books of account of the Company.

iii. (a) In our opinion and according to the information and explanations given to us, the Company has not made investments in or provided guarantee and security to companies, firms, limited liability partnership or any other parties during the year. The Company has granted loans and advances in the nature of loans to any other parties during the year and the details are mentioned in the following table

(₹/ Lacs)

Particulars	Guarantees	Security	Loans	Advances in the nature of loans
<b>Aggregate amount granted/ provided during the year</b>				
Subsidiaries				
Joint Ventures				
Associates				
Others				35.64



(₹/ Lacs)

Particulars	Guarantees	Security	Loans	Advances in the nature of loans
<b>Balance outstanding as at balance sheet date in respect of above cases</b>				
Subsidiaries				
Joint Ventures				
Associates				
Others				0.11

- (b) In our opinion and according to the information and explanations given to us, the terms and conditions of the grant of loans and advances in the nature of loans provided during the year are not prejudicial to the Company's interest.
- (c) In our opinion and according to the information and explanations given to us, there is stipulated schedule of repayment of principal of loans and advances in the nature of loans granted by the company.
- (d) No amount is overdue in respect of loans and advances in the nature of loans.
- (e) In our opinion and according to the information and explanations given to us, neither loans or advances in nature of loans have been renewed or extended nor any fresh loans have been granted to settle the overdue of existing loans.
- (f) The Company has not granted any loans or advances in the nature of loans to Promoters/Related Parties (as defined in section 2(76) of the Act which are either repayable on demand or without specifying any terms or period of repayment.
- iv. In our opinion and according to the information and explanations given to us, the Company has not granted any loans or provided any guarantees or security to the parties covered under section 185 and 186 of the Act. In our opinion and according to the information and explanations given to us, In respect of the investments made by the Company are in compliance of Section 186 of the Act.
- v. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits or amounts which are deemed to be deposits from the public during the year in terms of directives issued by the Reserve Bank of India or 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 the 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) In our opinion and according to the information and explanations given to us, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including Goods and Services Tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues have been regularly deposited 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 and Services Tax, duty of customs, cess and other material statutory dues were in arrears as at 31<sup>st</sup> March 2024 for a period of more than six months from the date they became payable.
- (b) In our opinion and according to the information and explanations given to us, we confirm that the following dues of Goods and Services Tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues, have not been deposited to/with the appropriate authority on account of any dispute.

(₹In Lacs)

Name of the Statute	Nature of the Dues	Amount*	Period to which the amount relates	Forum where dispute is pending <sup>^</sup>
Income tax Act, 1961	Income tax, interest and Penalty	118	A.Y. 2004-2005	Calcutta High Court
		50	A.Y. 2008-2009	Income Tax Appellate Tribunal
Central Excise Act, 1944	Excise Duty and Penalty	730 <sup>#</sup>	2000 to 2003	Supreme Court of India
Finance Act, 1994	Service Tax	141	2009-10 to 2013-14	Custom, Excise and Service Tax Appellate Tribunal
Gujarat Sales Tax Act, 1969	Sales Tax including interest & Penalty	520	2000 to 2001	Joint Commissioner of Commercial Tax

<sup>^</sup>Exclude matters in respect of which favorable order has been received at various appellate authorities.

\* Net of amounts paid under protest.

# Interest to be determined at appropriate rate by the Central excise authorities.

- viii. 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, we confirm that we have not come across any transactions not recorded in the books of account which have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.
- ix. (a) In our opinion, the Company has not defaulted in repayment of loans or other borrowings to financial institutions, banks or in the payment of interest thereon to any lender.
- (b) According to the information and explanations given to us and on the basis of our audit procedures, we report that the Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority or any other lender.
- (c) According to the information and explanations given to us, the Company has not obtained any term loan during the year.
- (d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the financial statements of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.
- (e) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its associate.
- (f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its associate company.
- x. (a) The Company did not raise money by way of initial public offer or further public offer (including debt instruments) during the year.
- (b) The Company has not made any preferential allotment / private placement of shares / fully / partly / optionally convertible debentures during the year.
- xi. (a) In our opinion and according to the information and explanations given to us, there has been no fraud by the Company or any fraud on the Company that has been noticed or reported during the year.
- (b) No report under sub-section (12) of section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) As represented to us by the Management, there are no whistle blower complaints received by the Company during the year.
- xii. (a) 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 financial statements as required by the applicable accounting standards.
- xiv. (a) In our opinion and based on our examination, the Company has an internal audit system commensurate with the size and nature of its business.
- (b) We have considered the internal audit reports of the Company issued till date, for the period under audit.
- xv. According to the information and explanations given to us, in our opinion during the year the Company has not entered into any non-cash transactions with its directors or persons connected with its directors. Accordingly, paragraph 3(xv) of the Order is not applicable to the Company and hence provisions of Section 192 of the Act, 2013 are not applicable to the Company.
- xvi. (a) In our opinion, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, paragraph 3(xvi)(a) of the Order is not applicable to the Company.
- (b) The Company has not conducted any Non-Banking Financial or Housing Finance activities without obtaining a valid CoR from the Reserve Bank of India as per the Reserve Bank of India Act, 1934.
- (c) The Company is not a CIC as defined in the regulations made by Reserve Bank of India.
- (d) According to the information and explanations provided to us, the Group (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016) has more than one CIC as a part of group.
- The group has 1 CIC which is registered with Reserve Bank of India and 1 CIC which is in process of registration.
- xvii. The Company has not incurred any cash losses in the financial year and in the immediately preceding financial year.
- xviii. There has been no resignation of the statutory auditors during the year and accordingly this clause is not applicable / paragraph 3(xviii) of the Order is not applicable.

xix. According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

xx. The company has fully spent the required amount towards Corporate Social Responsibilities (CSR) and there are no unspent CSR amount for the year requiring a transfer of Fund specified in Schedule VII to the Companies Act or special amount in compliance with provision of sub-section (6) of section 135 of said Act. Accordingly, reporting under clause (xx) of the order is not applicable for the year.

For **KKC & Associates LLP**

**Chartered Accountants**

(formerly Khimji Kunverji & Co LLP)

Firm Registration Number: 105146W/W100621

**Kamlesh R Jagetia**

**Partner**

Place: Mumbai

Date: 16<sup>th</sup> May 2024

ICAI Membership No: 139585

UDIN: 24139585BKAMZK4676

# ANNEXURE '[B]' TO THE INDEPENDENT AUDITORS' REPORT

on the Standalone Financial Statements of Century Enka Limited for the year ended 31<sup>st</sup> March 2024

(Referred to in paragraph '19.7' under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

**Report on the Internal Financial Controls with reference to the aforesaid Standalone Financial Statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act').**

## OPINION

1. We have audited the internal financial controls with reference to the Standalone Financial Statements of Century Enka Limited ('the Company') as on 31<sup>st</sup> March 2024 in conjunction with our audit of the Standalone Financial Statements of the Company for the year ended on that date.
2. In our opinion, the Company has, in all material respects, an adequate internal financial controls with reference to the Standalone Financial Statements and such internal financial controls were operating effectively as on 31<sup>st</sup> March 2024, based on the internal controls over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ('the Guidance Note').

## MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

3. The Company's management is responsible for establishing and maintaining internal financial controls based on the internal controls over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

## AUDITOR'S RESPONSIBILITY

4. Our responsibility is to express an opinion on the Company's internal financial controls with reference to the Standalone Financial Statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing ('SA'), prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to the Standalone Financial Statements.

Those SAs and the Guidance Note require that we comply with the ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to the Standalone Financial Statements were established and maintained and whether such controls operated effectively in all material respects.

5. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to the Standalone Financial Statements and their operating effectiveness. Our audit of internal financial controls with reference to the Standalone Financial Statements included obtaining an understanding of internal financial controls with reference to the Standalone Financial Statements, 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 judgement, including the assessment of the risks of material misstatement of the Standalone Financial Statements, whether due to fraud or error.
6. 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 the Standalone Financial Statements.

## MEANING OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE STANDALONE FINANCIAL STATEMENTS

7. A company's internal financial controls with reference to the Standalone Financial Statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Standalone Financial Statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to the Standalone Financial Statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Standalone 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 (3) 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 Standalone Financial Statements.

**INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE STANDALONE FINANCIAL STATEMENTS**

8. Because of the inherent limitations of internal financial controls with reference to the Standalone 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 the Standalone Financial Statements to future periods are subject to the risk that the internal financial controls with reference to the Standalone Financial Statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For **KKC & Associates LLP**

**Chartered Accountants**

(formerly Khimji Kunverji & Co LLP)

Firm Registration Number: 105146W/W100621

**Kamlesh R Jagetia**

**Partner**

ICAI Membership No: 139585

UDIN: 24139585BKAMZK4676

Place: Mumbai

Date: 16<sup>th</sup> May 2024

# STANDALONE BALANCE SHEET

AS AT 31<sup>ST</sup> MARCH 2024

₹/ lacs

S.No. Particulars	Note No.	As at 31 <sup>st</sup> March 2024	As at 31 <sup>st</sup> March 2023
<b>(A) ASSETS</b>			
<b>Non-Current Assets</b>			
Property, Plant and Equipment	3	79,936	63,704
Capital Work-in-Progress	3A	365	10,617
Right-of-Use Assets	4	662	689
Other Intangible Assets	5	32	92
<b>Financial Assets</b>			
Investments	6	7,085	3,725
Others	7	233	236
Other Non-Current Assets	8	979	1,168
<b>Total Non Current Assets</b>		<b>89,292</b>	<b>80,231</b>
<b>Current assets</b>			
Inventories	9	26,922	24,336
<b>Financial assets</b>			
Investments	10	27,395	30,678
Trade Receivables	11	19,699	21,704
Cash and Cash Equivalents	12	87	270
Bank Balances other than Cash & Cash Equivalents	13	328	1,332
Others	14	659	375
Current Tax Assets (Net)		139	-
Other Current Assets	15	4,230	3,347
<b>Total Current Assets</b>		<b>79,459</b>	<b>82,042</b>
<b>TOTAL ASSETS</b>		<b>1,68,751</b>	<b>1,62,273</b>
<b>(B) EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity Share Capital	16	2,185	2,185
Other Equity		1,34,579	1,29,998
<b>Total Equity</b>		<b>1,36,764</b>	<b>1,32,183</b>
<b>Non-Current Liabilities</b>			
<b>Financial Liabilities</b>			
Borrowings	17	3,380	4,870
Lease Liabilities	18	293	351
Others	19	257	251
Provisions	20	1,228	1,352
Deferred Tax Liabilities (Net)	21	8,180	7,213
Other Non-Current Liabilities	22	1,247	945
<b>Total Non-Current Liabilities</b>		<b>14,585</b>	<b>14,982</b>
<b>Current Liabilities</b>			
<b>Financial Liabilities</b>			
Borrowings	23	1,493	1,508
Lease Liabilities	18	59	55
Trade payables	24		
i) Total outstanding dues of Micro and Small enterprises		734	674
ii) Total outstanding dues of Creditors other than above		12,128	10,099
Others	25	1,130	1,375
Other Current Liabilities	26	1,457	1,045
Provisions	27	401	319
Current Tax Liabilities (Net)	28	-	33
<b>Total Current Liabilities</b>		<b>17,402</b>	<b>15,108</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>1,68,751</b>	<b>1,62,273</b>
Material Accounting Policies	1 & 2		

The accompanying notes are an integral part of these financial statements

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

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

**Kamlesh R Jagetia**  
Partner  
Membership No. 139585

Place : Mumbai  
Date : 16<sup>th</sup> May 2024

For and on behalf of the Board of Directors

**Jayant Vasant Dhobley**  
Director  
DIN: 02402556

**Krishna Gopal Ladsaria**  
Chief Financial Officer

Place : Mumbai  
Date : 16<sup>th</sup> May 2024

**Suresh Sodani**  
Managing Director  
DIN: 08789604

**Rahul Dubey**  
Company Secretary



# STANDALONE STATEMENT OF PROFIT & LOSS

FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2024

₹/ lacs

S. No.	Particulars	Note No.	Year Ended 31 <sup>st</sup> March 2024	Year Ended 31 <sup>st</sup> March 2023
I	Revenue From Operations	29	1,74,415	2,07,205
II	Other Income	30	3,349	1,904
<b>III</b>	<b>Total Income (I+II)</b>		<b>1,77,764</b>	<b>2,09,109</b>
<b>IV</b>	<b>EXPENSES</b>			
	Cost of Materials Consumed	31	1,11,807	1,29,154
	Purchases of Stock-in-Trade		5,802	8,826
	Changes in inventories of Finished goods, Stock-in -Trade and work-in-progress	32	(2,785)	493
	Employee Benefits Expense	33	12,161	11,994
	Power and Fuel		21,298	24,753
	Finance Costs	34	535	235
	Depreciation and Amortization Expense	3, 4 & 5	5,026	4,122
	Other Expenses	35	17,853	17,752
	<b>Total expenses (IV)</b>		<b>1,71,697</b>	<b>1,97,329</b>
<b>V</b>	<b>Profit before Tax (III+IV)</b>		<b>6,067</b>	<b>11,780</b>
VI	Tax Expense/(Credit):	39		
	(1) Current Tax		548	3,041
	(2) (Excess)/Short Provision of Tax relating to earlier years		1	(69)
	(3) Deferred Tax		929	(236)
<b>VII</b>	<b>Profit for the Year (V-VI)</b>		<b>4,589</b>	<b>9,044</b>
VIII	Other Comprehensive Income			
	A (i) Items that will not be reclassified to profit or loss		2,294	(130)
	(ii) Income tax relating to items that will not be reclassified to profit or loss		(59)	11
	B (i) Items that will be reclassified to profit or loss		(76)	501
	(ii) Income tax relating to items that will be reclassified to profit or loss		18	(126)
<b>IX</b>	<b>Total Comprehensive Income for the year (VII+VIII)</b>		<b>6,766</b>	<b>9,300</b>
	(Comprising Profit and Other Comprehensive Income for the year)			
<b>X</b>	<b>Earnings per equity share in ₹(Face value per share ₹10 each):</b>			
	(1) Basic	43	21.00	41.39
	(2) Diluted		21.00	41.39
	Material 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 **KKC & Associates LLP**  
(formerly Khimji Kunverji & Co LLP)  
Chartered Accountants  
(FRN 105146W/W100621)

**Kamlesh R Jagetia**  
Partner  
Membership No. 139585

Place : Mumbai  
Date : 16<sup>th</sup> May 2024

For and on behalf of the Board of Directors

**Jayant Vasant Dhobley**  
Director  
DIN: 02402556

**Krishna Gopal Ladsaria**  
Chief Financial Officer

Place : Mumbai  
Date : 16<sup>th</sup> May 2024

**Suresh Sodani**  
Managing Director  
DIN: 08789604

**Rahul Dubey**  
Company Secretary

# STANDALONE CASH FLOW STATEMENT

FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2024

₹/ lacs

S.No. Particulars	Year Ended 31 <sup>st</sup> March 2024	Year Ended 31 <sup>st</sup> March 2023
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
<b>Profit Before Tax</b>	6,067	11,780
<b>Adjustment for:</b>		
Depreciation and Amortisation	5,026	4,122
Finance cost	535	235
Unrealised Exchange Loss /(Gain)	20	6
Loss on Impairment of Investments	-	4
Fair value movement in derivative instruments	(106)	13
Interest Income	(1,481)	(779)
Fair Value of Investments through Profit and Loss Statement	(461)	808
Profit on sale of Current Investments (Net)	(402)	(1,508)
Liabilities/Provisions no longer required written back	(89)	(68)
Amortization of Government Grant (TUF Capital Subsidy)	(24)	(19)
(Profit) / Loss on sale / write off of Property, Plant and Equipments (Net)	(661)	(131)
<b>Operating Profit Before Working Capital Changes</b>	<b>8,424</b>	<b>14,463</b>
<b>Adjustment for:</b>		
Trade payable and other liability	2,652	(829)
Trade Receivables	2,008	2,229
Inventories	(2,586)	6,463
Financial and other Assets	(969)	2,655
<b>Cash Generated From Operations</b>	<b>9,529</b>	<b>24,981</b>
Direct Taxes Paid (net of refunds)	(723)	(3,054)
<b>Net Cash From Operating Activities (A)</b>	<b>8,806</b>	<b>21,927</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Property, Plant and Equipments	(11,501)	(23,890)
Sale of Property, Plant and Equipments	1,404	340
Interest Received	1,248	760
Government Grant (Capital Subsidy)	84	144
(Investment)/Maturity of deposit with Bank	994	5,320
Investments in deposits and other debt Instruments	(6,673)	(930)
Purchase of Non-Current Investments	-	(885)
(Purchase)/Sale of Current Investments (Net)	9,746	(5,993)
<b>Net Cash From Investing Activities (B)</b>	<b>(4,698)</b>	<b>(25,134)</b>

# STANDALONE CASH FLOW STATEMENT

FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2024

₹/ lacs

S.No. Particulars	Year Ended 31 <sup>st</sup> March 2024	Year Ended 31 <sup>st</sup> March 2023
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from Long Term Borrowings	-	6,160
Repayment of Long Term Borrowings	(1,490)	(817)
Repayment of Lease Liability	(54)	(51)
Proceeds/(Repayment) in Short-term Borrowings (Net)	(15)	-
Payment of Interest on Lease Liability	(31)	(35)
Payment of Interest on Borrowings	(516)	(154)
Equity Dividend Paid	(2,185)	(2,185)
<b>Net Cash From Financing Activities</b> (C)	<b>(4,291)</b>	<b>2,918</b>
<b>D. NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>(183)</b>	<b>(289)</b>
Closing Balance of Cash and Cash Equivalents	87	270
Opening Balance of Cash and Cash Equivalents	270	559

## Reconciliation of Closing Cash and Cash Equivalents with Balance Sheet

₹/ lacs

Particulars	As at 31 <sup>st</sup> March 2024	As at 31 <sup>st</sup> March 2023
Cash On hand	5	8
With Banks		
In Current Accounts	82	262
<b>Total</b>	<b>87</b>	<b>270</b>

### 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.
- Change in liabilities arising from financing activities

Particulars	As at 31 <sup>st</sup> March 2023	Cash flows	Non Cash Changes	As at 31 <sup>st</sup> March 2024
Total Borrowings	6,378	(1,505)	-	4873

Particulars	As at 31 <sup>st</sup> March 2022	Cash flows	Non Cash Changes	As at 31 <sup>st</sup> March 2023
Total Borrowings	1,035	5,343	-	6378

The accompanying notes are an integral part of these Financial Statements

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

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

**Kamlesh R Jagetia**  
Partner  
Membership No. 139585

Place : Mumbai  
Date : 16<sup>th</sup> May 2024

For and on behalf of the Board of Directors

**Jayant Vasant Dhobley**  
Director  
DIN: 02402556

**Krishna Gopal Ladsaria**  
Chief Financial Officer

Place : Mumbai  
Date : 16<sup>th</sup> May 2024

**Suresh Sodani**  
Managing Director  
DIN: 08789604

**Rahul Dubey**  
Company Secretary

# STANDALONE STATEMENT OF CHANGE IN EQUITY

FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2024

## (A) EQUITY SHARE CAPITAL

Year Ended 31 <sup>st</sup> March 2024			₹/ Lacs
Balance as at 1 <sup>st</sup> April 2023	Changes in equity shares capital during the year ended		Balance As at 31 <sup>st</sup> March 2024
2,185	-		2,185

For the year ended 31 <sup>st</sup> March 2023			₹/ Lacs
Balance as at 1 <sup>st</sup> April 2022	Changes in equity shares capital during the year ended		Balance as at 31 <sup>st</sup> March 2023
2,185	-		2,185

## (B) OTHER EQUITY

FOR THE YEAR ENDED 31 <sup>st</sup> March 2024									₹/ Lacs
Particulars	Reserves and Surplus							Total	
	Capital Reserve	Capital redemption Reserve	Securities Premium	General Reserve	Retained Earnings	Cash Flow Hedges Reserve	FVOCI-Equity Instruments		
<b>Balance at 1<sup>st</sup> April 2023</b>	48	186	3,225	40,566	85,795	58	120	1,29,998	
Profit for the Year (1)	-	-	-	-	4,589	-	-	4,589	
<b>Other Comprehensive Income:</b>								-	
Remeasurement of the net defined benefit liability/ asset, net of tax liability (₹2 Lacs) effect (2)	-	-	-	-	6	-	-	6	
Equity instruments through other comprehensive income (3)	-	-	-	-	-	-	2,229	2,229	
Effective portion of Gains / (Loss) on hedging instruments net of tax liability (₹18 Lacs) effect(4)	-	-	-	-	-	(58)	-	(58)	
<b>Total Comprehensive Income ( 1 to 4 )</b>	-	-	-	-	4,595	(58)	2,229	6,766	
Dividend Paid for the FY 22-23	-	-	-	-	(2,185)	-	-	(2,185)	
<b>Balance at 31<sup>st</sup> March 2024</b>	48	186	3,225	40,566	88,205	-	2,349	1,34,579	

# STANDALONE STATEMENT OF CHANGE IN EQUITY

FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2024

For the year ended 31<sup>st</sup> March 2023

₹/ Lacs

Particulars	Reserves and Surplus							Total
	Capital Reserve	Capital redemption Reserve	Securities Premium	General Reserve	Retained Earnings	Cash Flow Hedges Reserve	FVOCI-Equity Instruments	
<b>Balance at 1<sup>st</sup> April 2022</b>	48	186	3,225	40,566	78,967	(317)	208	122,883
Profit for the Year (1)	-	-	-	-	9,044	-	-	9,044
Other Comprehensive Income:								
Remeasurement of the net defined benefit liability/ asset, net of tax benefit (₹11 Lacs) effect (2)	-	-	-	-	(31)	-	-	(31)
Equity instruments through other comprehensive income (3)	-	-	-	-	-	-	(88)	(88)
Effective portion of Gains / (Loss) on hedging instruments net of tax liability (₹126 Lacs) effect(4)	-	-	-	-	-	375	-	375
<b>Total Comprehensive Income ( 1 to 4 )</b>	-	-	-	-	9,013	375	(88)	9,300
Dividend Paid for the FY 21-22	-	-	-	-	(2,185)	-	-	(2,185)
<b>Balance at 31<sup>st</sup> March 2023</b>	48	186	3,225	40,566	85,795	58	120	129,998

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

- i) **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 in the earlier years.
- ii) **Capital Redemption Reserve** - Created on cancellation of equity shares under the scheme of arrangement and redemption of preference shares. It can be utilised in accordance with the provision of the Companies Act, 2013.
- iii) **Security Premium** - Premium received on issue of equity shares credited to Securities Premium Reserve. It can be utilised in accordance with the provision of the Companies Act, 2013.
- iv) **Cashflow Hedge Reserve** - The Company has designated its hedging instruments as cash flow hedges and any effective portion of cashflow hedge is maintained in the said reserve. In case the hedging becomes ineffective, the amount is recognised in the Statement of Profit and Loss

The accompanying notes are an integral part of these financial statements

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

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

**Kamlesh R Jagetia**  
Partner  
Membership No. 139585

Place : Mumbai  
Date : 16<sup>th</sup> May 2024

For and on behalf of the Board of Directors

**Jayant Vasant Dhobley**  
Director  
DIN: 02402556

**Krishna Gopal Ladsaria**  
Chief Financial Officer

Place : Mumbai  
Date : 16<sup>th</sup> May 2024

**Suresh Sodani**  
Managing Director  
DIN: 08789604

**Rahul Dubey**  
Company Secretary

# NOTES

## TO THE STANDALONE FINANCIAL STATEMENTS

### 1. COMPANY OVERVIEW

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

### 2. MATERIAL ACCOUNTING POLICIES

#### (a) Statement of Compliance

These Standalone financial statements (hereinafter referred to as "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 16<sup>th</sup> May 2024.

#### (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 cost of an item of PPE is recognised as an asset if it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably.

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. Subsequent costs incurred are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance cost are charged



# NOTES

## TO THE STANDALONE FINANCIAL STATEMENTS

to the Statement of Profit and Loss during the period in which they were 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.

PPE except freehold land are stated at their cost of acquisition/installation or construction net of accumulated depreciation, and impairment losses, if any. Freehold land is stated at cost less impairment losses, if any.

**(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

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

No	Nature	Useful life
1	Leasehold Assets - Plant & Machinery	Upto 25 years
2	Leasehold Assets - Other than Plant & Machinery	Lease Period
3	Stores and Spares Parts in the nature of PPE	5 to 25 Years
4	Motor Cars given to the employees as per the Company's Scheme	4 years
5	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.

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. Freehold land with indefinite life is not depreciated.

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. The estimated useful lives, residual values and the depreciation method are reviewed at the end of each reporting period, and the effect of any changes in the estimates are accounted for a prospective basis.

▪ **Intangible Assets acquired separately:**

Intangible assets that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment, if any. Cost comprises the purchase price (net of tax / duty credits availed wherever applicable) and any directly attributable cost of bringing the assets to its working condition for its intended use. 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.

# NOTES

## TO THE STANDALONE FINANCIAL STATEMENTS

- **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. An intangible asset is derecognised on disposal, or when no future economic benefits are expected from its use or disposal. Gains or losses arising from derecognition of an item of intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of such item of intangible asset and are recognised in the statement of profit & loss when the asset is derecognised.

**(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:**

A Financial Instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. 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.

# NOTES

## TO THE STANDALONE FINANCIAL STATEMENTS

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

### Fair Value through OCI:

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

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

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

### Fair Value through Profit or Loss:

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

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

### Classification and Subsequent Measurement: Financial liabilities

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

### Financial Liabilities at FVTPL:

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

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

### Other Financial Liabilities:

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

### Impairment of financial assets:

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at the end of each reporting period. In case of trade receivables, the Company follows the simplified approach permitted by Ind AS 109 -

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

### Derecognition of financial assets:

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

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

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

### (i) Financial liabilities and equity instruments:

#### ▪ Classification as debt or equity

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

#### ▪ Equity instruments

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

# NOTES

## TO THE STANDALONE FINANCIAL STATEMENTS

**(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) Offsetting of Financial Instruments**

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

**(l) 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.

**(m) 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.

**(n) Borrowing Costs:**

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

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

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

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

Government grants are 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.

Government grants, related to assets, are recognised in the Statement of Profit and Loss on a systematic basis over expected useful life of the related assets.

**(p) Leases:**

**Company as a Lessee**

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

The Company measures the lease liability at the present value of the lease payments that are not paid at the

# NOTES

## TO THE STANDALONE FINANCIAL STATEMENTS

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

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

### Company as a Lessor

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

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

#### (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 excluding derivatives designated as cashflow hedge.

#### (r) Hedge accounting:

The Company designates certain hedging instruments in respect of foreign currency risk, interest rate risk and commodity price risk as cash flow hedges. At the inception of the hedge relationship, the entity documents the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the Company documents whether the hedging instrument is highly effective in offsetting changes in fair values or cash flows of the hedged item attributable to the hedged risk.

The effective portion of changes in the fair value of the

designated portion of derivatives that qualify as cash flow hedges is recognised in OCI and accumulated under equity. The gain or loss relating to the ineffective portion is recognised immediately in the statement of profit and loss.

Amounts previously recognised in OCI and accumulated in equity relating to effective portion as described above are reclassified to Statement of Profit and Loss in the periods when the hedged item affects the Statement of Profit or Loss, in the same line as the recognised hedged item. However, when the hedged forecast transaction results in the recognition of a non-financial asset or a non-financial liability, such gains and losses are transferred from equity and included in the initial measurement of the cost of the non-financial asset or non-financial liability.

Hedge accounting is discontinued prospectively when the hedging instrument expires or is sold, terminated, or exercised, or when it no longer qualifies for hedge accounting. Any gain or loss recognised in OCI and accumulated in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised the Statement of Profit and Loss. When a forecast transaction is no longer expected to occur, the gain or loss accumulated in equity is recognised immediately in the Statement of Profit and Loss.

#### (s) 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 which is generally on dispatch/delivery of 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 (net of variable consideration), (4) allocate the transaction price (net of variable consideration) 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.



# NOTES

## TO THE STANDALONE FINANCIAL STATEMENTS

Government grants in the nature of export incentives are accounted for in the period of export of goods if the entitlements can be estimated with reasonable accuracy and conditions precedent to claim are reasonably expected to be fulfilled.

### Other Income:

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

### (t) Employee benefits:

#### Gratuity:

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

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- net interest expense or income; and
- re-measurement

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

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

plans or reductions in future contributions to the plans.

### Superannuation:

The company has Defined Contribution Plan for Post-Employment benefits in the form of Superannuation schemes for eligible employees. The scheme is administered through Life Insurance Corporation (LIC) and Trust which is administered by the Trustees. In respect of this scheme, the Company has no further obligation beyond its contributions.

### Employee's Family Pension

The Company has Defined Contribution Plan for Post-Employment benefits in the form of family pension for eligible employees, which is administered by the Regional Provident Fund Commissioner. Company has no further obligation beyond its contributions.

### Provident Fund

Contribution towards provident fund for certain employees is made to the regulatory authorities, where the Company has no further obligations. Such benefits are classified as Defined Contribution Scheme as the Company does not carry any further obligations, apart from the contributions made on a monthly basis.

In respect of certain employees, Provident Fund contributions are made to the Trust set up and administered by the Company. If the board of trustees are unable to pay interest at the rate declared by the government under Para 60 of the Employees provident fund scheme, 1972 for the reason that the return on investment is less or for any other reason, then the deficiency shall be made good by the Company making interest shortfall a defined benefit plan. Accordingly, the Company obtains actuarial valuation and having regard to the assets of the fund and the return on investments, the Company does not expect any deficiency as at the year end. If there is a deficiency as at any Balance Sheet date, then, the same will be recognized in the Statement of Profit and Loss in the year in which it arises.

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

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

### Compensated Absences

The Accumulated compensated absences, which are expected to be availed or encashed within 12 months from



# NOTES

## TO THE STANDALONE FINANCIAL STATEMENTS

the end of the year are treated as short term employee benefits. The obligation towards the same is measured at the expected cost of accumulating compensated absences as the additional amount expected to be paid as a result of the unused entitlement as at the year end.

Accumulated compensated absences, which are expected to be availed or encashed beyond 12 months from the end of the year are treated as other long-term employee benefits. The company's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. Actuarial losses/gains are recognised in the Statement of Profit and Loss in the year in which they arise.

**(u) 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.

**(v) 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.

**(w) 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.

**(x) 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

# NOTES

## TO THE STANDALONE FINANCIAL STATEMENTS

never be realised. However, when the realisation of income is virtually certain, then the related asset is not a contingent asset and is recognised.

### (y) Investment in Associates

The Company's investment in its associates are carried at cost net of accumulated impairment loss, if any.

On disposal of the Investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the statement of Profit and Loss.

### 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 and Intangible Assets:

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) Recognition and measurement of deferred tax assets and liabilities:

Deferred tax assets and liabilities are recognised for deductible temporary differences for which there is probability of utilisation against the future taxable profit. The Company uses judgement to determine the amount of deferred tax liability / asset that can be recognised, based upon the likely timing and the level of future taxable profits and business developments.

#### (v) Income Taxes:

The Company calculates income tax expense based on reported income and estimated exemptions / deduction likely available to the Company. The Company has applied the lower income tax rates on income tax expenses and the deferred tax assets / liabilities.

# NOTES

TO THE STANDALONE FINANCIAL STATEMENTS

## 3 PROPERTY, PLANT AND EQUIPMENT (PPE)

₹/ Lacs

	Land	Buildings (Refer Note a)	Plant & Machinery (Refer Note b)	Furniture & Fixtures	Office Equipments	Vehicles	Total
<b>For the year 22-23</b>							
<b>As at 1<sup>st</sup> April 2022</b>	336	9,230	62,068	117	291	382	72,424
Add: Additions	-	2,406	17,685	44	105	49	20,289
Less: Disposals/Adjustment	-	2	283	-	10	38	333
Add: Asset classified as held for sale (Refer Note c)	-	-	900	-	-	-	900
<b>As at 31<sup>st</sup> March 2023</b>	<b>336</b>	<b>11,634</b>	<b>80,370</b>	<b>161</b>	<b>386</b>	<b>393</b>	<b>93,280</b>
<b>Accumulated Depreciation:</b>							
<b>As at 1<sup>st</sup> April 2022</b>	-	2,676	22,714	69	156	120	25,735
Add: Depreciation during the year	-	376	3,445	20	53	71	3,965
Less: Disposals/Adjustment	-	-	96	-	10	18	124
<b>As at 31<sup>st</sup> March 2023</b>	-	<b>3,052</b>	<b>26,063</b>	<b>89</b>	<b>199</b>	<b>173</b>	<b>29,576</b>
<b>Net carrying amount As at 31<sup>st</sup> March 2023</b>	<b>336</b>	<b>8,582</b>	<b>54,307</b>	<b>72</b>	<b>187</b>	<b>220</b>	<b>63,704</b>
<b>For the year 23-24</b>							
<b>As at 1<sup>st</sup> April 2023</b>	336	11,634	80,370	161	386	393	93,280
Add: Additions	-	873	20,910	32	41	58	21,914
Less: Disposals/Adjustment	-	-	935	-	2	24	961
<b>As at 31<sup>st</sup> March 2024</b>	<b>336</b>	<b>12,507</b>	<b>1,00,345</b>	<b>193</b>	<b>425</b>	<b>427</b>	<b>1,14,233</b>
<b>Accumulated Depreciation:</b>							
<b>As at 1<sup>st</sup> April 2023</b>	-	3,052	26,063	89	199	173	29,576
Add: Depreciation during the year	-	460	4,312	16	78	73	4,939
Less: Disposals/Adjustment	-	-	194	0	1	23	218
<b>As at 31<sup>st</sup> March 2024</b>	-	<b>3,512</b>	<b>30,181</b>	<b>105</b>	<b>276</b>	<b>223</b>	<b>34,297</b>
<b>Net carrying amount As at 31<sup>st</sup> March 2024</b>	<b>336</b>	<b>8,995</b>	<b>70,164</b>	<b>88</b>	<b>149</b>	<b>204</b>	<b>79,936</b>

- a) Includes Land ₹2 Lacs and ₹500 being the cost of 5 shares in a co-operative housing society held in the name of a nominee of the Company
- b) Rupee Term Loans are secured by hypothecation of specific Plant and Machinery against which Loans have been taken.
- c) During the previous year company had reclassified the Gas Engine and Waste heat recovery boiler to assets since there was no certainty of its Sale. Recognition has been lower of Fair value and its carrying amount before the classification adjusted for depreciation upto to date of reclassification.

3.1 The Company has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets or both during the current or previous year.

3.2 The Title deeds of all the immovable properties are held in the Name of Company except as follows:

Description of Property	Carrying Value	Title in name of	Property held since	Reason for not being held in company's name
Freehold Land	₹2 Lacs	Ex. Whole time director	1982	Housing Society only allows individual to own the land

## 3A (I) CAPITAL WORKING IN PROGRESS - AGING SCHEDULE

₹/ Lacs

Capital Working in Progress	Amount in Capital Working in Progress for a period of				Total	
	Less than 1 year	1-2 years	2-3 years	More than 3 years		
<b>F.Y 2022-23</b>						
Projects in progress		8,894	1,707	16	-	10,617
<b>F.Y 2023-24</b>						
Projects in progress		365	-	-	-	365

# NOTES

TO THE STANDALONE FINANCIAL STATEMENTS

## 3A (II) COMPLETION SCHEDULE FOR CAPITAL WORK-IN-PROGRESS WHOSE COMPLETION IS OVERDUE OR HAS EXCEEDED ITS COST COMPARED TO ITS ORIGINAL PLAN:

Capital Working in Progress	To be completed in				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
<b>F.Y 2022-23</b>					
<b>i) Projects in progress</b>					
- Dipping plant	8,308	-	-	-	8,308
- Water Treatment Plant	984	-	-	-	984
<b>ii) Projects temporarily suspended</b>	-	-	-	-	-
<b>F.Y 2023-24</b>					
<b>i) Projects in progress</b>	-	-	-	-	-
<b>ii) Projects temporarily suspended</b>	-	-	-	-	-

## 4 RIGHT OF USE ASSETS ( IND AS 116)

	₹/ Lacs		
	Land	Plant & Machinery	Total
<b>For the year 22-23</b>			
<b>As at 1<sup>st</sup> April 2022</b>	207	591	798
Add: Additions			-
Less: Disposals/Adjustment			-
<b>As at 31<sup>st</sup> March 2023</b>	<b>207</b>	<b>591</b>	<b>798</b>
<b>Accumulated Depreciation:</b>			
<b>As at 1<sup>st</sup> April 2022</b>	13	69	82
Add: Depreciation during the year	4	23	27
Less: Disposals/Adjustment			-
<b>As at 31<sup>st</sup> March 2023</b>	<b>17</b>	<b>92</b>	<b>109</b>
<b>Net carrying amount As at 31<sup>st</sup> March 2023</b>	<b>190</b>	<b>499</b>	<b>689</b>
<b>For the year 23-24</b>			
<b>As at 1<sup>st</sup> April 2023</b>	207	591	798
Add: Additions			
Less: Disposals/Adjustment			
<b>As at 31<sup>st</sup> March 2024</b>	<b>207</b>	<b>591</b>	<b>798</b>
<b>Accumulated Depreciation:</b>			
<b>As at 1<sup>st</sup> April 2023</b>	17	92	109
Add: Depreciation during the year	4	23	27
Less: Disposals/Adjustment			
<b>As at 31<sup>st</sup> March 2024</b>	<b>21</b>	<b>115</b>	<b>136</b>
<b>Net carrying amount As at 31<sup>st</sup> March 2024</b>	<b>186</b>	<b>476</b>	<b>662</b>

# NOTES

TO THE STANDALONE FINANCIAL STATEMENTS

## 5 INTANGIBLE ASSETS

	₹/ Lacs
	<b>Computer Softwares</b>
<b>For the year 2022-23</b>	
<b>As at 1<sup>st</sup> April 2022</b>	<b>746</b>
Add: Additions	11
Less: Disposals	
<b>As at 31<sup>st</sup> March 2023</b>	<b>757</b>
<b>Accumulated Amortisation:</b>	
<b>As at 1<sup>st</sup> April 2022</b>	535
Add: Amortisation during the year	130
Less: Disposals	
<b>As at 31<sup>st</sup> March 2023</b>	<b>665</b>
<b>Net carrying amount As at 31<sup>st</sup> March 2023</b>	<b>92</b>
<b>For the year 2023-24</b>	
<b>As at 1<sup>st</sup> April 2023</b>	757
Add: Additions	-
Less: Disposals	
<b>As at 31<sup>st</sup> March 2024</b>	<b>757</b>
<b>Accumulated Amortisation:</b>	
<b>As at 1<sup>st</sup> April 2023</b>	665
Add: Amortisation during the year	60
Less: Disposals	
<b>As at 31<sup>st</sup> March 2024</b>	<b>725</b>
<b>Net carrying amount As at 31<sup>st</sup> March 2024</b>	<b>32</b>

## 6 NON-CURRENT INVESTMENTS

			As at 31 <sup>st</sup> March 2024	As at 31 <sup>st</sup> March 2023
	<b>Number of Shares</b>	<b>Face Value Per Share</b>		
<b>Investments in Equity Shares (fully paid up)</b>				
<b>1) Quoted Investments</b>				
Fair value through Other Comprehensive Income				
Kesoram Industries Limited	20,85,481	10	3,583	1,222
	(20,85,481)			
<b>Kesoram Textiles Mills Limited</b>	5,84,994	2	-	-
(Received during the year 1999-2000 without any consideration pursuant to scheme of arrangement of Kesoram Industries Limited)	(5,84,994)			
<b>Birla Tyres Limited</b>				
(Received during the year financial year 2019-20 without any consideration pursuant to scheme of demerger of Tyre unit of Kesoram Industries limited)	(14,03,985)	10	-	74
<b>2) Unquoted Investments</b>				
<b>Fair Value through profit or loss</b>				
BEIL Infrastructure Limited	10,220	10	1	1
	(10,220)			

# NOTES

TO THE STANDALONE FINANCIAL STATEMENTS

			₹/ Lacs	
			As at 31 <sup>st</sup> March 2024	As at 31 <sup>st</sup> March 2023
MMA CETP Co-operative Society Limited	12,895	100	13	13
	(12,895)			
Bhadreshwar Vidyut Private Limited	19,47,000	0.10	4	4
	(19,47,000)			
Less : Provision for Impairment on Investments			(4)	(4)
<b>Associates at Cost</b>				
ABReL Century Energy Limited	88,47,800	10	885	885
	(88,47,800)			
<b>3) Unquoted Investments at Amortised Cost</b>				
Fixed Deposit with Financial Institutions with maturity more than 12 months			1,000	-
<b>4) Quoted Investments at Amortised Cost</b>				
<b>Taxable Corporate Bonds/Debentures/Debt Securities</b>			1,603	1,530
Note: Figures in bracket represents previous year numbers			7,085	3,725
Aggregate amount of:				
Quoted Investments			5,186	2,826
Unquoted Investments			1,899	899
Aggregate market value of Quoted Investment			5,138	2,826
Aggregate amount of impairment in value of Investment			4	4

## 7 OTHER NON-CURRENT FINANCIAL ASSETS

			₹/ Lacs	
			As at 31 <sup>st</sup> March 2024	As at 31 <sup>st</sup> March 2023
<b>(Unsecured, Considered Good)</b>				
Security Deposits			213	216
Advances			20	20
			<b>233</b>	<b>236</b>

## 8 OTHER NON-CURRENT ASSETS

			₹/ Lacs	
			As at 31 <sup>st</sup> March 2024	As at 31 <sup>st</sup> March 2023
Capital Advances			133	360
Others				
Balances with Government authorities			800	800
Prepaid Expense			46	8
			<b>979</b>	<b>1,168</b>



# NOTES

TO THE STANDALONE FINANCIAL STATEMENTS

## 9 INVENTORIES

	As at 31 <sup>st</sup> March 2024	As at 31 <sup>st</sup> March 2023
	₹/ Lacs	
<b>(Valued at lower of cost or Net Realisable Value) (Unless otherwise stated)</b>		
Raw Material [Including in transit ₹480 Lacs (Previous Year ₹929 Lacs)]	9,140	8,850
Stock-in-Process	4,288	4,226
Finished goods [Including in transit ₹1604 Lacs (Previous Year ₹1227 Lacs)]	10,881	8,159
Stores, Spares and Packing Material & Fuel (at cost)	2,613	3,101
[Including in transit ₹11 Lacs (Previous Year ₹46 lacs)]		
	<b>26,922</b>	<b>24,336</b>

The Company follows adequate accounting policy for writing down the value of Stores and Spares towards slow moving, non-moving and surplus Inventories ₹385 Lacs ( Previous year ₹304 Lacs )

Provision on Stock-in-Process / Finished goods for the period is ₹268 Lacs (31<sup>st</sup> March 2023 ₹354 Lacs).

Refer material accounting policy

## 10 CURRENT INVESTMENTS

	As at 31 <sup>st</sup> March 2024	As at 31 <sup>st</sup> March 2023
	₹/ Lacs	
<b>a) Quoted Investments (Fair value through profit or loss)</b>		
Exchange Traded Funds	112	105
<b>b) Unquoted Investments (Fair value through profit or loss)</b>		
Units of various schemes of Mutual Funds	9,811	15,286
<b>c) Amortised cost</b>		
<b>Quoted Investments</b>		
	4,672	8,087
<b>Unquoted Investments</b>		
Inter-corporate Deposits/Fixed Deposit with Financial Institutions	12,800	7,200
	<b>27,395</b>	<b>30,678</b>
Aggregate amount of Quoted Investments	4,784	8,192
Aggregate amount of Unquoted Investments	22,611	22,486
Aggregate market value of Quoted Investment	4,869	8,192

## 11 TRADE RECEIVABLES

	As at 31 <sup>st</sup> March 2024	As at 31 <sup>st</sup> March 2023
	₹/ Lacs	
Considered good - Secured	-	384
Considered good - Unsecured	19,699	21,320
Credit impaired	-	714
	<b>19,699</b>	<b>22,418</b>
Less: Allowance for credit losses	-	(714)
	<b>19,699</b>	<b>21,704</b>

# NOTES

TO THE STANDALONE FINANCIAL STATEMENTS

## Trade Receivables ageing schedule as at 31<sup>st</sup> March 2024

Particulars	Outstanding for following periods from due date of payment						Total
	Not Due	Less than 6 months	Less than 1 year	1-2 years	2-3 years	More than 3 years	
<b>Undisputed Trade receivables</b>							
a) Considered good	18,052	1,646	1	-	-	-	19,699
b) Credit impaired	-	-	-	-	-	-	-
Allowance for credit losses	-	-	-	-	-	-	-
<b>Total</b>	<b>18,052</b>	<b>1,646</b>	<b>1</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>19,699</b>

## Trade Receivables ageing schedule as at 31<sup>st</sup> March 2023

Particulars	Outstanding for following periods from due date of payment						Total
	Not Due	Less than 6 months	Less than 1 year	1-2 years	2-3 years	More than 3 years	
<b>Undisputed Trade receivables</b>							
a) Considered good	20,074	1,629	1	-	-	-	21,704
b) Significant increase in credit risk	-	-	-	-	402	312	714
Allowance for credit losses	-	-	-	-	(402)	(312)	(714)
<b>Total</b>	<b>20,074</b>	<b>1,629</b>	<b>1</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>21,704</b>

## 12 CASH AND CASH EQUIVALENTS

	₹/ Lacs	
	As at 31 <sup>st</sup> March 2024	As at 31 <sup>st</sup> March 2023
<b>Cash and Cash equivalents</b>		
Cash on Hand	5	8
<b>Bank Balances</b>		
In Current Accounts	82	262
	<b>87</b>	<b>270</b>

## 13 BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

	₹/ Lacs	
	As at 31 <sup>st</sup> March 2024	As at 31 <sup>st</sup> March 2023
Fixed Deposits with Banks (Maturing more than three months and upto 12 months)*	141	1,135
Unpaid Dividend Accounts	187	197
	<b>328</b>	<b>1,332</b>

\* Fixed Deposits includes deposit of ₹141 lacs (Previous Year ₹135 Lacs) held as margin against Bank Guarantees

## 14 OTHER CURRENT FINANCIAL ASSETS

	₹/ Lacs	
	As at 31 <sup>st</sup> March 2024	As at 31 <sup>st</sup> March 2023
Interest Accrued on Deposits	568	335
Others	91	40
	<b>659</b>	<b>375</b>

# NOTES

TO THE STANDALONE FINANCIAL STATEMENTS

## 15 OTHER CURRENT ASSETS

	As at 31 <sup>st</sup> March 2024	As at 31 <sup>st</sup> March 2023
Advances to Suppliers	214	314
Others		
Prepaid Expense	210	205
Statutory Receivables	3,168	2,716
Others	638	112
	<b>4,230</b>	<b>3,347</b>

₹/ Lacs

## 16 SHARE CAPITAL

	As at 31 <sup>st</sup> March 2024	As at 31 <sup>st</sup> March 2023
<b>Authorised:</b>		
1,00,000 Redeemable Cumulative Preference Shares of ₹100.00 each (As at 31 <sup>st</sup> March 2023 - 1,00,000 Shares)	100	100
3,30,00,000 Equity Shares of ₹10.00 each (As at 31 <sup>st</sup> March 2023 - 3,30,00,000 Shares)	3,300	3,300
1,00,000 Unclassified Shares of ₹100.00 each (As at 31 <sup>st</sup> March 2023 - 1,00,000 Shares)	100	100
<b>Issued, Subscribed and Fully Paid - Up:</b>		
(2,18,50,589 Equity Shares of ₹10 each ( Refer Notes below ) (As at 31 <sup>st</sup> March 2023 - 2,18,50,589 Shares)	2,185	2,185

₹/ Lacs

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

Particulars	31 <sup>st</sup> March 2024		31 <sup>st</sup> March 2023	
	No. of Shares	Amount ₹in Lacs	No. of Shares	Amount ₹in Lacs
Outstanding as at the beginning of the year	2,18,50,589	2,185	2,18,50,589	2,185
Share issued during the year	-	-	-	-
Outstanding as at the end of the year	2,18,50,589	2,185	2,18,50,589	2,185

### 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	31 <sup>st</sup> March 2024		31 <sup>st</sup> March 2023	
		%	No. of Shares	%	No. of Shares
1	Birla Group Holdings Private Limited	16.63	36,33,690	16.56	36,18,690
2	Century Textiles and Industries Limited	5.80	12,66,887	5.80	12,66,887

# NOTES

TO THE STANDALONE FINANCIAL STATEMENTS

## d) Shareholding of Promoters

S No. Promoter Name	31 <sup>st</sup> March 2024		31 <sup>st</sup> March 2023		% of change during the year	
	No. of shares	% of total shares	No. of shares	% of total shares		
<b>A. Promoter</b>						
i	Late Basant Kumar Birla (Deceased)	71,360	0.33	71,360	0.33	-
ii	Aditya Vikram Kumarmangalam Birla HUF.	29,760	0.14	29,760	0.14	-
iii	Rajashree Birla	26,080	0.12	26,080	0.12	-
iv	Vasavadatta Bajaj	8,930	0.04	8,930	0.04	-
<b>B. Promoter Group</b>						
i	Birla Group Holdings Private Limited	36,33,690	16.63	36,18,690	16.56	0.42%
ii	Century Textiles And Industries Ltd	12,66,887	5.80	12,66,887	5.80	-
iii	Prakash Educational Society	2,77,360	1.27	2,77,360	1.27	-
iv	Birla Education Trust	75,000	0.34	75,000	0.34	-
v	Padmavati Investment Private Limited	28,891	0.13	28,891	0.13	-
vi	B. K. Birla Foundation	15,090	0.07	15,090	0.07	-
vii	Jayantika Investment & Finance Limited (Formerly Parvati Tea Company Private Limited)	-	-	-	-	-
viii	Cygnat Industries Limited	-	-	-	-	-

e) No bonus shares have been issued during five years immediately preceding 31<sup>st</sup> March 2024

f) Dividend Proposed, Declared and Paid [Refer Note 38A]

g) Shares reserved for issue under options and contracts or commitments for the sale of shares or disinvestment, including the terms and amounts - Nil

h) For the period of five years immediately preceding the date at which the Balance Sheet is prepared-

- Aggregate number and class of shares allotted as fully paid up pursuant to contract without payment being received in cash - Nil
- Aggregate number and class of shares bought back - Nil

## 17 NON-CURRENT BORROWINGS

	As at 31 <sup>st</sup> March 2024	As at 31 <sup>st</sup> March 2023
₹/ Lacs		
<b>Secured:</b>		
Rupee term Loans from Banks	3,380	4,870
	3,380	4,870

### Nature of Security, Repayment Terms and Breakup of Current and Non-Current

Particulars	Terms of Repayment	Month in which last Instalment is due	Prevailing Interest Rate Per Annum %	Balance As at 31 <sup>st</sup> March 2024 ₹/ Lacs	Balance as at 31 <sup>st</sup> March 2023 ₹/ Lacs
<b>Secured:</b>					
<b>Rupee Term Loans</b>					
HDFC Bank Limited	Annual	March 2025	9.00%	100	200
HDFC Bank Limited	Annual	March 2027	8.70%	2,370	3,160
Kotak Mahindra Bank Limited	Annual	December 2027	8.75%	2,400	3,000
<b>Sub-Total</b>				<b>4,870</b>	<b>6,360</b>
Less: Current Maturities of Long Term Debt (Refer Note 23)				(1490)	(1490)
<b>Total</b>				<b>3,380</b>	<b>4,870</b>

# NOTES

## TO THE STANDALONE FINANCIAL STATEMENTS

### Notes:

- Rupee Term Loans are secured by hypothecation of specific Plant and Machinery against which Loans have been taken.
- The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- The borrowings obtained by the company from banks and financial institutions have been applied for the purposes for which such loans were taken.
- There are no charges or satisfaction which are yet to be registered with the Registrar of Companies beyond the statutory period.

### 18 NON-CURRENT LEASE LIABILITY

	As at 31 <sup>st</sup> March 2024	As at 31 <sup>st</sup> March 2023
Finance Lease Obligation (Refer Note 40)	352	406
Current Finance Lease Obligation (Refer Note 40)	(59)	(55)
Non Current Finance Lease Obligation	293	351

### 19 OTHER NON-CURRENT FINANCIAL LIABILITIES

	As at 31 <sup>st</sup> March 2024	As at 31 <sup>st</sup> March 2023
Security Deposits	257	251

### 20 NON-CURRENT PROVISIONS

	As at 31 <sup>st</sup> March 2024	As at 31 <sup>st</sup> March 2023
<b>Provision for Employee Benefits</b>		
Gratuity (Refer Note 41)	98	232
Compensated Absences	976	966
<b>Provision for Disputed Matters (Refer Note 20.1)</b>	154	154
	1,228	1,352

#### 20.1 Movement of provisions during the year as required by Ind AS 37 - " Provisions, Contingent Liabilities and Contingent Assets"

	As at 31 <sup>st</sup> March 2024	As at 31 <sup>st</sup> March 2023
Opening Balance	154	154
Add: Provision during the Year	-	-
Less: Utilisation during the Year	-	-
Closing Balance (considered as Non-Current)	154	154

### 21 DEFERRED TAX LIABILITIES (NET)

	As at 31 <sup>st</sup> March 2024	As at 31 <sup>st</sup> March 2023
The balances comprises of temporary differences attributable to:		
Property, Plant and Equipments	8,370	7,396
Financial Assets at Fair value through Profit or loss	145	122
Others	(335)	(305)
Deferred Tax (Assets)/Liabilities	8,180	7,213

# NOTES

TO THE STANDALONE FINANCIAL STATEMENTS

## Movement in Deferred Tax Liabilities

Description	Property, Plant and Equipments	Financial Assets at FVTPL	Others	Total
<b>As at 01<sup>st</sup> April 2022</b>	7,228	382	(287)	7,323
Charged / (Credited)				
- To Profit and Loss	42	(260)	(18)	(236)
- To OCI	126	-	-	126
<b>As at 31<sup>st</sup> March 2023</b>	7,396	122	(305)	7,213
Charged / (Credited)				
- To Profit and Loss	992	23	(87)	928
- To OCI	(18)	-	57	39
<b>As at 31<sup>st</sup> March 2024</b>	8,370	145	(335)	8,180

## 22 OTHER NON-CURRENT LIABILITIES

	₹/ Lacs	
	As at 31 <sup>st</sup> March 2024	As at 31 <sup>st</sup> March 2023
Statutory Liabilities	826	580
Deferred Income on Government Grant	421	365
	<b>1,247</b>	<b>945</b>

## 23 SHORT TERM BORROWINGS

	₹/ Lacs	
	As at 31 <sup>st</sup> March 2024	As at 31 <sup>st</sup> March 2023
<b>Secured:</b>		
Current Maturity of Non-Current Financial Borrowings (Rupee Term Loans)	1,490	1,490
Working capital borrowings repayable on demand	3	18
	<b>1,493</b>	<b>1,508</b>

### Notes:

- 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 9.10 % per annum (Previous Year 8.65% per annum).
- Working Capital Borrowings are renewed based on contract with bankers.
- Borrowings obtained by the company from banks have been applied for the purposes for which such loans were taken.
- Company has obtained working capital borrowings from banks on the basis of security of current assets. The statements of current assets filed by the company with banks are in agreement with the books of accounts.

## 24 TRADE PAYABLES

	₹/ Lacs	
	As at 31 <sup>st</sup> March 2024	As at 31 <sup>st</sup> March 2023
Micro and Small enterprises (Refer Note 48)	734	674
Others	12,128	10,099
	<b>12,862</b>	<b>10,773</b>



# NOTES

TO THE STANDALONE FINANCIAL STATEMENTS

## Trade Payable ageing schedule as at 31<sup>st</sup> March 2024

Particulars	Outstanding for following periods from due date of payment						Total
	Unbilled	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
<b>Undisputed trade payables</b>							
a) Micro and Small enterprises	-	644	90	-	-	-	734
b) Others	1,701	9,130	1,261	36	-	-	12,128
<b>Total</b>	<b>1,701</b>	<b>9,774</b>	<b>1,351</b>	<b>36</b>	<b>-</b>	<b>-</b>	<b>12,862</b>

## Trade Payable ageing schedule as at 31<sup>st</sup> March 2023

Particulars	Outstanding for following periods from due date of payment						Total
	Unbilled	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
<b>Undisputed trade payables</b>							
a) Micro and Small enterprises	-	591	72	11	-	-	674
b) Others	3,061	6,002	1,034	1	-	1	10,099
<b>Total</b>	<b>3,061</b>	<b>6,593</b>	<b>1,106</b>	<b>12</b>	<b>-</b>	<b>1</b>	<b>10,773</b>

## 25 OTHER CURRENT FINANCIAL LIABILITIES

₹/ Lacs

	As at 31 <sup>st</sup> March 2024	As at 31 <sup>st</sup> March 2023
Interest accrued but not due on borrowings	39	51
Unpaid Dividend Accounts *	187	197
Capital Goods Liability	292	604
Others	612	523
	<b>1,130</b>	<b>1,375</b>

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

## 26 OTHER CURRENT LIABILITIES

₹/ Lacs

	As at 31 <sup>st</sup> March 2024	As at 31 <sup>st</sup> March 2023
Advances from Customers	760	404
<b>Others</b>		
Statutory dues	578	512
Deferred Income on Government Grant	26	22
Other Liabilities	93	107
	<b>1,457</b>	<b>1,045</b>

# NOTES

TO THE STANDALONE FINANCIAL STATEMENTS

## 27 CURRENT PROVISIONS

	As at 31 <sup>st</sup> March 2024	As at 31 <sup>st</sup> March 2023
<b>Employee Benefits</b>		
Compensated Absences	401	319

## 28 CURRENT TAX LIABILITIES

	As at 31 <sup>st</sup> March 2024	As at 31 <sup>st</sup> March 2023
Current Tax Payable (Net)	-	33
	-	<b>33</b>

## 29 REVENUE FROM OPERATIONS

	Year Ended 31 <sup>st</sup> March 2024	Year Ended 31 <sup>st</sup> March 2023
<b>Revenue from Contract with Customers (Refer Note 50)</b>		
<b>Sale of Products</b>		
Finished Goods	1,67,572	1,96,786
Traded Goods	5,866	8,935
	<b>1,73,438</b>	<b>2,05,721</b>
<b>Other Operating Revenue</b>		
Scrap Sales	796	1,063
Export Incentives	181	421
<b>Revenue from Operations</b>	<b>1,74,415</b>	<b>2,07,205</b>

### Note : Details of Revenue from Operations

	Year Ended 31 <sup>st</sup> March 2024	Year Ended 31 <sup>st</sup> March 2023
Nylon Tyre Cord Fabric	82,668	1,05,332
Nylon Filament Yarn	85,041	91,455
Others	6,706	10,418
<b>Total</b>	<b>1,74,415</b>	<b>2,07,205</b>

# NOTES

TO THE STANDALONE FINANCIAL STATEMENTS

## 30 OTHER INCOME

	₹/ Lacs	
	Year Ended 31 <sup>st</sup> March 2024	Year Ended 31 <sup>st</sup> March 2023
<b>Interest Income</b>		
Tax Refunds	-	21
From Customers	37	38
On Current and Non Current Investments	1,478	773
Others	3	6
	<b>1,518</b>	<b>838</b>
Profit on Sale of PPE (Net)	661	131
Profit on Sale of Current Investments (Net) ( Including Gain on Fair Valuation of Investments through Profit and (Loss) ₹461 Lacs for the year ended 31 <sup>st</sup> March 2024 and ₹(808) Lacs for the year ended 31 <sup>st</sup> March 2023)	863	700
Liabilities / Provisions no longer required written back	89	68
Government Grant	24	19
Insurance Claims	42	8
Miscellaneous Income	152	140
	<b>3,349</b>	<b>1,904</b>

## 31 COST OF MATERIALS CONSUMED

	₹/ Lacs	
	Year Ended 31 <sup>st</sup> March 2024	Year Ended 31 <sup>st</sup> March 2023
Opening Stock of Raw Materials	8,850	14,990
Add: Purchases	<b>1,12,097</b>	<b>1,23,014</b>
	<b>1,20,947</b>	<b>1,38,004</b>
Less: Closing Stock of Raw Materials	9,140	8,850
<b>Cost of Raw Materials Consumed</b>	<b>1,11,807</b>	<b>1,29,154</b>

## 32 CHANGE IN INVENTORIES OF FINISHED GOODS, STOCK-IN-PROCESS AND STOCK-IN-TRADE

	₹/ Lacs	
	Year Ended 31 <sup>st</sup> March 2024	Year Ended 31 <sup>st</sup> March 2023
<b>Opening Stock</b>		
Finished Goods	8,158	8,894
Stock-in-Process	4,226	3,983
	<b>12,384</b>	<b>12,877</b>
<b>Less: Closing Stock</b>		
Finished Goods	10,881	8,158
Stock-in-Process	4,288	4,226
	<b>15,169</b>	<b>12,384</b>
<b>(Increase) / Decrease in Stocks</b>	<b>(2,785)</b>	<b>493</b>

# NOTES

TO THE STANDALONE FINANCIAL STATEMENTS

## 33 EMPLOYEE BENEFITS EXPENSE

	₹/ Lacs	
	Year Ended 31 <sup>st</sup> March 2024	Year Ended 31 <sup>st</sup> March 2023
Salaries, Wages and Bonus	10,154	10,176
Contribution to Provident and other funds (Refer Note 41)	960	850
Workers and Staff Welfare Expenses	1,047	968
	<b>12,161</b>	<b>11,994</b>

## 34 FINANCE COSTS

	₹/ Lacs	
	Year Ended 31 <sup>st</sup> March 2024	Year Ended 31 <sup>st</sup> March 2023
Interest on borrowings	489	165
Interest on Lease Liabilities	31	35
Other (Including interest on deposits)	15	35
	<b>535</b>	<b>235</b>

Finance Costs Capitalised ₹68 Lacs (₹190 Lacs for the year ended 31<sup>st</sup> March 2023) for the year ended 31<sup>st</sup> March 2024. Borrowing costs are capitalised using rates based on specific borrowings of 9.3% and ranging from 6.80% to 9.30% in previous year.

## 35 OTHER EXPENSES

	₹/ Lacs	
	Year Ended 31 <sup>st</sup> March 2024	Year Ended 31 <sup>st</sup> March 2023
Stores and Spare Parts Consumed	3,545	3,521
Packing Material Consumed	3,152	3,751
Processing Charges	2,523	1,456
Building & Machinery Maintenance	2,300	2,472
Rent	17	53
Rates and taxes	115	118
Insurance	338	328
Directors' Sitting Fees	11	11
Directors' Commission	40	38
Auditors Remuneration (Refer Note 49)	56	53
Commission on Sales	1,125	1,231
Transport and Handling	2,283	2,704
Expenditure on Corporate Social Responsibility (CSR) Activities (Refer Note 47)	305	276
Legal and Professional Fees	357	377
Miscellaneous Expenses	1,686	1,363
	<b>17,853</b>	<b>17,752</b>

# NOTES

## TO THE STANDALONE FINANCIAL STATEMENTS

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

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

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

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

Risk	Exposure Arising From	Measurement	Management
<b>A. Market Risk</b>			
<b>1) Foreign Exchange Risk</b>	Committed commercial transaction Financial asset and Liabilities not denominated in INR	Cash Flow Forecasting Sensitivity Analysis	Forward foreign exchange contracts
<b>2) Interest Rate</b>	Long Term Borrowings and Short Term Borrowing at variable rates and Investments in Debt Schemes of Mutual Funds	Sensitivity Analysis, Interest rate movements	Portfolio Diversification
<b>3) Commodity Price Risk</b>	Movement in prices of commodities	Sensitivity Analysis, Commodity price tracking	Active inventory management, Sales Price linked to purchase price
<b>B. Credit Risk</b>	Trade receivables, Investments, Derivative financial instruments, Loans	Aging analysis, Credit Rating	Diversification of mutual fund investments, Credit limit and credit worthiness monitoring, Criteria based approval process
<b>C. Liquidity Risks</b>	Borrowings, lease liabilities, Other Liabilities and Liquid investments	Rolling cash flow forecasts Broker Quotes	Adequate unused credit lines and borrowing facilities Portfolio Diversification

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

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

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

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

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

#### **1) Foreign Currency Risk:**

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

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.

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## TO THE STANDALONE FINANCIAL STATEMENTS

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

	In Lacs	
Outstanding foreign currency exposure as at	As at 31 <sup>st</sup> March 2024	As at 31 <sup>st</sup> March 2023
<b>Trade receivables</b>		
USD	3	5
<b>Cash &amp; Cash Equivalent</b>		
EURO	#	#
USD	#	#
<b>Trade Payables (Incl. in-transit)</b>		
EURO	*	1
YEN	-	46
USD	76	60
<b>Total Foreign Currency - EURO</b>	-	1
<b>Total Foreign Currency - YEN</b>	-	46
<b>Total Foreign Currency - USD</b>	79	65

Out of USD 79 Lacs Foreign Currency Exposure as 31<sup>st</sup> March 2024, USD 74 Lacs was hedged and out of USD 65 Lacs as at 31<sup>st</sup> March 2023, USD 58 Lacs were hedged by forward contracts.

# EURO 593 and USD 400 held as cash and cash equivalent as on 31<sup>st</sup> March,2024 (EURO 593 and USD 3065 held as cash and cash equivalent as on 31<sup>st</sup> March,2023)

\*EURO 2006

### 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 31 <sup>st</sup> March 2024	As at 31 <sup>st</sup> March 2023
Forward Contracts	Imports	USD	145	171
Forward Contracts	Imports	Euro	-	11
Forward Contracts	Imports	Yen	-	4,180

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

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

	₹/ Lacs	
Particulars	As at 31 <sup>st</sup> March 2024	As at 31 <sup>st</sup> March 2023
USD	1	3

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

**Cash flow Hedge:** The company has foreign currency capital commitment and to mitigate the risk of foreign currency, the company has taken forward cover. The company is following hedge accounting for all the foreign currency capital commitment raised based on qualitative approach



# NOTES

## TO THE STANDALONE FINANCIAL STATEMENTS

The Company assesses hedge effectiveness based on following criteria:

- (I) an economic relationship between the hedged item and the hedging instrument
- (II) the effect of credit risk and
- (III) assessment of the hedge ratio

The company designates the derivatives to hedge its currency risk and generally applies hedge ratio of 1:1. The company's policies is to match the critical terms of the forward exchange contracts to match with hedge item.

Recognition of gain/(losses) under foreign exchange contracts designated under cash flow

₹In Lacs

Particulars	As at 31 <sup>st</sup> March 2024		As at 31 <sup>st</sup> March 2023	
	Effective Hedge (OCI)	Ineffective Hedge (Profit and Loss)	Effective Hedge (OCI)	Ineffective Hedge (Profit and Loss)
Gain/(loss)	(76)	-	501	-

### 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:

₹/ Lacs

Particulars	Total borrowings	Floating rate borrowings	Average Interest rate
<b>Total as at 31<sup>st</sup> March 2024</b>	4,873	4,873	8.73%
<b>Total as at 31<sup>st</sup> March 2023</b>	6,378	6,378	9.03%

Interest rate sensitivities for unhedged exposure (impact of increase by 100 bps):

₹/ Lacs

Particulars	As at 31 <sup>st</sup> March 2024	As at 31 <sup>st</sup> March 2023
INR	49	64

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 two major customers which represents 77% receivables as on 31<sup>st</sup> March 2024 (75% receivables as on 31<sup>st</sup> March 2023) and company is receiving payments from these parties within due dates. Hence, the company has no significant credit risk related to these parties.

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## TO THE STANDALONE FINANCIAL STATEMENTS

### 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:

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

### Movement in expected credit loss allowance on trade receivables:

Particulars	₹/ Lacs	
	As at 31 <sup>st</sup> March 2024	As at 31 <sup>st</sup> March 2023
<b>Opening Balance</b>	714	714
Add: Provision made during the year	-	-
Less: Provision utilization during the year	714	-
<b>Closing Balance</b>	-	<b>714</b>

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

Credit Risk on cash and cash equivalent, deposits with the banks/financial institutions, debt securities 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 and high investment grade corporates. These Mutual Funds and Counterparties have low credit risk.

Total Non-current and current investments as on 31<sup>st</sup> March 2024 is ₹34,480 Lacs (31<sup>st</sup> March, 2023 - ₹34,403 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.

As at 31 <sup>st</sup> March 2024	₹/ Lacs			
	Less than 1 Year	1 to 5 Years	More than 5 Years	Total
Borrowings (including short term borrowing)	1,493	3,380		4,873
Trade payables	12,862			12,862
Interest accrued but not due on borrowings	39			39
Other financial liabilities (excluding derivative liability)	1,091	257		1,348

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TO THE STANDALONE FINANCIAL STATEMENTS

As at 31 <sup>st</sup> March 2024	₹/ Lacs			
	Less than 1 Year	1 to 5 Years	More than 5 Years	Total
Derivative liability/ (Assets)	(51)			(51)
Finance Lease Obligation	86	342		428
Investments	27,395	2,603	4,482	34,480

As at 31 <sup>st</sup> March 2023	₹/ Lacs			
	Less than 1 Year	1 to 5 Years	More than 5 Years	Total
Borrowings (including short term borrowing)	1,508	4,870		6,378
Trade payables	10,760	13		10,773
Interest accrued but not due on borrowings	51			51
Other financial liabilities (excluding derivative liability)	1,324	251		1,575
Derivative liability/ (Assets)	(18)			(18)
Finance Lease Obligation	86	345	83	514
Investments	30,678	1,530	2,196	34,404

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

Particulars	₹/ Lacs	
	As at 31 <sup>st</sup> March 2024	As at 31 <sup>st</sup> March 2023
<b>Financial Assets at amortised cost<sup>#</sup></b>		
Trade receivables	19,699	21,704
Other Financial Assets	892	593
Cash and Cash Equivalents	87	270
Bank Balance other than Cash & Cash Equivalents	328	1,332
Fixed Deposits with Financial Institutions	13,800	7,200
Taxable Corporate Bonds/Debentures/Debt Securities	6,275	9,617
<b>Financial Assets at fair value through profit or loss</b>		
Investments	9,937	15,405
<b>Financial Assets at fair value through other comprehensive income</b>		
Investments (Non-Current)	3,583	1,296
<b>Total</b>	<b>54,601</b>	<b>57,417</b>
<b>Financial Liabilities at amortised cost<sup>#</sup></b>		
Term Loan from Banks	4,870	6,360
Finance Lease Obligation	352	406
Other Non-Current Finance Liabilities	257	251
Cash Credits/Working Capital Borrowings	3	18
Trade payables	12,862	10,773
Other Financial Liabilities	1,130	1,375
Fair Value Hedging Instruments		
Derivative Liability/(Asset)	(51)	(18)
<b>Total</b>	<b>19,423</b>	<b>19,165</b>

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

Investment in Associate amounting to ₹885 Lacs (31<sup>st</sup> March 2023 ₹885 Lacs) measured at Cost in accordance with Ind AS 27

# NOTES

## TO THE STANDALONE FINANCIAL STATEMENTS

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

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

The Company has established the following fair value hierarchy that 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.

Particulars	₹/ Lacs	
	Fair Value	
	As at 31 <sup>st</sup> March 2024	As at 31 <sup>st</sup> March 2023
<b>Financial Assets at fair value through profit or loss</b>		
Investments -Level 1	112	105
Investments -Level 2	9,825	15,300
<b>Total</b>	<b>9,937</b>	<b>15,405</b>
Financial Assets at fair value through other comprehensive income		
Investments -Level 1	3,583	1,296
<b>Total</b>	<b>3,583</b>	<b>1,296</b>
Fair Value derivative		
Derivative liability/ (Asset) -Level 2	(51)	(18)
<b>Total</b>	<b>(51)</b>	<b>(18)</b>

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.

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

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

# NOTES

TO THE STANDALONE FINANCIAL STATEMENTS

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

Particulars	₹/ Lacs	
	Year Ended 31 <sup>st</sup> March 2024	Year Ended 31 <sup>st</sup> March 2023
Cash dividends on equity shares declared and paid:		
Final dividend for the year ended on 31 <sup>st</sup> March 2023: ₹10.00 per share (31 <sup>st</sup> March, 2022: ₹10.00 per share)	2,185	2,185
Proposed dividends on Equity shares:		
Final dividend for the year ended on 31 <sup>st</sup> March 2024: ₹10.00 Per share. (31 <sup>st</sup> March 2023: ₹10.00 per share)	2,185	2,185

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

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

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

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

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

Particulars	₹/ Lacs	
	As at 31 <sup>st</sup> March 2024	As at 31 <sup>st</sup> March 2023
Total Debt (Bank and other borrowings)	4,873	6,378
Equity	1,36,764	1,32,183
Debt to Equity	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.

## 39 INCOME TAXES (IND AS 12):

### (i) Reconciliation of Effective Tax Rate:

Particulars	₹/ Lacs	
	Year Ended 31 <sup>st</sup> March 2024	Year Ended 31 <sup>st</sup> March 2023
Profit before Tax	6,067	11,780
Tax Expense	1,478	2,736
Effective Tax Rate (in %)	24.361	23.226
Effect of Non-Deductible expenses (in %)	(1.265)	(0.590)
Effect of Allowances for tax purpose (in %)	-	-
Effect of Previous year adjustments (in %)	0.016	0.586
Effect of (Increase)/Decrease in income Taxable at lower rate (in %)	1.533	1.970
Others (in %)	0.523	(0.024)
Applicable Tax Rate (in %)	25.168	25.168

# NOTES

TO THE STANDALONE FINANCIAL STATEMENTS

## 40 LEASES (IND AS 116):

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

Particulars	₹/ Lacs	
	Year Ended 31 <sup>st</sup> March 2024	Year Ended 31 <sup>st</sup> March 2023
Variable lease payments	-	-
Expenses relating to leases of low value assets, excluding short term lease of low value assets	-	(5)

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

Particulars	₹/ Lacs	
	Year Ended 31 <sup>st</sup> March 2024	Year Ended 31 <sup>st</sup> March 2023
Less than one year	86	86
One to five years	342	345
More than five years	-	83
<b>Total undiscounted lease liabilities</b>	<b>428</b>	<b>514</b>
<b>Discounted lease liabilities included in the statement of financial position</b>	<b>352</b>	<b>406</b>
Current lease liability	59	55
Non-current lease liability	293	351

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

(iv) The total cash outflow for leases for year ended March 31, 2024 is ₹85 lacs (March 31, 2023 is ₹86 lacs).

General description of leasing agreements:

- Leased assets: Land, Plant & Machinery, Godowns, Offices.
- 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.

## 41 DISCLOSURES IN ACCORDANCE WITH IND AS-19 ON "EMPLOYEE BENEFITS"

a) Defined Contribution Plans - The Company has recognised the following amounts in the Statement of Profit and Loss for the year:

Particulars	₹/ Lacs	
	2023-24	2022-23
Employer's Contribution to Provident Fund and Employee's Pension Scheme, 1995	578	550
Employer's Contribution to Superannuation Fund	47	50
Employer's Contribution to Employee's State Insurance	13	12
<b>Total</b>	<b>638</b>	<b>612</b>

b) Defined Benefit Plans - Gratuity and Provident Fund

**Gratuity:**

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

The Company operates a gratuity plan which is administered through Life Insurance Corporation and a trust which is administered through trustees. Every employee is entitled to a minimum benefit equivalent to 15 days salary last drawn for each completed year of service in line with



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### TO THE STANDALONE FINANCIAL STATEMENTS

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 31 <sup>st</sup> March 2024	As at 31 <sup>st</sup> March 2023
Opening DBO	3,939	3,883
Current Service Cost	192	193
Interest on DBO	290	268
Past Service Cost	68	-
<b>Remeasurement due to:</b>		
Actuarial loss/ (gain) arising from change in financial assumption	157	(59)
Actuarial loss/ (gain) arising from change in demographic assumption		34
Actuarial loss/ (gain) arising on account of experience change	13	5
Transfer In / (Out)		7
Benefits Paid	(406)	(392)
<b>Acquisition Adjustment</b>		
<b>Closing DBO</b>	<b>4,253</b>	<b>3,939</b>

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

Particulars	₹/ Lacs	
	As at 31 <sup>st</sup> March 2024	As at 31 <sup>st</sup> March 2023
Opening Fair Value of Plan Assets	3,707	3,819
Interest on Plan Assets	273	264
<b>Remeasurement due to:</b>		
Actuarial loss/ (gain) arising on account of experience change	178	(62)
Contribution by the Employer	403	71
Benefits Paid	(406)	(392)
Transfer In / (Out)	-	7
<b>Acquisition Adjustment</b>	-	-
<b>Closing Fair Value of Plan Assets</b>	<b>4,155</b>	<b>3,707</b>

Fair value of Plan Assets for gratuity represents the amount as confirmed by the Insurer Managed Funds.

**iii) Amount recognised in Balance Sheet including a reconciliation of the present value of the defined benefit obligation in b (i) and the fair value of the plan assets in b (ii) to the assets and liabilities recognised in the balance sheet:**

Particulars	₹/ Lacs	
	As at 31 <sup>st</sup> March 2024	As at 31 <sup>st</sup> March 2023
Present value of Defined Benefit Obligation	4,253	3,939
Fair value of Plan Assets	(4,155)	(3,707)
Net Liability recognised in the Balance Sheet	98	232
Long Term Provisions	98	232

# NOTES

TO THE STANDALONE FINANCIAL STATEMENTS

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

Particulars	₹/ Lacs	
	2023-24	2022-23
Current Service Cost	192	193
Past Service Cost	68	-
Interest Cost on defined benefit liability / (assets)	17	4
<b>Total</b>	<b>277</b>	<b>197</b>

v) **Amount recorded in Other Comprehensive Income**

Particulars	₹/ Lacs	
	As at 31 <sup>st</sup> March 2024	As at 31 <sup>st</sup> March 2023
<b>Remeasurement due to:</b>		
Changes in financial assumptions	157	(59)
Changes in demographic	-	34
Experience Adjustments	13	5
Actual return on plan assets less interest on plan assets	(178)	62
<b>Closing amount recognised in OCI outside profit and loss</b>	<b>(8)</b>	<b>42</b>

vi) **Maturity Profile of defined benefit obligation:**

Particulars	₹/ Lacs	
	As at 31 <sup>st</sup> March 2024	As at 31 <sup>st</sup> March 2023
Weighted average duration (based on discounted cashflows)	4 Years	4 Years
Within the next 12 months	870	828
Above 1 and within 5 years	2,661	2,503
Above 5 and within 10 years	1,356	1,198
10 years and above	1,309	1,260

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 31 <sup>st</sup> March 2024		As at 31 <sup>st</sup> March 2023	
	Amount (₹/Lacs)	Rate (%)	Amount (₹/Lacs)	Rate (%)
Insurer Managed Funds	4,155	100%	3,707	100%
<b>Total</b>	<b>4,155</b>	<b>100%</b>	<b>3,707</b>	<b>100%</b>

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

# NOTES

## TO THE STANDALONE FINANCIAL STATEMENTS

Particulars	Rate %	
	As at 31 <sup>st</sup> March 2024	As at 31 <sup>st</sup> March 2023
Discount Rate	7.15%	7.35%
Salary Escalation Rate	8.00%	7.00%
Attrition Rate (Average Rate of 4 Age Groups)	8.00%	8.00%
Mortality Rate	100% of IALM 2012-14	100% of IALM 2012-14

### x) Amounts recognised to Gratuity:

Particulars	₹/ Lacs	
	As at 31 <sup>st</sup> March 2024	As at 31 <sup>st</sup> March 2023
Defined Benefit Obligation	4,253	3,939
Plan Assets	4,155	3,707
Surplus / ( Deficit )	(98)	(232)
Experience Adjustment on Plan Liabilities	13	5
Experience Adjustment on Plan Assets	178	(62)

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

Particulars	₹/ Lacs	
	2024-25	
Gratuity	98	
Provident Fund and Employee's Pension Scheme, 1995	500	

### xii) Sensitivity Analysis:

Particulars	Rate %	
	As at 31 <sup>st</sup> March 2024	As at 31 <sup>st</sup> March 2023
Impact of increase in 50 bps on discounting rate on DBO	(2.10%)	(2.10%)
Impact of decrease in 50 bps on discounting rate on DBO	2.20%	2.20%
Impact of increase in 50 bps on salary escalation rate on DBO	2.20%	2.00%
Impact of decrease in 50 bps on salary escalation rate on DBO	(2.2%)	(1.90%)
Impact of increase in 50% of attrition rate on DBO	0.20%	1.00%
Impact of decrease in 50% of attrition rate on DBO	(0.20%)	(1.3%)

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

### xiv) 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 with in 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.

# NOTES

## TO THE STANDALONE FINANCIAL STATEMENTS

### 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.

Particulars	₹/ Lacs	
	As at 31 <sup>st</sup> March 2024	As at 31 <sup>st</sup> March 2023
Present value of Defined Benefit Obligation	12,045	11,625
Fair value of Plan Assets	(12,045)	(11,625)
Net Liability recognised in the Balance Sheet	-	-

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

Particulars	Rate %	
	As at 31 <sup>st</sup> March 2024	As at 31 <sup>st</sup> March 2023
Discount Rate	7.18%	7.31%
Expected rate of return on Plan Assets	7.18%	7.31%
Discount Rate for the remaining term to Maturity of the Investment Portfolio	7.21%	7.45%
Average Historic Yield on the Investment Portfolio	7.85%	7.88%
Guaranteed Rate of Return	8.25%	8.15%
Mortality Rate	100% of IALM 2012-14	100% of IALM 2012-14
Attrition Rate	6.00%	6.00%

**C) Amount recognised as an expense in respect of Compensated Absences is ₹244 lacs (Previous year ₹244 lacs)**

# NOTES

TO THE STANDALONE FINANCIAL STATEMENTS

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

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

Parties	Relationship
Mrs. Rajashree Birla - Non-Executive 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)
Ms. Krupa R. Gandhi - Independent Director	Key Management Personnel (KMP)
Mr. Suresh Sodani - Managing Director	Key Management Personnel (KMP)
Mr. Jayant Vasant Dhobley - Non-Executive Director (Appointed w.e.f 29 <sup>th</sup> September 2023)	Key Management Personnel (KMP)
Mr. Devajyoti N. Bhattacharya - Non-Executive Director (Resigned w.e.f 29 <sup>th</sup> September 2023)	Key Management Personnel (KMP)
Mr. Ashish Razdan - Independent Director (Appointed w.e.f 23 <sup>th</sup> November 2023)	Key Management Personnel (KMP)
Century Enka Ltd Employee's Provident Fund	Post-Employment Benefit Plan
ABReL Century Energy Limited	Associate

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

Nature of Transaction/Relationship	₹/ Lacs	
	Year Ended 31 <sup>st</sup> March 2024	Year Ended 31 <sup>st</sup> March 2023
<b>Services received from:</b>		
KMP (Director's Sitting Fees and Commission)	51	49

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

Nature of transaction/relationship	₹/ Lacs	
	Year Ended 31 <sup>st</sup> March 2024	Year Ended 31 <sup>st</sup> March 2023
Short-term employee benefits	258	289
Other long-term benefits <sup>#</sup>	33	37
Total compensation paid to key management personnel	291	326

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.

<sup>#</sup> Includes Actuarial Valuation pertaining to Gratuity and compensated absences as per Ind AS 19.

### (c) Contribution to:

Nature of transaction	₹/ Lacs	
	Year Ended 31 <sup>st</sup> March 2024	Year Ended 31 <sup>st</sup> March 2023
Post-Employment Benefit Plan	244	218

### (d) Transactions with Associates:

Nature of transaction	₹/ Lacs	
	Year Ended 31 <sup>st</sup> March 2024	Year Ended 31 <sup>st</sup> March 2023
Investment made by purchase of equity	-	885
Power Purchase	1338	-
Balance Receivable / (Payable)	(97)	-

# NOTES

TO THE STANDALONE FINANCIAL STATEMENTS

## 43 EARNINGS PER SHARE (EPS) (IND AS 33):

Particulars	As at	As at
	31 <sup>st</sup> March 2024	31 <sup>st</sup> March 2023
Basic/Diluted EPS:		
(i) Net Profit attributable to Equity Shareholders (₹/ Lacs)	4,589	9,044
(ii) Weighted average number of Equity Shares outstanding (Nos.) [For Basic & Diluted EPS]	2,18,50,589	2,18,50,589
Basic/ Diluted EPS in ₹Per share (Face Value ₹10 per share) (i)/(ii)	21.00	41.39

## 44 OTHER STATUTORY INFORMATION

- No proceedings have been initiated on or are pending against the company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.
- The Company have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
  - directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
  - provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries
- The Company has no transactions with the companies struck off under Companies Act, 2013 during the current year.

Name of the Company	Nature of Transaction	Balance Outstanding as	Balance Outstanding as	Relationship
		on 31 <sup>st</sup> March 2024	on 31 <sup>st</sup> March 2023	
Complete safety & security limited	Payable	Nil	1	Non-related party

- The Company has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.
- There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.
- The company has not traded or invested in crypto currency or virtual currency during the current or previous year.
- There are no charges or satisfaction which are yet to be registered with the Registrar of Companies beyond the statutory period.
- The Company have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
  - directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
  - provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries

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

- Claims against the Company not acknowledged as debt:

Particulars	Brief Description	As at	As at
		31 <sup>st</sup> March 2024	31 <sup>st</sup> March 2023
(i) Excise, Service Tax & Custom Matters	Matters relates to valuation, disallowances of input tax credit	250	326

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.



## NOTES

### TO THE STANDALONE FINANCIAL STATEMENTS

(b) Excise Department had issued an order dated 31<sup>st</sup> December 2013 denying the applicability of Notification No. 6/2000 dated 1<sup>st</sup> March 2000 and raised a demand of ₹22,927 lacs plus interest thereon and penalty equivalent to duty demand amount. In this matter, CESTAT in its order dated 20<sup>th</sup> December 2019, upheld the denial of aforesaid notification and remanded back the matter to Central Excise Department to redetermine quantum of duty short paid, imposition of equal amount of penalty on redetermined amount of duty demand and applicable interest. The Commissioner, CGST & Central Excise, Raigad has re-determined assessable value pursuant to order of CESTAT and confirmed the demand amounting to ₹730 lacs (as against above demand of ₹22,927 lacs), interest at appropriate rate on the duty and equal amount of penalty vide its order dated 8<sup>th</sup> September 2020. Against the said order of the Commissioner, CGST & Central Excise, Raigad, Department has filed an appeal before the Appellate Tribunal.

The Company's appeal in the matter is pending before the hon'ble Supreme Court of India. The Company has deposited the amount of duty of ₹730 Lacs under protest. The Company has been advised by legal experts that it has a fair chance of ultimately succeeding in the matter and accordingly no provision is required to be made in the accounts.

(c) Foreseeable Losses: The Company has a process whereby periodically all long term contracts are assessed for material foreseeable losses. At the year end, the Company has reviewed and ensured that adequate provision as required under any law/ applicable accounting standards for material foreseeable losses on such long term contracts has been made in the books of account.

(d) Pending litigations: The Company has reviewed its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed the contingent liabilities where applicable, in its financial statements. The Company does not expect the outcome of these proceedings to have a materially adverse effect on its financial statements.

#### 46 CAPITAL AND OTHER COMMITMENTS:

(a) Estimated amount of contracts remaining to be executed on capital account, not provided for (net of advances) as on 31<sup>st</sup> March 2024 is ₹830 Lacs. (31<sup>st</sup> March 2023 - ₹7,083 Lacs).

(b) Other Commitments: The Company has non-cancellable agreements with Gas Utilities Company for purchase of LNG. Under this agreement, the Company is committed to purchase certain annual minimum quantity of LNG 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 31<sup>st</sup> March 2024 for the remaining period of the contract at current market prices approximates ₹7,193 Lacs (Previous Year ₹11,531 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.

#### 47 CORPORATE SOCIAL RESPONSIBILITY:

Particulars	₹/ Lacs	
	Year Ended 31 <sup>st</sup> March 2024	Year Ended 31 <sup>st</sup> March 2023
Total amount excess / shortfall pertaining to previous year	Nil	Nil
Gross amount required to be spent under section 135 of the Companies Act, 2013	305	276
<b>Total amount spent during the year (Refer Note- 35)</b>		
(i) Construction/ acquisition of any asset	-	-
(ii) On purpose other than (i) above	305	276
<b>Total amount excess / shortfall at the end of year out of the required amount to be spent</b>	Nil	Nil

# NOTES

TO THE STANDALONE FINANCIAL STATEMENTS

Amount of Corporate Social Responsibility is spent towards:

₹/ Lacs

Particulars	Year Ended	
	31 <sup>st</sup> March 2024	31 <sup>st</sup> March 2023
Vocational Training	29	39
Promotion of School Education	195	141
Health Care, Medical facility and drinking water	25	21
Disaster Management	-	-
Rural Infrastructure Development other than mentioned above	56	75
<b>Total</b>	<b>305</b>	<b>276</b>

## 48 DISCLOSURE UNDER THE MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT ACT, 2006:

Amounts due to Micro and Small Enterprises disclosed on the basis of information available with the Company regarding status of the suppliers are as follows:

₹/ Lacs

Particulars	2023-24		2022-23	
	Principal	Interest	Principal	Interest
Principal Amount and Interest due thereon remaining unpaid at the end of the year	90	#	83	-
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	1064	-	969	-
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	-	4	-	-
Interest amount due and unpaid as at the end of the year	-	4	-	-
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.	-	-	-	-

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.

# Less than one Lac.

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

₹/ Lacs

Particulars	As at	
	31 <sup>st</sup> March 2024	31 <sup>st</sup> March 2023
(a) Statutory Auditors:		
Audit fees (including quarterly Limited Review)	47	45
Tax audit fees	7	6
Fees for other services	-	-
Expenses reimbursed	2	2
	56	53
(b) Cost Auditors: Audit fees	3	3

# NOTES

## TO THE STANDALONE FINANCIAL STATEMENTS

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

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

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

Particulars	₹/ Lacs	
	As at 31 <sup>st</sup> March 2024	As at 31 <sup>st</sup> March 2023
Closing Contract liability	760	404

The Contract liability outstanding at the beginning of the year has been recognised as revenue during the year ended 31<sup>st</sup> March 2024.

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

Particulars	₹/ Lacs	
	As at 31 <sup>st</sup> March 2024	As at 31 <sup>st</sup> March 2023
Revenue as per Contract Price	1,78,903	2,09,537
Less: Discounts	4,669	2,753
Revenue as per statement of profit and loss	1,74,234	2,06,784

### 51 ANALYTICAL RATIOS :

Ratio	Numerator	Denominator	31 <sup>st</sup> March 2024	31 <sup>st</sup> March 2023	% change	Reason
Current Ratio	Current Assets	Current Liability	4.57	5.43	(15.92)	
Debt Equity Ratio	Total Debt	Total Equity	0.04	0.05	(26.16)	Repayment of Debt during the year
Debt Service Coverage Ratio	Profit after taxes + Depreciation + Finance Cost + Loss/Profit on sale Assets+ Impairment + Allowance of credit loss	Repayment of short Term , long term, lease + Finance Cost	4.53	12.03	(62.33)	Lower EBITDA compared with previous year
Return on Equity	Net Profit	Average Total Equity	3.4%	7.0%	(51.45)	Due to decrease in profit after tax
Inventory Turnover Ratio	Sales of Products	Average Inventory	7.62	8.38	(9.11)	
Debtors Turnover Ratio	Sales of Products	Average Trade Receivable	8.38	9.02	(7.07)	
Creditors Turnover Ratio	Total Purchase	Average Trade Payable	10.56	12.10	(12.74)	
Net capital turnover ratio	Sales of Products	Average Working Capital	2.69	2.91	(7.58)	
Net profit Ratio	Net profit	Sale of Products	2.65%	4.4%	(39.79)	Due to decrease in profit after tax

# NOTES

## TO THE STANDALONE FINANCIAL STATEMENTS

Ratio	Numerator	Denominator	31 <sup>st</sup> March 2024	31 <sup>st</sup> March 2023	% change	Reason
Return on Capital employed	Profit before tax and interest	Average Capital employed	4.47%	8.62%	(48.12)	Due to decrease in profit after tax
Return on Investment	Income from Mutual Fund + Interest Income	Current investment + Non Current investment ( Debt instruments)	7.4%	4.6%	61.18	Due to increase in rate of debt instrument

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

**Kamlesh R Jagetia**  
Partner  
Membership No. 139585

Place : Mumbai  
Date : 16<sup>th</sup> May 2024

For and on behalf of the Board of Directors

**Jayant Vasant Dhobley**  
Director  
DIN: 02402556

**Krishna Gopal Ladsaria**  
Chief Financial Officer

Place : Mumbai  
Date : 16<sup>th</sup> May 2024

**Suresh Sodani**  
Managing Director  
DIN: 08789604

**Rahul Dubey**  
Company Secretary

# INDEPENDENT AUDITOR'S REPORT

To  
The Members of  
**Century Enka Limited**

## REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

### OPINION

1. We have audited the accompanying Consolidated Financial Statements of Century Enka Limited ('the Parent'/'the Company') and its associate which comprise the Consolidated Balance Sheet as at 31<sup>st</sup> March 2024 and the Consolidated Statement of Profit including Other Comprehensive Income, the Consolidated Statement of Changes in Equity and Consolidated Statement of Cash Flows for the year ended on that date, and notes to the Consolidated Financial Statements, including a summary of material accounting policy information and other explanatory information ('the Consolidated Financial Statements').
2. In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of our reports on separate financial statements of such associate, the aforesaid Consolidated 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 Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ('Ind AS') and other accounting principles generally accepted in India, of the Consolidated State of Affairs of the Company and its associate as at 31<sup>st</sup> March 2024, and its Consolidated Profit And Other Comprehensive Income, Consolidated Changes in Equity and its Consolidated Cash Flows for the year ended on that date.

### BASIS FOR OPINION

3. 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 Consolidated Financial Statements section of our report. We are independent of the Company and its associate in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant

to our audit of the Consolidated 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 on the Consolidated Financial Statements.

### EMPHASIS OF MATTER

4. We draw attention to the fact that Note 45(b) of the Consolidated Financial Statements wherein it is stated that, the Excise department had issued an order dated 31<sup>st</sup> December 2013 denying the applicability of Notification No. 6/2000 dated 01<sup>st</sup> March 2000 and raised a demand of ₹22,927 lacs plus interest thereon and penalty equivalent to duty demand amount. In this matter, CESTAT in its order dated 20<sup>th</sup> December 2019, upheld the denial of aforesaid notification and remanded back the matter to Central Excise Department to redetermine quantum of duty short paid, imposition of equal amount of penalty on redetermined amount of duty demand and applicable interest. The Commissioner, CGST & Central Excise, Raigad Commissionerate has re-determined assessable value pursuant to order of CESTAT and confirmed the demand amounting to ₹730 lacs (as against above demand of ₹22,927 lacs), interest at appropriate rate on the duty and equal amount of penalty vide its order dated 08<sup>th</sup> September 2020. Against the said order of the Commissioner, CGST & Central Excise, Raigad, Department has filed an appeal before the Appellate Tribunal. The Company's appeal in the matter is pending before the Honourable Supreme Court of India. The Company has deposited the amount of duty of ₹730 Lacs under protest. Based on expert legal advice and merits of the case, no provision has been considered necessary by the Company. Our opinion on the Consolidated Financial Statements is not modified in respect of the above matter.

### KEY AUDIT MATTERS

5. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Consolidated Financial Statements of the current year. These matters were addressed in the context of our audit of the Consolidated Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	How the matter was addressed in our audit
<b>Inventory Valuation</b> <ul style="list-style-type: none"> <li>The Company has significant balances of inventory as on 31<sup>st</sup> March 2024 (refer note 9 to the Consolidated Financial Statements)</li> <li>Inventories are valued at lower of cost or net realizable value (NRV). Cost is determined using weighted average cost method</li> </ul>	<b>Our procedures included:</b> <ul style="list-style-type: none"> <li>Obtaining understanding of production process and testing of key controls over recognition and measurement of inventory</li> <li>For sample locations, conducted physical verification of inventories at the year end</li> </ul>

Key Audit Matter	How the matter was addressed in our audit
<ul style="list-style-type: none"> <li>• Valuation of inventories can be subjective due to inherent uncertainty due to volatility in prices of raw material and volatility in prices of finished goods due to changes in consumer demands</li> <li>• Determination of whether inventory will be realized for value less than cost requires management to exercise judgement and apply assumption</li> <li>• Because of size, inherent uncertainty in volatility in prices of raw material, assumption and complexities involved in inventory valuation, this is considered key audit matter</li> </ul>	<ul style="list-style-type: none"> <li>• For sample of inventory items, re-performed the weighted average cost calculation</li> <li>• Obtaining management’s calculation and relevant supporting for inventory valuation, validated mathematical accuracy of production costs and agreed the same with financial statements</li> <li>• Assessing reasonableness of assumption and judgements applied by management in inventory valuation including evaluating consistencies with management’s prior period estimations</li> <li>• Assessing appropriateness of NRV estimated by management, on sample basis, by comparing NRV to recent market prices</li> <li>• Obtaining and re-performing the calculation of inventory write down based on ageing and NRV of inventory</li> </ul> <p>Comparing historical trend of prices of raw material and finished goods to determine appropriateness of valuation of inventory.</p>

#### OTHER INFORMATION

6. The Company’s Board of Directors are responsible for the other information. The other information comprises the information included in the Company’s annual report but does not include the Consolidated Financial Statements and our auditors’ report thereon. The Other Information is expected to be made available to us after the date of this auditor’s report.
7. Our opinion on the Consolidated Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.
8. In connection with our audit of the Consolidated Financial Statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the Consolidated Financial Statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.
9. When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate action as applicable under the relevant laws and regulations.

#### RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

10. The Company/s Board of Directors are responsible for the preparation and presentation of these Consolidated Financial Statements, that give a true and fair view of the Consolidated

State of Affairs, Consolidated Profit and Other Comprehensive Income, Consolidated Changes in Equity and Consolidated Cash Flows of the Company including its associate is in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Company and of its associate are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and of its associate and for preventing and detecting frauds and other irregularities; selection of the appropriate accounting software for ensuring compliance with applicable laws and regulations including those related to retention of audit logs; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Consolidated Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the Consolidated Financial Statements by the Directors of the Company, as aforesaid.

11. In preparing the Consolidated Financial Statements, the respective Board of Directors of the Company and of its associate are responsible for assessing the ability of each company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company and/or its associate or to cease operations, or has no realistic alternative but to do so.



12. The respective Board of Directors of the company and of its associate are responsible for overseeing the financial reporting process of the Company and of its associate.

### AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

13. Our objectives are to obtain reasonable assurance about whether the Consolidated Financial Statements as a 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 of 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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Consolidated Financial Statements.
14. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
- 14.1. Identify and assess the risks of material misstatement of the Consolidated 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.
- 14.2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to the Consolidated Financial Statements and the operating effectiveness of such controls.
- 14.3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- 14.4. 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 ability of the Company and its associate 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 Consolidated 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 and its associate to cease to continue as a going concern.

- 14.5. Evaluate the overall presentation, structure and content of the Consolidated Financial Statements, including the disclosures, and whether the Consolidated Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

- 14.6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company and its associate to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the audit of financial statements of such entities included in the Consolidated Financial Statements of which we are the independent auditors.

15. We communicate with those charged with governance of the Company and its associate included in the Consolidated Financial Statements of which we are the independent auditors 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.
16. 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.
17. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Consolidated Financial Statements of the current year 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

18. As required by section 143(3) of the Act, based on our audit and on the consideration of our audit reports on separate financial statements of such associate, we report, to the extent applicable, that:
- 18.1 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 of the aforesaid Consolidated Financial Statements.

- 18.2 In our opinion, proper books of account as required by law relating to preparation of the aforesaid Consolidated Financial Statements have been kept so far as it appears from our examination of those books except for the matters in respect of audit trail stated in paragraph 19.8 below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended).
- 18.3 The consolidated balance sheet, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flow dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the Consolidated Financial Statements.
- 18.4 In our opinion, the aforesaid Consolidated Financial Statements comply with the Ind AS specified under Section 133 of the Act read with the relevant rules thereunder.
- 18.5 On the basis of the written representations received from the directors of the Company as on 31<sup>st</sup> March 2024, taken on record by the Board of Directors of the Company and the reports of the statutory auditors of its associate company incorporated in India, none of the directors of the Company and of its associate company incorporated in India are disqualified as on 31<sup>st</sup> March 2024 from being appointed as a director in terms of Section 164(2) of the Act.
- 18.6 The modification relating to the maintenance of accounts and other matters connected therewith, in respect of audit trail as stated in paragraph 18.2 above on reporting under Section 143(3)(b) and paragraph 19.8 below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended)
- 18.7 With respect to the adequacy of internal financial controls with reference to the Consolidated Financial Statements of the Company and of its associate Company incorporated in India and the operating effectiveness of such controls, refer to our separate report in 'Annexure A'.
- 18.8 In our opinion and according to the information and explanations given to us and based on the reports of the statutory auditors of associate company incorporated in India, the remuneration paid during the current year by the Company and its associate company incorporated in India to its directors is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director by the Company and its associate company incorporated in India is not in excess of the limit laid down under Section 197 of the Act.
19. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014 as amended, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration our audit reports on separate financial statements of such associates:
- 19.1 The Consolidated Financial Statements disclose the impact of pending litigations as at 31<sup>st</sup> March 2024 on the consolidated financial position of the Company and its associate - Refer Note 45(d) to the consolidated financial statements.
- 19.2 Provision has been made in the Consolidated Financial Statements, as required under the applicable law or Ind AS, for material foreseeable losses, if any, on long-term contracts including derivative contracts - Refer Note 45(c) to the Consolidated Financial Statements in respect of such items as it relates to the Company and its associate.
- 19.3 There has been no delay in transferring amounts required to be transferred, to the Investor Education and Protection Fund by the Company and/or its associate company incorporated in India during the year ended 31<sup>st</sup> March 2024.
- 19.4 The respective managements of the Company and its associate incorporated in India whose financial statements have been audited under the Act have represented to us, to best of their knowledge and belief as disclosed in the Note 44(b) to the Consolidated Financial Statements, that no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company or any of such associate to or in any other person(s) or entity(ies), including foreign entities ('Intermediaries'), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company or any of such associate ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- 19.5 The respective managements of the Company and its associate which are companies incorporated in India whose financial statements have been audited under the Act have represented to us, to best of their knowledge and belief as disclosed in the Note 44(h) to the Consolidated Financial Statements, that no funds have been received by the Company or any of such associate from any person(s) or entity(ies), including foreign entities ('Funding Parties'), with the understanding, whether recorded in writing or otherwise, that the Company or any of such associate shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- 19.6 Based on such audit procedures, that have been considered

reasonable and appropriate in the circumstances, performed by us, nothing has come to our notice that has caused us to believe that the representation under para 19.4 and 19.5 contain any material misstatement.

19.7 In our opinion and according to the information and explanations given to us, the dividend declared and / or paid during the year by the Company is in compliance with Section 123 of the Act.

19.8 Based on our examination which included test checks, the Company and its associate have used accounting software for maintaining its books of account that have a feature of recording audit trail (edit log) facility and the audit trail feature has operated throughout the year for all relevant transactions recorded in the respective software, except that In case of the Company and its associate feature of recording audit trail (edit log) facility was not available for us to verify at the database layer to log any direct data changes.

Based on our procedures performed above, for the accounting software other than those mentioned above where the question of our commenting does not arise, we did not notice any instance of the audit trail feature being tampered with during the course of our audit.

As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from 1<sup>st</sup> April 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of

audit trail as per the statutory requirements for record retention is not applicable for the financial year ended 31<sup>st</sup> March 2024.

20. With respect to the matters specified in paragraphs 3(xxi) and 4 of the Companies (Auditor’s Report) Order, 2020 (‘CARO’) issued by Central Government in terms of Section 143(11) of the Act, to be included in Auditor’s report, according to the information and explanations given to us, and based on the CARO reports issued by us for the Company and included in consolidated financial statements, we report that following qualifications and adverse remarks were observed:

Sr no	Name	CIN	Associate	Clause number of the CARO which is qualified or adverse
1	ABRel Century Energy Limited	U40106MH2022PLC378261	Associate	Clause (i) (a), vii(a), (ix)(a) and (ix)(d)

For **KKC & Associates LLP**  
**Chartered Accountants**

(formerly Khimji Kunverji & Co LLP)

Firm Registration Number: 105146W/W100621

**Kamlesh R Jagetia**

**Partner**

Place: Mumbai

Date: 16<sup>th</sup> May 2024

ICAI Membership No: 139585

UDIN: 24139585BKAMZL9952

# ANNEXURE '[A]' TO THE INDEPENDENT AUDITOR'S REPORT

## on the Consolidated Financial Statements of Century Enka Limited for the year ended 31<sup>st</sup> March 2024

(Referred to in paragraph '18.7' under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Report on the Internal Financial Controls with reference to the aforesaid Consolidated Financial Statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

### Opinion

1. In conjunction with our audit of the Consolidated Financial Statements of Century Enka Limited as of and for the year ended 31<sup>st</sup> March 2024, we have audited the internal financial controls with reference to the Consolidated Financial Statements of Century Enka Limited ('the Parent'/'the Company') and its associate company, which are companies incorporated in India, as of that date.
2. In our opinion, the Company, and its associate company, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls with reference to the Consolidated Financial Statements and such internal financial controls were operating effectively as at 31<sup>st</sup> March 2024, based on the internal controls over financial reporting criteria established by the respective companies considering the essential components of such internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ('the Guidance Note')

### MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

3. The respective Board of Directors of the Company and its associate company, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls with reference to consolidated financial statements based on the internal controls over financial reporting criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note. 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 respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

### AUDITOR'S RESPONSIBILITY

4. Our responsibility is to express an opinion on the Company and its associate, which are companies incorporated in India, internal financial controls with reference to the Consolidated Financial Statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing ('SA'), prescribed under section 143(10) of the Act,

to the extent applicable to an audit of internal financial controls with reference to the Consolidated Financial Statements. Those SAs 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 the Consolidated Financial Statements were established and maintained and if such controls operated effectively in all material respects.

5. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to the Consolidated Financial Statements and their operating effectiveness. Our audit of internal financial controls with reference to the Consolidated Financial Statements included obtaining an understanding of internal financial controls with reference to the Consolidated Financial Statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of the internal controls based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error.
6. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to the Consolidated Financial Statements.

### MEANING OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE CONSOLIDATED FINANCIAL STATEMENTS

7. A company's internal financial controls with reference to the Consolidated Financial Statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to the Consolidated Financial Statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

**INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE CONSOLIDATED FINANCIAL STATEMENTS**

8. Because of the inherent limitations of internal financial controls with reference to the Consolidated 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 the Consolidated Financial Statements to future periods are subject to the risk that the internal financial controls with reference to the Consolidated Financial Statements may become inadequate

because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For **KKC & Associates LLP**

**Chartered Accountants**

(formerly Khimji Kunverji & Co LLP)

Firm Registration Number: 105146W/W100621

**Kamlesh R Jagetia**

**Partner**

Place: Mumbai

Date: 16<sup>th</sup> May 2024

ICAI Membership No: 139585

UDIN: 24139585BKAMZL9952

# CONSOLIDATED BALANCE SHEET

AS AT 31<sup>ST</sup> MARCH 2024

₹/ lacs

S. No.	Particulars	Note No.	As at 31 <sup>st</sup> March 2024	As at 31 <sup>st</sup> March 2023
<b>(A)</b>	<b>ASSETS</b>			
	<b>Non-Current Assets</b>			
	Property, Plant and Equipment	3	79,936	63,704
	Capital Work-in-Progress	3A	365	10,617
	Right-of-Use Assets	4	662	689
	Other Intangible Assets	5	32	92
	<b>Financial Assets</b>			
	Investments	6	6,759	3,713
	Others	7	233	236
	Other Non-Current Assets	8	979	1,168
	<b>Total Non Current Assets</b>		<b>88,966</b>	<b>80,219</b>
	<b>Current assets</b>			
	Inventories	9	26,922	24,336
	<b>Financial assets</b>			
	Investments	10	27,395	30,678
	Trade Receivables	11	19,699	21,704
	Cash and Cash Equivalents	12	87	270
	Bank Balances other than Cash & Cash Equivalents	13	328	1,332
	Others	14	659	375
	Current Tax Assets (Net)		139	-
	Other Current Assets	15	4,230	3,347
	<b>Total Current Assets</b>		<b>79,459</b>	<b>82,042</b>
	<b>TOTAL ASSETS</b>		<b>1,68,425</b>	<b>1,62,261</b>
<b>(B)</b>	<b>EQUITY AND LIABILITIES</b>			
	<b>Equity</b>			
	Equity Share Capital	16	2,185	2,185
	Other Equity		1,34,253	1,29,986
	<b>Total Equity</b>		<b>1,36,438</b>	<b>1,32,171</b>
	<b>Non-Current Liabilities</b>			
	<b>Financial Liabilities</b>			
	Borrowings	17	3,380	4,870
	Lease Liabilities	18	293	351
	Others	19	257	251
	Provisions	20	1,228	1,352
	Deferred Tax Liabilities (Net)	21	8,180	7,213
	Other Non-Current Liabilities	22	1,247	945
	<b>Total Non-Current Liabilities</b>		<b>14,585</b>	<b>14,982</b>
	<b>Current Liabilities</b>			
	<b>Financial Liabilities</b>			
	Borrowings	23	1,493	1,508
	Lease Liabilities	18	59	55
	Trade payables	24		
	i) Total outstanding dues of Micro and Small enterprises		734	674
	ii) Total outstanding dues of Creditors other than above		12,128	10,099
	Others	25	1,130	1,375
	Other Current Liabilities	26	1,457	1,045
	Provisions	27	401	319
	Current Tax Liabilities (Net)	28	-	33
	<b>Total Current Liabilities</b>		<b>17,402</b>	<b>15,108</b>
	<b>TOTAL EQUITY AND LIABILITIES</b>		<b>1,68,425</b>	<b>1,62,261</b>
	Material Accounting Policies	1 & 2		

The accompanying notes are an integral part of these financial statements

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

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

**Kamlesh R Jagetia**  
Partner  
Membership No. 139585

Place : Mumbai  
Date : 16<sup>th</sup> May 2024

For and on behalf of the Board of Directors

**Jayant Vasant Dhobley**  
Director  
DIN: 02402556

**Krishna Gopal Ladsaria**  
Chief Financial Officer

Place : Mumbai  
Date : 16<sup>th</sup> May 2024

**Suresh Sodani**  
Managing Director  
DIN: 08789604

**Rahul Dubey**  
Company Secretary



# CONSOLIDATED STATEMENT OF PROFIT & LOSS

FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2024

₹/ lacs

S. No.	Particulars	Note No.	Year Ended 31 <sup>st</sup> March 2024	Year Ended 31 <sup>st</sup> March 2023
I	Revenue From Operations	29	1,74,415	2,07,205
II	Other Income	30	3,349	1,904
<b>III</b>	<b>Total Income (I+II)</b>		<b>1,77,764</b>	<b>2,09,109</b>
<b>IV</b>	<b>EXPENSES</b>			
	Cost of Materials Consumed	31	1,11,807	1,29,154
	Purchases of Stock-in-Trade		5,802	8,826
	Changes in inventories of Finished goods, Stock-in -Trade and work-in-progress	32	(2,785)	493
	Employee Benefits Expense	33	12,161	11,994
	Power and Fuel		21,298	24,753
	Finance Costs	34	535	235
	Depreciation and Amortization Expense	3, 4 & 5	5,026	4,122
	Other Expenses	35	17,853	17,752
	<b>Total expenses (IV)</b>		<b>1,71,697</b>	<b>1,97,329</b>
<b>V</b>	<b>Profit before share in Loss of Associate and Tax (III+IV)</b>		<b>6,067</b>	<b>11,780</b>
VI	Share in Loss of associate (net of tax)		(314)	(12)
<b>VII</b>	<b>Profit before Tax ( V+ VI)</b>		<b>5,753</b>	<b>11,768</b>
VIII	Tax Expense/(Credit):	40		
	(1) Current Tax		548	3,041
	(2) (Excess)/Short Provision of Tax relating to earlier years		1	(69)
	(3) Deferred Tax		929	(236)
<b>VIII</b>	<b>Profit for the Year (VII-VIII)</b>		<b>4,275</b>	<b>9,032</b>
IX	Other Comprehensive Income			
	A (i) Items that will not be reclassified to profit or loss		2,294	(130)
	(ii) Income tax relating to items that will not be reclassified to profit or loss		(59)	11
	B (i) Items that will be reclassified to profit or loss		(76)	501
	(ii) Income tax relating to items that will be reclassified to profit or loss		18	(126)
X	Total Comprehensive Income for the year (IX+X) (Comprising Profit and Other Comprehensive Income for the year)		<b>6,452</b>	<b>9,288</b>
XI	<b>Earnings per equity share in ₹(Face value per share ₹10 each):</b>			
	(1) Basic	44	19.56	41.34
	(2) Diluted		19.56	41.34
	Material 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 **KKC & Associates LLP**  
(formerly Khimji Kunverji & Co LLP)  
Chartered Accountants  
(FRN 105146W/W100621)

**Kamlesh R Jagetia**  
Partner  
Membership No. 139585

Place : Mumbai  
Date : 16<sup>th</sup> May 2024

For and on behalf of the Board of Directors

**Jayant Vasant Dhobley**  
Director  
DIN: 02402556

**Krishna Gopal Ladsaria**  
Chief Financial Officer

Place : Mumbai  
Date : 16<sup>th</sup> May 2024

**Suresh Sodani**  
Managing Director  
DIN: 08789604

**Rahul Dubey**  
Company Secretary

# CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2024

		₹/ lacs	
S. No.	Particulars	Year Ended 31 <sup>st</sup> March 2024	Year Ended 31 <sup>st</sup> March 2023
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>			
	<b>Profit Before Tax</b>	5,753	11,768
	<b>Adjustment for:</b>		
	Depreciation and Amortisation	5,026	4,122
	Finance cost	535	235
	Unrealised Exchange Loss /(Gain)	20	6
	Loss on Impairment of Investments	-	4
	Fair value movement in derivative instruments	(106)	13
	Interest Income	(1,481)	(779)
	Fair Value of Investments through Profit and Loss Statement	(461)	808
	Profit on sale of Current Investments (Net)	(402)	(1,508)
	Liabilities/Provisions no longer required written back	(89)	(68)
	Amortization of Government Grant (TUF Capital Subsidy)	(24)	(19)
	(Profit) / Loss on sale / write off of Property, Plant and Equipments (Net)	(661)	(131)
	Share in Loss on equity accounted investment	314	12
	<b>Operating Profit Before Working Capital Changes</b>	<b>8,424</b>	<b>14,463</b>
	<b>Adjustment for:</b>		
	Trade payable and other liability	2,652	(829)
	Trade Receivables	2,008	2,229
	Inventories	(2,586)	6,463
	Financial and other Assets	(969)	2,655
	Cash Generated From Operations	<b>9,529</b>	<b>24,981</b>
	Direct Taxes Paid (net of refunds)	(723)	(3,054)
	<b>Net Cash From Operating Activities (A)</b>	<b>8,806</b>	<b>21,927</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>			
	Purchase of Property, Plant and Equipments	(11,501)	(23,890)
	Sale of Property, Plant and Equipments	1,404	340
	Interest Received	1,248	760
	Government Grant (Capital Subsidy)	84	144
	(Investment)/Maturity of deposit with Bank	994	5,320
	Investments in deposits and other debt Instruments	(6,673)	(930)
	Purchase of Non-Current Investments	-	(885)
	(Purchase)/Sale of Current Investments (Net)	9,746	(5,993)
	<b>Net Cash From Investing Activities (B)</b>	<b>(4,698)</b>	<b>(25,134)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>			
	Proceeds from Long Term Borrowings	-	6,160
	Repayment of Long Term Borrowings	(1,490)	(817)
	Repayment of Lease Liability	(54)	(51)
	Proceeds/(Repayment) in Short-term Borrowings (Net)	(15)	-
	Payment of Interest on Lease Liability	(31)	(35)
	Payment of Interest on Borrowings	(516)	(154)
	Equity Dividend Paid	(2,185)	(2,185)
	<b>Net Cash From Financing Activities (C)</b>	<b>(4,291)</b>	<b>2,918</b>

# CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2024

₹/ lacs

S. No.	Particulars	Year Ended 31 <sup>st</sup> March 2024	Year Ended 31 <sup>st</sup> March 2023
<b>D.</b>	<b>NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>(183)</b>	<b>(289)</b>
	Closing Balance of Cash and Cash Equivalents	87	270
	Opening Balance of Cash and Cash Equivalents	270	559

## Reconciliation of Closing Cash and Cash Equivalents with Balance Sheet

₹/ lacs

Particulars	As at 31 <sup>st</sup> March 2024	As at 31 <sup>st</sup> March 2023
Cash On hand	5	8
With Banks		
In Current Accounts	82	262
<b>Total</b>	<b>87</b>	<b>270</b>

### 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.
- Change in liabilities arising from financing activities

Particulars	As at 31 <sup>st</sup> March 2023	Cash flows	Non Cash Changes	As at 31 <sup>st</sup> March 2024
<b>Total Borrowings</b>	<b>6,378</b>	<b>(1,505)</b>	<b>-</b>	<b>4873</b>

Particulars	As at 31 <sup>st</sup> March 2022	Cash flows	Non Cash Changes	As at 31 <sup>st</sup> March 2023
<b>Total Borrowings</b>	<b>1,035</b>	<b>5,343</b>	<b>-</b>	<b>6378</b>

The accompanying notes are an integral part of these Financial Statements

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

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

**Kamlesh R Jagetia**  
Partner  
Membership No. 139585

Place : Mumbai  
Date : 16<sup>th</sup> May 2024

For and on behalf of the Board of Directors

**Jayant Vasant Dhobley**  
Director  
DIN: 02402556

**Krishna Gopal Ladsaria**  
Chief Financial Officer

Place : Mumbai  
Date : 16<sup>th</sup> May 2024

**Suresh Sodani**  
Managing Director  
DIN: 08789604

**Rahul Dubey**  
Company Secretary

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2024

## (A) EQUITY SHARE CAPITAL

Year Ended 31 <sup>st</sup> March 2024			₹/ Lacs
Balance as at 1 <sup>st</sup> April 2023	Changes in equity shares capital during the year ended	Balance As at 31 <sup>st</sup> March 2024	
2,185	-	2,185	

For the year ended 31 <sup>st</sup> March 2023			₹/ Lacs
Balance as at 1 <sup>st</sup> April 2022	Changes in equity shares capital during the year ended	Balance as at 31 <sup>st</sup> March 2023	
2,185	-	2,185	

## (B) OTHER EQUITY

FOR THE YEAR ENDED 31 <sup>st</sup> March 2024									₹/ Lacs
Particulars	Reserves and Surplus							Total	
	Capital Reserve	Capital redemption Reserve	Securities Premium	General Reserve	Retained Earnings	Cash Flow Hedges Reserve	FVOCI-Equity Instruments		
<b>Balance at 1<sup>st</sup> April 2023</b>	48	186	3,225	40,566	85,783	58	120	1,29,986	
Profit for the Year (1)	-	-	-	-	4,275	-	-	4,275	
<b>Other Comprehensive Income:</b>								-	
Remeasurement of the net defined benefit liability/asset, net of tax liability (₹2 Lacs) effect (2)	-	-	-	-	6	-	-	6	
Equity instruments through other comprehensive income (3)	-	-	-	-	-	-	2,229	2,229	
Effective portion of Gains / (Loss) on hedging instruments net of tax liability (₹18 Lacs) effect(4)	-	-	-	-	-	(58)	-	(58)	
<b>Total Comprehensive Income ( 1 to 4 )</b>	-	-	-	-	4,281	(58)	2,229	6,452	
Dividend Paid for the FY 22-23	-	-	-	-	(2,185)	-	-	(2,185)	
<b>Balance at 31<sup>st</sup> March 2024</b>	48	186	3,225	40,566	87,879	-	2,349	1,34,253	

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2024

For the year ended 31<sup>st</sup> March 2023

₹/ Lacs

Particulars	Reserves and Surplus							Total
	Capital Reserve	Capital redemption Reserve	Securities Premium	General Reserve	Retained Earnings	Cash Flow Hedges Reserve	FVOCI-Equity Instruments	
<b>Balance at 1<sup>st</sup> April 2022</b>	48	186	3,225	40,566	78,967	(317)	208	1,22,883
Profit for the Year (1)	-	-	-	-	9,032	-	-	9,032
<b>Other Comprehensive Income:</b>								
Remeasurement of the net defined benefit liability/ asset, net of tax benefit (₹11 Lacs) effect (2)	-	-	-	-	(31)	-	-	(31)
Equity instruments through other comprehensive income (3)	-	-	-	-	-	-	(88)	(88)
Effective portion of Gains / (Loss) on hedging instruments net of tax liability (₹126 Lacs) effect(4)	-	-	-	-	-	375	-	375
<b>Total Comprehensive Income ( 1 to 4 )</b>	-	-	-	-	9,001	375	(88)	9,288
Dividend Paid for the FY 21-22	-	-	-	-	(2,185)	-	-	(2,185)
<b>Balance at 31<sup>st</sup> March 2023</b>	48	186	3,225	40,566	85,783	58	120	1,29,986

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

- i) **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 in the earlier years.
- ii) **Capital Redemption Reserve** - Created on cancellation of equity shares under the scheme of arrangement and redemption of preference shares. It can be utilised in accordance with the provision of the Companies Act, 2013.
- iii) **Security Premium** - Premium received on issue of equity shares credited to Securities Premium Reserve. It can be utilised in accordance with the provision of the Companies Act, 2013.
- iv) **Cashflow Hedge Reserve** - The Company has designated its hedging instruments as cash flow hedges and any effective portion of cashflow hedge is maintained in the said reserve. In case the hedging becomes ineffective, the amount is recognised in the Statement of Profit and Loss

The accompanying notes are an integral part of these financial statements

This is the Other Equity Statement referred to in our report of even date.  
**For KKC & Associates LLP**  
 (formerly Khimji Kunverji & Co LLP)  
 Chartered Accountants  
 (FRN 105146W/W100621)

**Kamlesh R Jagetia**  
 Partner  
 Membership No. 139585

Place : Mumbai  
 Date : 16<sup>th</sup> May 2024

For and on behalf of the Board of Directors

**Jayant Vasant Dhobley**  
 Director  
 DIN: 02402556

**Krishna Gopal Ladsaria**  
 Chief Financial Officer

Place : Mumbai  
 Date : 16<sup>th</sup> May 2024

**Suresh Sodani**  
 Managing Director  
 DIN: 08789604

**Rahul Dubey**  
 Company Secretary

# NOTES

## TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 1. COMPANY OVERVIEW

Century Enka Limited (“the Company”) is a Public Limited Company incorporated in India having its registered office at Pune, Maharashtra, India. The Company is engaged in the manufacturing and selling of ‘Synthetic Yarn’ and related products. Company has one associate ABReL Century Energy Limited and it is engaged in production of power.

### 2. MATERIAL ACCOUNTING POLICIES

#### (a) Statement of Compliance

These Consolidated financial statements (hereinafter referred to as “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 16<sup>th</sup> May 2024.

#### (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.

### Principles of Consolidation

These consolidated financial statements are prepared on the following basis in accordance with Ind AS on “Consolidated Financial Statements” (Ind AS - 110), “Investments in Associates and Joint Ventures” (Ind AS - 28) and “Disclosure of interests in other entities” (Ind AS - 112), specified under Section 133 of the Companies Act, 2013.

### Associates (Accounted using Equity method)

An associate is an entity in which the Group has significant influence, but not control or joint control, over the financial and operating policies. Interests in associates is accounted for using equity method. They are initially recognized at cost which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group’s share of profit or loss and OCI of equity accounted investees until the date on which significant influence ceases.

### 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
- (i) It is held primarily for the purpose of trading; or
- (ii) It is expected to realise the asset within twelve months after the reporting period; or
- (iii) 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



# NOTES

## TO THE CONSOLIDATED FINANCIAL STATEMENTS

- (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 cost of an item of PPE is recognised as an asset if it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably.

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.

Subsequent costs incurred are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance cost are charged to the Statement of Profit and Loss during the period in which they were 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.

PPE except freehold land are stated at their cost of acquisition/installation or construction net of accumulated depreciation, and impairment losses, if any. Freehold land is stated at cost less impairment losses, if any.

### (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. Freehold land with indefinite life is not depreciated.

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. The estimated useful lives, residual values and the depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

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

No	Nature	Useful life
1	Leasehold Assets - Plant & Machinery	Upto 25 years
2	Leasehold Assets - Other than Plant & Machinery	Lease Period
3	Stores and Spares Parts in the nature of PPE	5 to 25 Years
4	Motor Cars given to the employees as per the Company's Scheme	4 years
5	Assets individually costing less than or equal to ₹5,000	Fully Depreciated in the year of purchase

# NOTES

## TO THE CONSOLIDATED FINANCIAL STATEMENTS

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. Cost comprises the purchase price (net of tax / duty credits availed wherever applicable) and any directly attributable cost of bringing the assets to its working condition for its intended use. 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. An intangible asset is derecognised on disposal, or when no future economic benefits are expected from its use or disposal. Gains or losses arising from derecognition of an item of intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of such item of intangible asset and are recognised in the statement of profit & loss when the asset is derecognised

**(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.

# NOTES

## TO THE CONSOLIDATED FINANCIAL STATEMENTS

### (h) Financial Instruments:

A Financial Instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. 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

# NOTES

## TO THE CONSOLIDATED FINANCIAL STATEMENTS

component and loss allowance on trade receivables is measured at an amount equal to life time credit expected losses. The Company calculates the expected credit losses on trade receivables using a provision matrix on the basis of its historical credit loss experience and other credit information available.

### **Derecognition of financial assets:**

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

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

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

### **(i) Financial liabilities and equity instruments:**

#### **▪ Classification as debt or equity**

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

#### **▪ Equity instruments**

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

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

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

### **(k) Offsetting of Financial Instruments**

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

### **(l) 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 for inventories 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.

# NOTES

## TO THE CONSOLIDATED FINANCIAL STATEMENTS

**(m) 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.

**(n) Borrowing Costs:**

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

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

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

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

Government grants are 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.

Government grants, related to assets, are recognised in the Statement of Profit and Loss on a systematic basis over expected useful life of the related assets.

**(p) Leases:**

**Company as a Lessee**

The company recognizes right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the right-of-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received,

plus any initial direct costs incurred. The right-of-use asset is depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the statement of profit and loss.

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

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

**Company as a Lessor**

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

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

**(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 excluding derivatives designated as cashflow hedge.

# NOTES

## TO THE CONSOLIDATED FINANCIAL STATEMENTS

### (r) Hedge accounting:

The Company designates certain hedging instruments in respect of foreign currency risk, interest rate risk and commodity price risk as cash flow hedges. At the inception of the hedge relationship, the entity documents the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the Company documents whether the hedging instrument is highly effective in offsetting changes in fair values or cash flows of the hedged item attributable to the hedged risk.

The effective portion of changes in the fair value of the designated portion of derivatives that qualify as cash flow hedges is recognised in OCI and accumulated under equity. The gain or loss relating to the ineffective portion is recognised immediately in the statement of profit and loss.

Amounts previously recognised in OCI and accumulated in equity relating to effective portion as described above are reclassified to Statement of Profit and Loss in the periods when the hedged item affects the Statement of Profit or Loss, in the same line as the recognised hedged item. However, when the hedged forecast transaction results in the recognition of a non-financial asset or a non-financial liability, such gains and losses are transferred from equity and included in the initial measurement of the cost of the non-financial asset or non-financial liability.

Hedge accounting is discontinued prospectively when the hedging instrument expires or is sold, terminated, or exercised, or when it no longer qualifies for hedge accounting. Any gain or loss recognised in OCI and accumulated in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised the Statement of Profit and Loss. When a forecast transaction is no longer expected to occur, the gain or loss accumulated in equity is recognised immediately in the Statement of Profit and Loss.

### (s) 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 which is generally on dispatch/delivery of 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 (net of variable consideration), (4) allocate the transaction price (net of variable consideration) 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.

Government grants in the nature of export incentives are accounted for in the period of export of goods if the entitlements can be estimated with reasonable accuracy and conditions precedent to claim are reasonably expected to be fulfilled.

#### Other Income:

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

### (t) 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



# NOTES

## TO THE CONSOLIDATED FINANCIAL STATEMENTS

reflected immediately in retained earnings and will not be reclassified to Statement of Profit and Loss. Past service cost is recognised in the Statement of Profit and Loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. The costs are categorised as follows:

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- net interest expense or income; and
- re-measurement

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

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

### **Superannuation:**

The company has Defined Contribution Plan for Post-Employment benefits in the form of Superannuation schemes for eligible employees. The scheme is administered through Life Insurance Corporation (LIC) and Trust which is administered by the Trustees. In respect of this scheme, the Company has no further obligation beyond its contributions.

### **Employee's Family Pension**

The Company has Defined Contribution Plan for Post-Employment benefits in the form of family pension for eligible employees, which is administered by the Regional Provident Fund Commissioner. Company has no further obligation beyond its contributions.

### **Provident Fund**

Contribution towards provident fund for certain employees is made to the regulatory authorities, where the Company has no further obligations. Such benefits are classified as Defined Contribution Scheme as the Company does not carry any further obligations, apart from the contributions made on a monthly basis.

In respect of certain employees, Provident Fund contributions are made to the Trust set up and administered

by the Company. If the board of trustees are unable to pay interest at the rate declared by the government under Para 60 of the Employees provident fund scheme, 1972 for the reason that the return on investment is less or for any other reason, then the deficiency shall be made good by the Company making interest shortfall a defined benefit plan. Accordingly, the Company obtains actuarial valuation and having regard to the assets of the fund and the return on investments, the Company does not expect any deficiency as at the year end. If there is a deficiency as at any Balance Sheet date, then, the same will be recognized in the Statement of Profit and Loss in the year in which it arises.

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

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

### **Compensated Absences**

The Accumulated compensated absences, which are expected to be availed or encashed within 12 months from the end of the year are treated as short term employee benefits. The obligation towards the same is measured at the expected cost of accumulating compensated absences as the additional amount expected to be paid as a result of the unused entitlement as at the year end.

Accumulated compensated absences, which are expected to be availed or encashed beyond 12 months from the end of the year are treated as other long-term employee benefits. The company's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. Actuarial losses/gains are recognised in the Statement of Profit and Loss in the year in which they arise.

### **(u) 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

# NOTES

## TO THE CONSOLIDATED FINANCIAL STATEMENTS

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.

### (v) 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.

### (w) 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.

### (x) 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.

### (y) Investment in Associates

The Company's investment in its associates are carried at cost net of accumulated impairment loss, if any.

On disposal of the Investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the statement of Profit and Loss.

### 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

# NOTES

## TO THE CONSOLIDATED FINANCIAL STATEMENTS

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 and Intangible Assets:

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) Recognition and measurement of deferred tax assets and liabilities:

Deferred tax assets and liabilities are recognised for deductible temporary differences for which there is probability of utilisation against the future taxable profit. The Company uses judgement to determine the amount of deferred tax liability / asset that can be recognised, based upon the likely timing and the level of future taxable profits and business developments.

#### (v) Income Taxes:

The Company calculates income tax expense based on reported income and estimated exemptions / deduction likely available to the Company. The Company has applied the lower income tax rates on income tax expenses and the deferred tax assets / liabilities.

# NOTES

## TO THE CONSOLIDATED FINANCIAL STATEMENTS

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

₹/ Lacs

	Land	Buildings (Refer Note a)	Plant & Machinery (Refer Note b)	Furniture & Fixtures	Office Equipments	Vehicles	Total
<b>For the year 22-23</b>							
<b>As at 1<sup>st</sup> April 2022</b>	336	9,230	62,068	117	291	382	72,424
Add: Additions	-	2,406	17,685	44	105	49	20,289
Less: Disposals/Adjustment	-	2	283	-	10	38	333
Add: Asset classified as held for sale (Refer Note c)	-	-	900	-	-	-	900
<b>As at 31<sup>st</sup> March 2023</b>	<b>336</b>	<b>11,634</b>	<b>80,370</b>	<b>161</b>	<b>386</b>	<b>393</b>	<b>93,280</b>
<b>Accumulated Depreciation:</b>							
<b>As at 1<sup>st</sup> April 2022</b>	-	2,676	22,714	69	156	120	25,735
Add: Depreciation during the year	-	376	3,445	20	53	71	3,965
Less: Disposals/Adjustment	-	-	96	-	10	18	124
<b>As at 31<sup>st</sup> March 2023</b>	-	<b>3,052</b>	<b>26,063</b>	<b>89</b>	<b>199</b>	<b>173</b>	<b>29,576</b>
<b>Net carrying amount As at 31<sup>st</sup> March 2023</b>	<b>336</b>	<b>8,582</b>	<b>54,307</b>	<b>72</b>	<b>187</b>	<b>220</b>	<b>63,704</b>
<b>For the year 23-24</b>							
<b>As at 1<sup>st</sup> April 2023</b>	336	11,634	80,370	161	386	393	93,280
Add: Additions	-	873	20,910	32	41	58	21,914
Less: Disposals/Adjustment	-	-	935	-	2	24	961
<b>As at 31<sup>st</sup> March 2024</b>	<b>336</b>	<b>12,507</b>	<b>1,00,345</b>	<b>193</b>	<b>425</b>	<b>427</b>	<b>1,14,233</b>
<b>Accumulated Depreciation:</b>							
<b>As at 1<sup>st</sup> April 2023</b>	-	3,052	26,063	89	199	173	29,576
Add: Depreciation during the year	-	460	4,312	16	78	73	4,939
Less: Disposals/Adjustment	-	-	194	-	1	23	218
<b>As at 31<sup>st</sup> March 2024</b>	-	<b>3,512</b>	<b>30,181</b>	<b>105</b>	<b>276</b>	<b>223</b>	<b>34,297</b>
<b>Net carrying amount As at 31<sup>st</sup> March 2024</b>	<b>336</b>	<b>8,995</b>	<b>70,164</b>	<b>88</b>	<b>149</b>	<b>204</b>	<b>79,936</b>

- a) Includes Land ₹2 Lacs and ₹500 being the cost of 5 shares in a co-operative housing society held in the name of a nominee of the Company
- b) Rupee Term Loans are secured by hypothecation of specific Plant and Machinery against which Loans have been taken.
- c) During the previous year company had reclassified the Gas Engine and Waste heat recovery boiler to assets since there was no certainty of its Sale. Recognition has been lower of Fair value and its carrying amount before the classification adjusted for depreciation upto to date of reclassification.

3.1 The Company has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets or both during the current or previous year.

3.2 The Title deeds of all the immovable properties are held in the Name of Company except as follows

Description of Property	Carrying Value	Title in name of	Property held since	Reason for not being held in company's name
Freehold Land	₹2 Lacs	Ex. Whole time director	1982	Housing Society only allows individual to own the land

# NOTES

TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 4 RIGHT OF USE ASSETS ( IND AS 116)

	Land	Plant & Machinery	Total
₹/ Lacs			
<b>For the year 22-23</b>			
<b>As at 1<sup>st</sup> April 2022</b>	207	591	798
Add: Additions			-
Less: Disposals/Adjustment			-
<b>As at 31<sup>st</sup> March 2023</b>	<b>207</b>	<b>591</b>	<b>798</b>
<b>Accumulated Depreciation:</b>			
<b>As at 1<sup>st</sup> April 2022</b>	13	69	82
Add: Depreciation during the year	4	23	27
Less: Disposals/Adjustment			-
<b>As at 31<sup>st</sup> March 2023</b>	<b>17</b>	<b>92</b>	<b>109</b>
<b>Net carrying amount As at 31<sup>st</sup> March 2023</b>	<b>190</b>	<b>499</b>	<b>689</b>
<b>For the year 23-24</b>			
<b>As at 1<sup>st</sup> April 2023</b>	207	591	798
Add: Additions			
Less: Disposals/Adjustment			
<b>As at 31<sup>st</sup> March 2024</b>	<b>207</b>	<b>591</b>	<b>798</b>
<b>Accumulated Depreciation:</b>			
<b>As at 1<sup>st</sup> April 2023</b>	17	92	109
Add: Depreciation during the year	4	23	27
Less: Disposals/Adjustment			
<b>As at 31<sup>st</sup> March 2024</b>	<b>21</b>	<b>115</b>	<b>136</b>
<b>Net carrying amount As at 31<sup>st</sup> March 2024</b>	<b>186</b>	<b>476</b>	<b>662</b>

# NOTES

TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 5 INTANGIBLE ASSETS

₹/ Lacs

<b>Computer Softwares</b>	
<b>For the year 2022-23</b>	
<b>As at 1<sup>st</sup> April 2022</b>	<b>746</b>
Add: Additions	11
Less: Disposals	
<b>As at 31<sup>st</sup> March 2023</b>	<b>757</b>
<b>Accumulated Amortisation:</b>	
<b>As at 1<sup>st</sup> April 2022</b>	<b>535</b>
Add: Amortisation during the year	130
Less: Disposals	
<b>As at 31<sup>st</sup> March 2023</b>	<b>665</b>
<b>Net carrying amount As at 31<sup>st</sup> March 2023</b>	<b>92</b>
<b>For the year 2023-24</b>	
<b>As at 1<sup>st</sup> April 2023</b>	<b>757</b>
Add: Additions	-
Less: Disposals	
<b>As at 31<sup>st</sup> March 2024</b>	<b>757</b>
<b>Accumulated Amortisation:</b>	
<b>As at 1<sup>st</sup> April 2023</b>	<b>665</b>
Add: Amortisation during the year	60
Less: Disposals	
<b>As at 31<sup>st</sup> March 2024</b>	<b>725</b>
<b>Net carrying amount As at 31<sup>st</sup> March 2024</b>	<b>32</b>

## 6 NON-CURRENT INVESTMENTS

₹/ Lacs

			<b>As at 31<sup>st</sup> March 2024</b>	<b>As at 31<sup>st</sup> March 2023</b>
	<b>Number of Shares</b>	<b>Face Value Per Share</b>		
<b>Investments in Equity Shares (fully paid up)</b>				
<b>1) Quoted Investments</b>				
<b>Fair value through Other Comprehensive Income</b>				
Kesoram Industries Limited	20,85,481	10	3,583	1,222
	(20,85,481)			
Kesoram Textiles Mills Limited	5,84,994	2	-	-
(Received during the year 1999-2000 without any consideration pursuant to scheme of arrangement of Kesoram Industries Limited)	(5,84,994)			
Birla Tyres Limited			-	74
(Received during the year financial year 2019-20 without any consideration pursuant to scheme of demerger of Tyre unit of Kesoram Industries limited)	(14,03,985)	10		



# NOTES

## TO THE CONSOLIDATED FINANCIAL STATEMENTS

<b>2) Unquoted Investments</b>				
<b>Fair Value through profit or loss</b>				
BEIL Infrastructure Limited	10,220	10	1	1
	(10,220)			
MMA CETP Co-operative Society Limited	12,895	100	13	13
	(12,895)			
Bhadreshwar Vidyut Private Limited	19,47,000	0.10	4	4
	(19,47,000)			
Less : Provision for Impairment on Investments			(4)	(4)
<b>Associates (Carrying amount determined using the equity method of accounting)</b>				
ABReL Century Energy Limited	88,47,800	10	885	885
	(88,47,800)			
Add: Share in Profit / (Loss) of Associate			(326)	(12)
			<b>559</b>	<b>873</b>
<b>3) Unquoted Investments at Amortised Cost</b>				
Fixed Deposit with Financial Institutions with maturity more than 12 months			1,000	-
<b>4) Quoted Investments at Amortised Cost</b>				
Taxable Corporate Bonds/Debentures/Debt Securities			1,603	1,530
<b>Note: Figures in bracket represents previous year numbers</b>			6,759	3,713
<b>Aggregate amount of:</b>				
Quoted Investments			5,186	2,826
Unquoted Investments			1,573	887
Aggregate market value of Quoted Investment			5,138	2,826
Aggregate amount of impairment in value of Investment			4	4

### 7 OTHER NON-CURRENT FINANCIAL ASSETS

	₹/ Lacs	
	As at 31 <sup>st</sup> March 2024	As at 31 <sup>st</sup> March 2023
<b>(Unsecured, Considered Good)</b>		
Security Deposits	213	216
Advances	20	20
	<b>233</b>	<b>236</b>

### 8 OTHER NON-CURRENT ASSETS

	₹/ Lacs	
	As at 31 <sup>st</sup> March 2024	As at 31 <sup>st</sup> March 2023
Capital Advances	133	360
Others		
Balances with Government authorities	800	800
Prepaid Expense	46	8
	<b>979</b>	<b>1,168</b>

# NOTES

## TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 9 NOTE 9: INVENTORIES

	₹/ Lacs	
	As at 31 <sup>st</sup> March 2024	As at 31 <sup>st</sup> March 2023
<b>(Valued at lower of cost or Net Realisable Value) (Unless otherwise stated)</b>		
Raw Material [Including in transit ₹480 Lacs (Previous Year ₹929 Lacs)]	9,140	8,850
Stock-in-Process	4,288	4,226
Finished goods [Including in transit ₹1604 Lacs (Previous Year ₹1227 Lacs)]	10,881	8,159
Stores, Spares and Packing Material & Fuel (at cost) [Including in transit ₹11 Lacs (Previous Year ₹46 lacs)]	2,613	3,101
	<b>26,922</b>	<b>24,336</b>

The Company follows adequate accounting policy for writing down the value of Stores and Spares towards slow moving, non-moving and surplus Inventories ₹385 Lacs ( Previous year ₹304 Lacs )

Provision on Stock-in-Process / Finished goods for the period is ₹268 Lacs (31<sup>st</sup> March 2023 ₹354 Lacs).

Refer material accounting policy

### 10 CURRENT INVESTMENTS

	₹/ Lacs	
	As at 31 <sup>st</sup> March 2024	As at 31 <sup>st</sup> March 2023
<b>a) Quoted Investments (Fair value through profit or loss)</b>		
Exchange Traded Funds	112	105
<b>b) Unquoted Investments (Fair value through profit or loss)</b>		
Units of various schemes of Mutual Funds	9,811	15,286
<b>c) Amortised cost</b>		
Quoted Investments		
Taxable Corporate Bonds/Debentures/Debt Securities	4,672	8,087
Unquoted Investments		
Inter-corporate Deposits/Fixed Deposit with Financial Institutions	12,800	7,200
	<b>27,395</b>	<b>30,678</b>
Aggregate amount of Quoted Investments	4,784	8,192
Aggregate amount of Unquoted Investments	22,611	22,486
Aggregate market value of Quoted Investment	4,869	8,192

### 11 TRADE RECEIVABLES

	₹/ Lacs	
	As at 31 <sup>st</sup> March 2024	As at 31 <sup>st</sup> March 2023
Considered good - Secured	-	384
Considered good - Unsecured	19,699	21,320
Credit impaired	-	714
	19,699	22,418
Less: Allowance for credit losses	-	(714)
	19,699	21,704

# NOTES

## TO THE CONSOLIDATED FINANCIAL STATEMENTS

### Trade Receivables ageing schedule as at 31<sup>st</sup> March 2024

Particulars	Outstanding for following periods from due date of payment						Total
	Not Due	Less than 6 months	Less than 1 year	1-2 years	2-3 years	More than 3 years	
<b>Undisputed Trade receivables</b>							
a) Considered good	18,052	1,646	1	-	-	-	19,699
b) Credit impaired	-	-	-	-	-	-	-
Allowance for credit losses	-	-	-	-	-	-	-
<b>Total</b>	<b>18,052</b>	<b>1,646</b>	<b>1</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>19,699</b>

### Trade Receivables ageing schedule as at 31<sup>st</sup> March 2023

Particulars	Outstanding for following periods from due date of payment						Total
	Not Due	Less than 6 months	Less than 1 year	1-2 years	2-3 years	More than 3 years	
<b>Undisputed Trade receivables</b>							
a) Considered good	20,074	1,629	1	-	-	-	21,704
b) Significant increase in credit risk	-	-	-	-	402	312	714
Allowance for credit losses	-	-	-	-	(402)	(312)	(714)
<b>Total</b>	<b>20,074</b>	<b>1,629</b>	<b>1</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>21,704</b>

### 12 CASH AND CASH EQUIVALENTS

	₹/ Lacs	
	As at 31 <sup>st</sup> March 2024	As at 31 <sup>st</sup> March 2023
<b>Cash and Cash equivalents</b>		
Cash on Hand	5	8
<b>Bank Balances</b>		
In Current Accounts	82	262
	<b>87</b>	<b>270</b>

### 13 BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

	₹/ Lacs	
	As at 31 <sup>st</sup> March 2024	As at 31 <sup>st</sup> March 2023
Fixed Deposits with Banks (Maturing more than three months and upto 12 months)*	141	1,135
Unpaid Dividend Accounts	187	197
	<b>328</b>	<b>1,332</b>

\* Fixed Deposits includes deposit of ₹141 lacs (Previous Year ₹135 Lacs) held as margin against Bank Guarantees

### 14 OTHER CURRENT FINANCIAL ASSETS

	₹/ Lacs	
	As at 31 <sup>st</sup> March 2024	As at 31 <sup>st</sup> March 2023
Interest Accrued on Deposits	568	335
Others	91	40
	<b>659</b>	<b>375</b>

# NOTES

## TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 15 OTHER CURRENT ASSETS

	As at 31 <sup>st</sup> March 2024	As at 31 <sup>st</sup> March 2023
Advances to Suppliers	214	314
<b>Others</b>		
Prepaid Expense	210	205
Statutory Receivables	3,168	2,716
Others	638	112
	<b>4,230</b>	<b>3,347</b>

₹/ Lacs

### 16 SHARE CAPITAL

	As at 31 <sup>st</sup> March 2024	As at 31 <sup>st</sup> March 2023
<b>Authorised:</b>		
1,00,000 Redeemable Cumulative Preference Shares of ₹100.00 each (As at 31 <sup>st</sup> March 2023 - 1,00,000 Shares)	100	100
3,30,00,000 Equity Shares of ₹10.00 each (As at 31 <sup>st</sup> March 2023 - 3,30,00,000 Shares)	3,300	3,300
1,00,000 Unclassified Shares of ₹100.00 each (As at 31 <sup>st</sup> March 2023 - 1,00,000 Shares)	100	100
<b>Issued, Subscribed and Fully Paid - Up:</b>		
(2,18,50,589 Equity Shares of ₹10 each ( Refer Notes below ) (As at 31 <sup>st</sup> March 2023 - 2,18,50,589 Shares)	2,185	2,185

₹/ Lacs

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

Particulars	31 <sup>st</sup> March 2024		31 <sup>st</sup> March 2023	
	No. of Shares	Amount ₹ in Lacs	No. of Shares	Amount ₹ in Lacs
Outstanding as at the beginning of the year	2,18,50,589	2,185	2,18,50,589	2,185
Share issued during the year	-	-	-	-
Outstanding as at the end of the year	2,18,50,589	2,185	2,18,50,589	2,185

#### 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	31 <sup>st</sup> March 2024		31 <sup>st</sup> March 2023	
		%	No. of Shares	%	No. of Shares
1	Birla Group Holdings Private Limited	16.63	36,33,690	16.56	36,33,690
2	Century Textiles and Industries Limited	5.80	12,66,887	5.80	12,66,887

# NOTES

TO THE CONSOLIDATED FINANCIAL STATEMENTS

## d) Shareholding of Promoters

S No. Promoter Name	31 <sup>st</sup> March 2024		31 <sup>st</sup> March 2023		% of change during the year	
	No. of shares	% of total shares	No. of shares	% of total shares		
<b>A. Promoter</b>						
i	Late Basant Kumar Birla (Deceased)	71,360	0.33	71,360	0.33	-
ii	Aditya Vikram Kumarmangalam Birla HUF.	29,760	0.14	29,760	0.14	-
iii	Rajashree Birla	26,080	0.12	26,080	0.12	-
iv	Vasavadatta Bajaj	8,930	0.04	8,930	0.04	-
<b>B. Promoter Group</b>						
i	Birla Group Holdings Private Limited	36,33,690	16.63	36,18,690	16.56	0.42%
ii	Century Textiles And Industries Ltd	12,66,887	5.80	12,66,887	5.80	-
iii	Prakash Educational Society	2,77,360	1.27	2,77,360	1.27	-
iv	Birla Education Trust	75,000	0.34	75,000	0.34	-
v	Padmavati Investment Private Limited	28,891	0.13	28,891	0.13	-
vi	B. K. Birla Foundation	15,090	0.07	15,090	0.07	-
vii	Jayantika Investment & Finance Limited (Formerly Parvati Tea Company Private Limited)	-	-	-	-	-
viii	Cygnat Industries Limited	-	-	-	-	-

e) No bonus shares have been issued during five years immediately preceding 31<sup>st</sup> March 2024

f) Dividend Proposed, Declared and Paid [Refer Note 38A]

g) Shares reserved for issue under options and contracts or commitments for the sale of shares or disinvestment, including the terms and amounts - Nil

h) For the period of five years immediately preceding the date at which the Balance Sheet is prepared-

- Aggregate number and class of shares allotted as fully paid up pursuant to contract without payment being received in cash - Nil
- Aggregate number and class of shares bought back - Nil

## 17 NON-CURRENT BORROWINGS

	As at 31 <sup>st</sup> March 2024	As at 31 <sup>st</sup> March 2023
₹/ Lacs		
<b>Secured:</b>		
Rupee term Loans from Banks	3,380	4,870
	3,380	4,870

### Nature of Security, Repayment Terms and Breakup of Current and Non-Current

Particulars	Terms of Repayment	Month in which last Instalment is due	Prevailing Interest Rate Per Annum %	Balance As at 31 <sup>st</sup> March 2024 ₹/ Lacs	Balance as at 31 <sup>st</sup> March 2023 ₹/ Lacs
<b>Secured:</b>					
<b>Rupee Term Loans</b>					
HDFC Bank Limited	Annual	March 2025	9.00%	100	200
HDFC Bank Limited	Annual	March 2027	8.70%	2,370	3,160
Kotak Mahindra Bank Limited	Annual	December 2027	8.75%	2,400	3,000
<b>Sub-Total</b>				<b>4,870</b>	<b>6,360</b>
Less: Current Maturities of Long Term Debt (Refer Note 23)				(1490)	(1490)
<b>Total</b>				<b>3,380</b>	<b>4,870</b>

# NOTES

## TO THE CONSOLIDATED FINANCIAL STATEMENTS

### Notes:

- Rupee Term Loans are secured by hypothecation of specific Plant and Machinery against which Loans have been taken.
- The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- The borrowings obtained by the company from banks and financial institutions have been applied for the purposes for which such loans were taken.
- There are no charges or satisfaction which are yet to be registered with the Registrar of Companies beyond the statutory period.

### 18 NON-CURRENT LEASE LIABILITY

	₹/ Lacs	
	As at 31 <sup>st</sup> March 2024	As at 31 <sup>st</sup> March 2023
Finance Lease Obligation (Refer Note 40)	352	406
Current Finance Lease Obligation (Refer Note 40)	(59)	(55)
Non Current Finance Lease Obligation	293	351

### 19 OTHER NON-CURRENT FINANCIAL LIABILITIES

	₹/ Lacs	
	As at 31 <sup>st</sup> March 2024	As at 31 <sup>st</sup> March 2023
Security Deposits	257	251

### 20 NON-CURRENT PROVISIONS

	₹/ Lacs	
	As at 31 <sup>st</sup> March 2024	As at 31 <sup>st</sup> March 2023
<b>Provision for Employee Benefits</b>		
Gratuity (Refer Note 41)	98	232
Compensated Absences	976	966
<b>Provision for Disputed Matters (Refer Note 20.1)</b>	154	154
	1,228	1,352

#### 20.1 Movement of provisions during the year as required by Ind AS 37 - " Provisions, Contingent Liabilities and Contingent Assets"

	₹/ Lacs	
	As at 31 <sup>st</sup> March 2024	As at 31 <sup>st</sup> March 2023
Opening Balance	154	154
Add: Provision during the Year	-	-
Less: Utilisation during the Year	-	-
Closing Balance (considered as Non-Current)	154	154

### 21 DEFERRED TAX LIABILITIES (NET)

	₹/ Lacs	
	As at 31 <sup>st</sup> March 2024	As at 31 <sup>st</sup> March 2023
The balances comprises of temporary differences attributable to:		
Property, Plant and Equipments	8,370	7,396
Financial Assets at Fair value through Profit or loss	145	122
Others	(335)	(305)
Deferred Tax (Assets)/Liabilities	8,180	7,213



# NOTES

## TO THE CONSOLIDATED FINANCIAL STATEMENTS

### Movement in Deferred Tax Liabilities

Description	Property, Plant and Equipments	Financial Assets at FVTPL	Others	Total
<b>As at 01<sup>st</sup> April 2022</b>	7,228	382	(287)	7,323
Charged / (Credited)				
- To Profit and Loss	42	(260)	(18)	(236)
- To OCI	126	-	-	126
<b>As at 31<sup>st</sup> March 2023</b>	7,396	122	(305)	7,213
Charged / (Credited)				
- To Profit and Loss	992	23	(87)	928
- To OCI	(18)	-	57	39
<b>As at 31<sup>st</sup> March 2024</b>	8,370	145	(335)	8,180

### 22 OTHER NON-CURRENT LIABILITIES

	₹/ Lacs	
	As at 31 <sup>st</sup> March 2024	As at 31 <sup>st</sup> March 2023
Statutory Liabilities	826	580
Deferred Income on Government Grant	421	365
	<b>1,247</b>	<b>945</b>

### 23 SHORT TERM BORROWINGS

	₹/ Lacs	
	As at 31 <sup>st</sup> March 2024	As at 31 <sup>st</sup> March 2023
<b>Secured:</b>		
Current Maturity of Non-Current Financial Borrowings (Rupee Term Loans)	1,490	1,490
Working capital borrowings repayable on demand	3	18
	<b>1,493</b>	<b>1,508</b>

#### Notes:

- 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 9.10 % per annum (Previous Year 8.65% per annum).
- Working Capital Borrowings are renewed based on contract with bankers.
- Borrowings obtained by the company from banks have been applied for the purposes for which such loans were taken.
- Company has obtained working capital borrowings from banks on the basis of security of current assets. The statements of current assets filed by the company with banks are in agreement with the books of accounts.

### 24 TRADE PAYABLES

	₹/ Lacs	
	As at 31 <sup>st</sup> March 2024	As at 31 <sup>st</sup> March 2023
Micro and Small enterprises (Refer Note 48)	734	674
Others	12,128	10,099
	<b>12,862</b>	<b>10,773</b>

# NOTES

TO THE CONSOLIDATED FINANCIAL STATEMENTS

## Trade Payable ageing schedule as at 31<sup>st</sup> March 2024

Particulars	Outstanding for following periods from due date of payment						Total
	Unbilled	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
<b>Undisputed trade payables</b>							
a) Micro and Small enterprises	-	644	90	-	-	-	734
b) Others	1,701	9,130	1,261	36	-	-	12,128
<b>Total</b>	<b>1,701</b>	<b>9,774</b>	<b>1,351</b>	<b>36</b>	<b>-</b>	<b>-</b>	<b>12,862</b>

## Trade Payable ageing schedule as at 31<sup>st</sup> March 2023

Particulars	Outstanding for following periods from due date of payment						Total
	Unbilled	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
<b>Undisputed trade payables</b>							
a) Micro and Small enterprises	-	591	72	11	-	-	674
b) Others	3,061	6,002	1,034	1	-	1	10,099
<b>Total</b>	<b>3,061</b>	<b>6,593</b>	<b>1,106</b>	<b>12</b>	<b>-</b>	<b>1</b>	<b>10,773</b>

## 25 OTHER CURRENT FINANCIAL LIABILITIES

₹/ Lacs

	As at 31 <sup>st</sup> March 2024	As at 31 <sup>st</sup> March 2023
Interest accrued but not due on borrowings	39	51
Unpaid Dividend Accounts *	187	197
Capital Goods Liability	292	604
Others	612	523
	<b>1,130</b>	<b>1,375</b>

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

## 26 OTHER CURRENT LIABILITIES

₹/ Lacs

	As at 31 <sup>st</sup> March 2024	As at 31 <sup>st</sup> March 2023
Advances from Customers	760	404
<b>Others</b>		
Statutory dues	578	512
Deferred Income on Government Grant	26	22
Other Liabilities	93	107
	<b>1,457</b>	<b>1,045</b>

# NOTES

TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 27 CURRENT PROVISIONS

	As at 31 <sup>st</sup> March 2024	As at 31 <sup>st</sup> March 2023
₹/ Lacs		
<b>Employee Benefits</b>		
Compensated Absences	401	319

## 28 CURRENT TAX LIABILITIES

	As at 31 <sup>st</sup> March 2024	As at 31 <sup>st</sup> March 2023
₹/ Lacs		
Current Tax Payable (Net)	-	33
	-	<b>33</b>

## 29 REVENUE FROM OPERATIONS

	Year Ended 31 <sup>st</sup> March 2024	Year Ended 31 <sup>st</sup> March 2023
₹/ Lacs		
<b>Revenue from Contract with Customers (Refer Note 50)</b>		
<b>Sale of Products</b>		
Finished Goods	1,67,572	1,96,786
Traded Goods	5,866	8,935
	<b>1,73,438</b>	<b>2,05,721</b>
<b>Other Operating Revenue</b>		
Scrap Sales	796	1,063
Export Incentives	181	421
<b>Revenue from Operations</b>	<b>1,74,415</b>	<b>2,07,205</b>

### Note : Details of Revenue from Operations

	Year Ended 31 <sup>st</sup> March 2024	Year Ended 31 <sup>st</sup> March 2023
₹/ Lacs		
Nylon Tyre Cord Fabric	82,668	1,05,332
Nylon Filament Yarn	85,041	91,455
Others	6,706	10,418
<b>Total</b>	<b>1,74,415</b>	<b>2,07,205</b>

# NOTES

TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 30 OTHER INCOME

	₹/ Lacs	
	Year Ended 31 <sup>st</sup> March 2024	Year Ended 31 <sup>st</sup> March 2023
<b>Interest Income</b>		
Tax Refunds	-	21
From Customers	37	38
On Current and Non Current Investments	1,478	773
Others	3	6
	<b>1,518</b>	<b>838</b>
<b>Profit on Sale of PPE (Net)</b>	661	131
Profit on Sale of Current Investments (Net) ( Including Gain on Fair Valuation of Investments through Profit and (Loss) ₹461 Lacs for the year ended 31 <sup>st</sup> March 2024 and ₹(808) Lacs for the year ended 31 <sup>st</sup> March 2023)	863	700
Liabilities / Provisions no longer required written back	89	68
Government Grant	24	19
Insurance Claims	42	8
Miscellaneous Income	152	140
	<b>3,349</b>	<b>1,904</b>

## 31 COST OF MATERIALS CONSUMED

	₹/ Lacs	
	Year Ended 31 <sup>st</sup> March 2024	Year Ended 31 <sup>st</sup> March 2023
Opening Stock of Raw Materials	8,850	14,990
Add: Purchases	1,12,097	1,23,014
	<b>1,20,947</b>	<b>1,38,004</b>
Less: Closing Stock of Raw Materials	9,140	8,850
<b>Cost of Raw Materials Consumed</b>	<b>1,11,807</b>	<b>1,29,154</b>

## 32 CHANGE IN INVENTORIES OF FINISHED GOODS, STOCK-IN-PROCESS AND STOCK-IN-TRADE

	₹/ Lacs	
	Year Ended 31 <sup>st</sup> March 2024	Year Ended 31 <sup>st</sup> March 2023
<b>Opening Stock</b>		
Finished Goods	8,158	8,894
Stock-in-Process	4,226	3,983
	<b>12,384</b>	<b>12,877</b>
<b>Less: Closing Stock</b>		
Finished Goods	10,881	8,158
Stock-in-Process	4,288	4,226
	<b>15,169</b>	<b>12,384</b>
<b>(Increase) / Decrease in Stocks</b>	<b>(2,785)</b>	<b>493</b>

## NOTES

### TO THE CONSOLIDATED FINANCIAL STATEMENTS

#### 33 EMPLOYEE BENEFITS EXPENSE

	₹/ Lacs	
	Year Ended 31 <sup>st</sup> March 2024	Year Ended 31 <sup>st</sup> March 2023
Salaries, Wages and Bonus	10,154	10,176
Contribution to Provident and other funds (Refer Note 41)	960	850
Workers and Staff Welfare Expenses	1,047	968
	<b>12,161</b>	<b>11,994</b>

#### 34 FINANCE COSTS

	₹/ Lacs	
	Year Ended 31 <sup>st</sup> March 2024	Year Ended 31 <sup>st</sup> March 2023
Interest on borrowings	489	165
Interest on Lease Liabilities	31	35
Other (Including interest on deposits)	15	35
	<b>535</b>	<b>235</b>

Finance Costs Capitalised ₹68 Lacs (₹190 Lacs for the year ended 31<sup>st</sup> March 2023) for the year ended 31<sup>st</sup> March 2024. Borrowing costs are capitalised using rates based on specific borrowings of 9.3% and ranging from 6.80% to 9.30% in previous year.

#### 35 OTHER EXPENSES

	₹/ Lacs	
	Year Ended 31 <sup>st</sup> March 2024	Year Ended 31 <sup>st</sup> March 2023
Stores and Spare Parts Consumed	3,545	3,521
Packing Material Consumed	3,152	3,751
Processing Charges	2,523	1,456
Building & Machinery Maintenance	2,300	2,472
Rent	17	53
Rates and taxes	115	118
Insurance	338	328
Directors' Sitting Fees	11	11
Directors' Commission	40	38
Auditors Remuneration (Refer Note 49)	56	53
Commission on Sales	1,125	1,231
Transport and Handling	2,283	2,704
Expenditure on Corporate Social Responsibility (CSR) Activities (Refer Note 47)	305	276
Legal and Professional Fees	357	377
Miscellaneous Expenses	1,686	1,363
	<b>17,853</b>	<b>17,752</b>

# NOTES

## TO THE CONSOLIDATED FINANCIAL STATEMENTS

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

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

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

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

Risk	Exposure Arising From	Measurement	Management
<b>A. Market Risk</b>			
<b>1) Foreign Exchange Risk</b>	Committed commercial transaction Financial asset and Liabilities not denominated in INR	Cash Flow Forecasting Sensitivity Analysis	Forward foreign exchange contracts
<b>2) Interest Rate</b>	Long Term Borrowings and Short Term Borrowing at variable rates and Investments in Debt Schemes of Mutual Funds	Sensitivity Analysis, Interest rate movements	Portfolio Diversification
<b>3) Commodity Price Risk</b>	Movement in prices of commodities	Sensitivity Analysis, Commodity price tracking	Active inventory management, Sales Price linked to purchase price
<b>B. Credit Risk</b>	Trade receivables, Investments, Derivative financial instruments, Loans	Aging analysis, Credit Rating	Diversification of mutual fund investments, Credit limit and credit worthiness monitoring, Criteria based approval process
<b>C. Liquidity Risks</b>	Borrowings, lease liabilities, Other Liabilities and Liquid investments	Rolling cash flow forecasts Broker Quotes	Adequate unused credit lines and borrowing facilities Portfolio Diversification

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

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

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

#### A. Market Risk Management:

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

##### 1) Foreign Currency Risk:

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



## NOTES

### TO THE CONSOLIDATED FINANCIAL STATEMENTS

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.

Outstanding foreign currency exposure as at	In Lacs	
	As at 31 <sup>st</sup> March 2024	As at 31 <sup>st</sup> March 2023
<b>Trade receivables</b>		
USD	3	5
<b>Cash &amp; Cash Equivalent</b>		
EURO	#	#
USD	#	#
<b>Trade Payables (Incl. in-transit)</b>		
EURO	*	1
YEN	-	46
USD	76	60
<b>Total Foreign Currency - EURO</b>	-	1
<b>Total Foreign Currency - YEN</b>	-	46
<b>Total Foreign Currency - USD</b>	79	65

Out of USD 79 Lacs Foreign Currency Exposure as 31<sup>st</sup> March 2024, USD 74 Lacs was hedged and out of USD 65 Lacs as at 31<sup>st</sup> March 2023, USD 58 Lacs were hedged by forward contracts.

# EURO 593 and USD 400 held as cash and cash equivalent as on 31<sup>st</sup> March, 2024 (EURO 593 and USD 3065 held as cash and cash equivalent as on 31<sup>st</sup> March, 2023)

\*EURO 2006

#### Forward Exchange Contracts:

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

Particulars	Purpose	Currency	In Lacs	
			As at 31 <sup>st</sup> March 2024	As at 31 <sup>st</sup> March 2023
Forward Contracts	Imports	USD	145	171
Forward Contracts	Imports	Euro	-	11
Forward Contracts	Imports	Yen	-	4,180

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

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

Particulars	₹/ Lacs	
	As at 31 <sup>st</sup> March 2024	As at 31 <sup>st</sup> March 2023
USD	1	3

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

# NOTES

## TO THE CONSOLIDATED FINANCIAL STATEMENTS

**Cash flow Hedge:** The company has foreign currency capital commitment and to mitigate the risk of foreign currency, the company has taken forward cover. The company is following hedge accounting for all the foreign currency capital commitment raised based on qualitative approach

The Company assesses hedge effectiveness based on following criteria:

- (I) an economic relationship between the hedged item and the hedging instrument
- (II) the effect of credit risk and
- (III) assessment of the hedge ratio

The company designates the derivatives to hedge its currency risk and generally applies hedge ratio of 1:1. The company's policies is to match the critical terms of the forward exchange contracts to match with hedge item.

Recognition of gain/(losses) under foreign exchange contracts designated under cash flow ₹/ Lacs

Particulars	As at 31 <sup>st</sup> March 2024		As at 31 <sup>st</sup> March 2023	
	Effective Hedge (OCI)	Ineffective Hedge (Profit and Loss)	Effective Hedge (OCI)	Ineffective Hedge (Profit and Loss)
Gain/(loss)	(76)	-	501	-

### 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	Floating rate borrowings	₹/ Lacs
			Average Interest rate
<b>Total as at 31<sup>st</sup> March 2024</b>	4,873	4,873	8.73%
<b>Total as at 31<sup>st</sup> March 2023</b>	6,378	6,378	9.03%

Interest rate sensitivities for unhedged exposure (impact of increase by 100 bps):

Particulars	₹/ Lacs
	As at 31 <sup>st</sup> March 2024
INR	49
	As at 31 <sup>st</sup> March 2023
	64

**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

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## TO THE CONSOLIDATED FINANCIAL STATEMENTS

transactions and financial guarantees. The Company has two major customers which represents 77% receivables as on 31<sup>st</sup> March 2024 (75% receivables as on 31<sup>st</sup> March 2023) 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:

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

### Movement in expected credit loss allowance on trade receivables:

Particulars	₹/ Lacs	
	As at 31 <sup>st</sup> March 2024	As at 31 <sup>st</sup> March 2023
<b>Opening Balance</b>	714	714
Add: Provision made during the year	-	-
Less: Provision utilization during the year	714	-
<b>Closing Balance</b>	-	<b>714</b>

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

Credit Risk on cash and cash equivalent, deposits with the banks/financial institutions, debt securities 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 and high investment grade corporates. These Mutual Funds and Counterparties have low credit risk.

Total Non-current and current investments as on 31<sup>st</sup> March 2024 is ₹34,154 Lacs (31<sup>st</sup> March, 2023 - ₹34,391 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.

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

As at 31 <sup>st</sup> March 2024				₹/ Lacs
	Less than 1 Year	1 to 5 Years	More than 5 Years	Total
Borrowings (including short term borrowing)	1,493	3,380		4,873
Trade payables	12,862			12,862
Interest accrued but not due on borrowings	39			39
Other financial liabilities (excluding derivative liability)	1,091	257		1,348
Derivative liability/ (Assets)	(51)			(51)
Finance Lease Obligation	86	342		428
Investments	27,395	2,603	4,156	34,154

As at 31 <sup>st</sup> March 2023				₹/ Lacs
	Less than 1 Year	1 to 5 Years	More than 5 Years	Total
Borrowings (including short term borrowing)	1,508	4,870		6,378
Trade payables	10,760	13		10,773
Interest accrued but not due on borrowings	51			51
Other financial liabilities (excluding derivative liability)	1,324	251		1,575
Derivative liability/ (Assets)	(18)			(18)
Finance Lease Obligation	86	345	83	514
Investments	30,678	1,530	2,196	34,404

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

Particulars	₹/ Lacs	
	As at 31 <sup>st</sup> March 2024	As at 31 <sup>st</sup> March 2023
<b>Financial Assets at amortised cost<sup>#</sup></b>		
Trade receivables	19,699	21,704
Other Financial Assets	892	593
Cash and Cash Equivalents	87	270
Bank Balance other than Cash & Cash Equivalents	328	1,332
Fixed Deposits with Financial Institutions	13,800	7,200
Taxable Corporate Bonds/Debentures/Debt Securities	6,275	9,617
<b>Financial Assets at fair value through profit or loss</b>		
Investments	9,937	15,405
<b>Financial Assets at fair value through other comprehensive income</b>		
Investments (Non-Current)	3,583	1,296
<b>Total</b>	<b>54,601</b>	<b>57,417</b>
<b>Financial Liabilities at amortised cost<sup>#</sup></b>		
Term Loan from Banks	4,870	6,360
Finance Lease Obligation	352	406
Other Non-Current Finance Liabilities	257	251
Cash Credits/Working Capital Borrowings	3	18
Trade payables	12,862	10,773
Other Financial Liabilities	1,130	1,375
Fair Value Hedging Instruments		
Derivative Liability/(Asset)	(51)	(18)
<b>Total</b>	<b>19,423</b>	<b>19,165</b>

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

Investment in Associate amounting to ₹885 Lacs (March 31, 2023 ₹885 Lacs) measured at Cost in accordance with Ind AS 27

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## TO THE CONSOLIDATED FINANCIAL STATEMENTS

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

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

The Company has established the following fair value hierarchy that 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.

Particulars	₹/ Lacs	
	Fair Value	
	As at 31 <sup>st</sup> March 2024	As at 31 <sup>st</sup> March 2023
<b>Financial Assets at fair value through profit or loss</b>		
Investments -Level 1	112	105
Investments -Level 2	9,825	15,300
<b>Total</b>	<b>9,937</b>	<b>15,405</b>
Financial Assets at fair value through other comprehensive income		
Investments -Level 1	3,583	1,296
<b>Total</b>	<b>3,583</b>	<b>1,296</b>
Fair Value derivative		
Derivative liability/ (Asset) -Level 2	(51)	(18)
<b>Total</b>	<b>(51)</b>	<b>(18)</b>

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:

- (a) The fair values of the quoted investments/units of mutual fund schemes are based on market price/net asset value at the reporting date.
- (b) The fair values of unquoted investments are based on net asset value at the reporting date.
- (c) 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.
- (d) The fair value of the remaining financial instruments is determined using discounted cash flow analysis or based on the contractual terms. The discount rates used is based on management estimates.

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

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

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

Particulars	₹/ Lacs	
	Year Ended 31 <sup>st</sup> March 2024	Year Ended 31 <sup>st</sup> March 2023
<b>Cash dividends on equity shares declared and paid:</b>		
Final dividend for the year ended on 31 <sup>st</sup> March 2023: ₹10.00 per share (31 <sup>st</sup> March, 2022: ₹10.00 per share)	2,185	2,185
<b>Proposed dividends on Equity shares:</b>		
Final dividend for the year ended on 31 <sup>st</sup> March 2024: ₹10.00 Per share. (31 <sup>st</sup> March 2023: ₹10.00 per share)	2,185	2,185

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

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

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

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

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

Particulars	₹/ Lacs	
	As at 31 <sup>st</sup> March 2024	As at 31 <sup>st</sup> March 2023
Total Debt (Bank and other borrowings)	4,873	6,378
Equity	1,36,438	1,32,171
<b>Debt to Equity</b>	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.

## 39 INCOME TAXES (IND AS 12):

### (i) Reconciliation of Effective Tax Rate:

Particulars	₹/ Lacs	
	Year Ended 31 <sup>st</sup> March 2024	Year Ended 31 <sup>st</sup> March 2023
Profit before Tax	5,753	11,768
Tax Expense	1,478	2,736
Effective Tax Rate (in %)	25.691	23.249
Effect of Non-Deductible expenses (in %)	(1.265)	(0.590)
Effect of Allowances for tax purpose (in %)	-	-
Effect of Previous year adjustments (in %)	0.016	0.586
Effect of (Increase)/Decrease in income Taxable at lower rate (in %)	1.533	1.970
Others (in %)	0.807	(0.047)
<b>Applicable Tax Rate (in %)</b>	25.168	25.168



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### TO THE CONSOLIDATED FINANCIAL STATEMENTS

#### 40 LEASES (IND AS 116):

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

Particulars	₹/ Lacs	
	Year Ended 31 <sup>st</sup> March 2024	Year Ended 31 <sup>st</sup> March 2023
Variable lease payments	-	-
Expenses relating to leases of low value assets, excluding short term lease of low value assets	-	(5)

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

Particulars	₹/ Lacs	
	Year Ended 31 <sup>st</sup> March 2024	Year Ended 31 <sup>st</sup> March 2023
Less than one year	86	86
One to five years	342	345
More than five years		83
<b>Total undiscounted lease liabilities</b>	<b>428</b>	<b>514</b>
<b>Discounted lease liabilities included in the statement of financial position</b>	<b>352</b>	<b>406</b>
Current lease liability	59	55
Non-current lease liability	293	351

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

(iv) The total cash outflow for leases for year ended March 31, 2024 is ₹85 lacs (March 31, 2023 is ₹86 lacs).

General description of leasing agreements:

- Leased assets: Land, Plant & Machinery, Godowns, Offices.
- 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.

#### 41 DISCLOSURES IN ACCORDANCE WITH IND AS-19 ON "EMPLOYEE BENEFITS"

a) **Defined Contribution Plans - The Company has recognised the following amounts in the Statement of Profit and Loss for the year:**

Particulars	₹/ Lacs	
	2023-24	2022-23
Employer's Contribution to Provident Fund and Employee's Pension Scheme, 1995	578	550
Employer's Contribution to Superannuation Fund	47	50
Employer's Contribution to Employee's State Insurance	13	12
<b>Total</b>	<b>638</b>	<b>612</b>

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

**Gratuity:**

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

The Company operates a gratuity plan which is administered through Life Insurance Corporation and a trust which is administered through trustees. Every employee is entitled to a minimum benefit equivalent to 15 days salary last drawn for each completed year of service in line with

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## TO THE CONSOLIDATED FINANCIAL STATEMENTS

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 31 <sup>st</sup> March 2024	As at 31 <sup>st</sup> March 2023
Opening DBO	3,939	3,883
Current Service Cost	192	193
Interest on DBO	290	268
Past Service Cost	68	-
<b>Remeasurement due to:</b>		
Actuarial loss/ (gain) arising from change in financial assumption	157	(59)
Actuarial loss/ (gain) arising from change in demographic assumption	-	34
Actuarial loss/ (gain) arising on account of experience change	13	5
Transfer In / (Out)	-	7
Benefits Paid	(406)	(392)
<b>Acquisition Adjustment</b>	-	-
<b>Closing DBO</b>	<b>4,253</b>	<b>3,939</b>

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

Particulars	₹/ Lacs	
	As at 31 <sup>st</sup> March 2024	As at 31 <sup>st</sup> March 2023
Opening Fair Value of Plan Assets	3,707	3,819
Interest on Plan Assets	273	264
<b>Remeasurement due to:</b>		
Actuarial loss/ (gain) arising on account of experience change	178	(62)
Contribution by the Employer	403	71
Benefits Paid	(406)	(392)
Transfer In / (Out)	-	7
<b>Acquisition Adjustment</b>	-	-
<b>Closing Fair Value of Plan Assets</b>	<b>4,155</b>	<b>3,707</b>

Fair value of Plan Assets for gratuity represents the amount as confirmed by the Insurer Managed Funds.

**iii) Amount recognised in Balance Sheet including a reconciliation of the present value of the defined benefit obligation in b (i) and the fair value of the plan assets in b (ii) to the assets and liabilities recognised in the balance sheet:**

Particulars	₹/ Lacs	
	As at 31 <sup>st</sup> March 2024	As at 31 <sup>st</sup> March 2023
Present value of Defined Benefit Obligation	4,253	3,939
Fair value of Plan Assets	(4,155)	(3,707)
<b>Net Liability recognised in the Balance Sheet</b>	<b>98</b>	<b>232</b>
<b>Long Term Provisions</b>	<b>98</b>	<b>232</b>

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## TO THE CONSOLIDATED FINANCIAL STATEMENTS

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

Particulars	₹/ Lacs	
	2023-24	2022-23
Current Service Cost	192	193
Past Service Cost	68	-
Interest Cost on defined benefit liability / (assets)	17	4
<b>Total</b>	<b>277</b>	<b>197</b>

### v) Amount recorded in Other Comprehensive Income

Particulars	₹/ Lacs	
	As at 31 <sup>st</sup> March 2024	As at 31 <sup>st</sup> March 2023
<b>Remeasurement due to:</b>		
Changes in financial assumptions	157	(59)
Changes in demographic	-	34
Experience Adjustments	13	5
Actual return on plan assets less interest on plan assets	(178)	62
<b>Closing amount recognised in OCI outside profit and loss</b>	<b>(8)</b>	<b>42</b>

### vi) Maturity Profile of defined benefit obligation:

Particulars	₹/ Lacs	
	As at 31 <sup>st</sup> March 2024	As at 31 <sup>st</sup> March 2023
Weighted average duration (based on discounted cashflows)	4 Years	4 Years
Within the next 12 months	870	828
Above 1 and within 5 years	2,661	2,503
Above 5 and within 10 years	1,356	1,198
10 years and above	1,309	1,260

### 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 31 <sup>st</sup> March 2024		As at 31 <sup>st</sup> March 2023	
	Amount (₹/Lacs)	Rate (%)	Amount (₹/Lacs)	Rate (%)
Insurer Managed Funds	4,155	100%	3,707	100%
<b>Total</b>	<b>4,155</b>	<b>100%</b>	<b>3,707</b>	<b>100%</b>

### 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.

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

Particulars	Rate %	
	As at 31 <sup>st</sup> March 2024	As at 31 <sup>st</sup> March 2023
Discount Rate	7.15%	7.35%
Salary Escalation Rate	8.00%	7.00%
Attrition Rate (Average Rate of 4 Age Groups)	8.00%	8.00%
Mortality Rate	100% of IALM 2012-14	100% of IALM 2012-14

### x) Amounts recognised to Gratuity:

Particulars	₹/ Lacs	
	As at 31 <sup>st</sup> March 2024	As at 31 <sup>st</sup> March 2023
Defined Benefit Obligation	4,253	3,939
Plan Assets	4,155	3,707
Surplus / ( Deficit )	(98)	(232)
Experience Adjustment on Plan Liabilities	13	5
Experience Adjustment on Plan Assets	178	(62)

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

Particulars	₹/ Lacs
	2024-25
Gratuity	98
Provident Fund and Employee's Pension Scheme, 1995	500

### xii) Sensitivity Analysis:

Particulars	Rate %	
	As at 31 <sup>st</sup> March 2024	As at 31 <sup>st</sup> March 2023
Impact of increase in 50 bps on discounting rate on DBO	(2.10%)	(2.10%)
Impact of decrease in 50 bps on discounting rate on DBO	2.20%	2.20%
Impact of increase in 50 bps on salary escalation rate on DBO	2.20%	2.00%
Impact of decrease in 50 bps on salary escalation rate on DBO	(2.2%)	(1.90%)
Impact of increase in 50% of attrition rate on DBO	0.20%	1.00%
Impact of decrease in 50% of attrition rate on DBO	(0.20%)	(1.3%)

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

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### xiv) 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 with in 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.

Particulars	₹/ Lacs	
	As at 31 <sup>st</sup> March 2024	As at 31 <sup>st</sup> March 2023
Present value of Defined Benefit Obligation	12,045	11,625
Fair value of Plan Assets	(12,045)	(11,625)
Net Liability recognised in the Balance Sheet	-	-

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

Particulars	Rate %	
	As at 31 <sup>st</sup> March 2024	As at 31 <sup>st</sup> March 2023
Discount Rate	7.18%	7.31%
Expected rate of return on Plan Assets	7.18%	7.31%
Discount Rate for the remaining term to Maturity of the Investment Portfolio	7.21%	7.45%
Average Historic Yield on the Investment Portfolio	7.85%	7.88%
Guaranteed Rate of Return	8.25%	8.15%
Mortality Rate	100% of IALM 2012-14	100% of IALM 2012-14
Attrition Rate	6.00%	6.00%

### C) Amount recognised as an expense in respect of Compensated Absences is ₹244 lacs (Previous year ₹244 lacs)

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TO THE CONSOLIDATED FINANCIAL STATEMENTS

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

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

Parties	Relationship
Mrs. Rajashree Birla - Non-Executive 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)
Ms. Krupa R. Gandhi - Independent Director	Key Management Personnel (KMP)
Mr. Suresh Sodani - Managing Director	Key Management Personnel (KMP)
Mr. Jayant Vasant Dhobley - Non-Executive Director (Appointed w.e.f 29 <sup>th</sup> September 2023)	Key Management Personnel (KMP)
Mr. Devajyoti N. Bhattacharya - Non-Executive Director (Resigned w.e.f 29 <sup>th</sup> September 2023)	Key Management Personnel (KMP)
Mr. Ashish Razdan - Independent Director (Appointed w.e.f 23 <sup>rd</sup> November 2023)	Key Management Personnel (KMP)
Century Enka Ltd Employee's Provident Fund	Post-Employment Benefit Plan
ABReL Century Energy Limited	Associate

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

Nature of Transaction/Relationship	₹/ Lacs	
	Year Ended 31 <sup>st</sup> March 2024	Year Ended 31 <sup>st</sup> March 2023
<b>Services received from:</b>		
KMP (Director's Sitting Fees and Commission)	51	49

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

Nature of transaction/relationship	₹/ Lacs	
	Year Ended 31 <sup>st</sup> March 2024	Year Ended 31 <sup>st</sup> March 2023
Short-term employee benefits	258	289
Other long-term benefits #	33	37
Total compensation paid to key management personnel	291	326

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.

# Includes Actuarial Valuation pertaining to Gratuity and compensated absences as per Ind AS 19.

### (c) Contribution to:

Nature of transaction	₹/ Lacs	
	Year Ended 31 <sup>st</sup> March 2024	Year Ended 31 <sup>st</sup> March 2023
Post-Employment Benefit Plan	244	218

### (d) Transactions with Associates:

Nature of transaction	₹/ Lacs	
	Year Ended 31 <sup>st</sup> March 2024	Year Ended 31 <sup>st</sup> March 2023
Investment made by purchase of equity	-	885
Power Purchase	1338	-
Balance Receivable / (Payable)	(97)	-



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### 43 EARNINGS PER SHARE (EPS) (IND AS 33):

Particulars	As at 31 <sup>st</sup> March 2024	As at 31 <sup>st</sup> March 2023
Basic/Diluted EPS:		
(i) Net Profit attributable to Equity Shareholders (₹Lacs)	4,275	9,032
(ii) Weighted average number of Equity Shares outstanding (Nos.) [For Basic & Diluted EPS]	2,18,50,589	2,18,50,589
Basic/ Diluted EPS in ₹Per share (Face Value ₹10 per share) (i)/(ii)	91.56	41.34

### 44 OTHER STATUTORY INFORMATION

- a) No proceedings have been initiated on or are pending against the company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.
- b) The Company have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
  - (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
  - (ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries
- c) The Company has no transactions with the companies struck off under Companies Act, 2013 during the current year.

Name of the Company	Nature of Transaction	Balance Outstanding as on 31 <sup>st</sup> March 2024	Balance Outstanding as on 31 <sup>st</sup> March 2023	Relationship
Complete safety & security limited	Payable	Nil	1	Non-related party

₹/ Lacs

- d) The Company has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.
- e) There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.
- f) The company has not traded or invested in crypto currency or virtual currency during the current or previous year.
- g) There are no charges or satisfaction which are yet to be registered with the Registrar of Companies beyond the statutory period.
- h) The Company have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
  - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
  - (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries

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

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

Particulars	Brief Description	As at 31 <sup>st</sup> March 2024	As at 31 <sup>st</sup> March 2023
(i) Excise, Service Tax & Custom Matters	Matters relates to valuation, disallowances of input tax credit	250	326

₹/ Lacs

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.

# NOTES

## TO THE CONSOLIDATED FINANCIAL STATEMENTS

(b) Excise Department had issued an order dated 31<sup>st</sup> December 2013 denying the applicability of Notification No. 6/2000 dated 1<sup>st</sup> March 2000 and raised a demand of ₹22,927 lacs plus interest thereon and penalty equivalent to duty demand amount. In this matter, CESTAT in its order dated 20<sup>th</sup> December 2019, upheld the denial of aforesaid notification and remanded back the matter to Central Excise Department to redetermine quantum of duty short paid, imposition of equal amount of penalty on redetermined amount of duty demand and applicable interest. The Commissioner, CGST & Central Excise, Raigad has re-determined assessable value pursuant to order of CESTAT and confirmed the demand amounting to ₹730 lacs (as against above demand of ₹22,927 lacs), interest at appropriate rate on the duty and equal amount of penalty vide its order dated 8<sup>th</sup> September 2020. Against the said order of the Commissioner, CGST & Central Excise, Raigad, Department has filed an appeal before the Appellate Tribunal.

The Company's appeal in the matter is pending before the hon'ble Supreme Court of India. The Company has deposited the amount of duty of ₹730 Lacs under protest. The Company has been advised by legal experts that it has a fair chance of ultimately succeeding in the matter and accordingly no provision is required to be made in the accounts.

(c) Foreseeable Losses: The Company has a process whereby periodically all long term contracts are assessed for material foreseeable losses. At the year end, the Company has reviewed and ensured that adequate provision as required under any law/ applicable accounting standards for material foreseeable losses on such long term contracts has been made in the books of account.

(d) Pending litigations: The Company has reviewed its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed the contingent liabilities where applicable, in its financial statements. The Company does not expect the outcome of these proceedings to have a materially adverse effect on its financial statements.

### 46 CAPITAL AND OTHER COMMITMENTS:

(a) Estimated amount of contracts remaining to be executed on capital account, not provided for (net of advances) as on 31<sup>st</sup> March 2024 is ₹830 Lacs. (31<sup>st</sup> March 2023 – ₹7,083 Lacs).

(b) Other Commitments: The Company has non-cancellable agreements with Gas Utilities Company for purchase of LNG. Under this agreement, the Company is committed to purchase certain annual minimum quantity of LNG 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 31<sup>st</sup> March 2024 for the remaining period of the contract at current market prices approximates ₹7,193 Lacs (Previous Year ₹11,531 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.

### 47 CORPORATE SOCIAL RESPONSIBILITY:

Particulars	₹/ Lacs	
	Year Ended 31 <sup>st</sup> March 2024	Year Ended 31 <sup>st</sup> March 2023
Total amount excess / shortfall pertaining to previous year	Nil	Nil
Gross amount required to be spent under section 135 of the Companies Act, 2013	305	276
<b>Total amount spent during the year (Refer Note- 35)</b>		
(i) Construction/ acquisition of any asset	-	-
(ii) On purpose other than (i) above	305	276
<b>Total amount excess / shortfall at the end of year out of the required amount to be spent</b>	Nil	Nil

## NOTES

### TO THE CONSOLIDATED FINANCIAL STATEMENTS

Amount of Corporate Social Responsibility is spent towards:

₹/ Lacs

Particulars	Year Ended	
	31 <sup>st</sup> March 2024	31 <sup>st</sup> March 2023
Vocational Training	29	39
Promotion of School Education	195	141
Health Care, Medical facility and drinking water	25	21
Disaster Management	-	-
Rural Infrastructure Development other than mentioned above	56	75
<b>Total</b>	<b>305</b>	<b>276</b>

#### 48 DISCLOSURE UNDER THE MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT ACT, 2006:

Amounts due to Micro and Small Enterprises disclosed on the basis of information available with the Company regarding status of the suppliers are as follows:

₹/ Lacs

Particulars	2023-24		2022-23	
	Principal	Interest	Principal	Interest
Principal Amount and Interest due thereon remaining unpaid at the end of the year	90	#	83	-
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	1,064	-	969	-
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		4		-
Interest amount due and unpaid as at the end of the year		4		-
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.		-		-

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.

# Less than one Lac

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

₹/ Lacs

Particulars	As at	
	31 <sup>st</sup> March 2024	31 <sup>st</sup> March 2023
<b>(a) Statutory Auditors:</b>		
Audit fees (including quarterly Limited Review)	47	45
Tax audit fees	7	6
Fees for other services	-	-
Expenses reimbursed	2	2
	<b>56</b>	<b>53</b>
<b>(b) Cost Auditors: Audit fees</b>	3	3

# NOTES

## TO THE CONSOLIDATED FINANCIAL STATEMENTS

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

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

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

Particulars	₹/ Lacs	
	As at 31 <sup>st</sup> March 2024	As at 31 <sup>st</sup> March 2023
Closing Contract liability	760	404

The Contract liability outstanding at the beginning of the year has been recognised as revenue during the year ended 31<sup>st</sup> March 2024.

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

Particulars	₹/ Lacs	
	As at 31 <sup>st</sup> March 2024	As at 31 <sup>st</sup> March 2023
Revenue as per Contract Price	1,78,903	2,09,537
Less: Discounts	4,669	2,753
Revenue as per statement of profit and loss	1,74,234	2,06,784

### 51 INTEREST IN ASSOCIATES:

Details of Associate of the Company is set out below. The country of incorporation is also their principal place of business, and the proportion of ownership interest is the same as the proportion of voting rights held. The Company's interests in this entity are accounted for using equity method in the Consolidated Financial statements.

Name of Entity	Country of Incorporation	Proportion of Ownership Interest	Carrying Amount	Proportion of Ownership Interest	Carrying Amount
		%	(₹/Lacs)	%	(₹/Lacs)
		31/03/2024	31/03/2024	31/03/2023	31/03/2023
ABReL Century Energy Limited	India	26%	559	26%	873

### 52 SUMMARISED FINANCIAL INFORMATION OF INDIVIDUALLY IMMATERIAL ASSOCIATE:

The Company also has interest in immaterial Associates that are accounted for using equity method of accounting. Below is the combined financial information with respect ABReL Century Energy Limited

Particulars	₹/ Lacs	
	Year Ended 31 <sup>st</sup> March 2024	Year Ended 31 <sup>st</sup> March 2023
Aggregate Carrying Amount of individually immaterial Associate	559	873
Profit or (Loss) before Tax	(314)	(12)
Profit or (Loss) after Tax	(314)	(12)
Other Comprehensive Income	-	-
<b>Total Comprehensive Income/(Loss)</b>	<b>(314)</b>	<b>(12)</b>

# NOTES

TO THE CONSOLIDATED FINANCIAL STATEMENTS

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ADDITIONAL INFORMATION AS REQUIRED BY PARAGRAPH 2 OF PART III - GENERAL INSTRUCTION FOR PREPARATION OF CFS OF SCHEDULE III OF THE COMPANIES ACT, 2013.

S. No.	Name of the entity	Net Assets i.e. total assets minus total liabilities		Share in profit or (loss)		Share in Other Comprehensive Income (OCI)		Share in Total Comprehensive Income (TCI)	
		As % of consolidated net assets	Amount (₹/Lacs)	As % of consolidated profit / (loss)	Amount (₹/Lacs)	As % of consolidated OCI	Amount (₹/Lacs)	As % of consolidated TCI	Amount (₹/Lacs)
<b>1</b>	<b>Parent</b>								
	Century Enka Limited	99.59%	1,35,879	107%	4,589	100%	2,177	105%	6,766
<b>2</b>	<b>Associate - Indian</b>								
(i)	ABReL Century Energy Limited	0.41%	559	(7%)	(314)	0%	0	(5%)	(314)
	<b>Total</b>	<b>100%</b>	<b>1,36,438</b>	<b>100%</b>	<b>4,275</b>	<b>100%</b>	<b>2,177</b>	<b>100%</b>	<b>6,452</b>

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

**Kamlesh R Jagetia**  
Partner  
Membership No. 139585

Place : Mumbai  
Date : 16<sup>th</sup> May 2024

For and on behalf of the Board of Directors

**Jayant Vasant Dhobley**  
Director  
DIN: 02402556

**Krishna Gopal Ladsaria**  
Chief Financial Officer

Place : Mumbai  
Date : 16<sup>th</sup> May 2024

**Suresh Sodani**  
Managing Director  
DIN: 08789604

**Rahul Dubey**  
Company Secretary

## FINANCIAL HIGHLIGHTS

### OPERATING RESULTS

₹ / Lacs

FINANCIAL YEAR	CONSOLIDATED		STANDALONE		
	2023-24	2022-23	2021-22	2020-21	2019-20
<b>INCOME</b>					
Revenue from Operations (Net)	174415	207205	209783	122280	142348
Other Income	3349	1904	2063	2202	4223
	177764	209109	211846	124482	146571
<b>EXPENDITURE</b>					
Materials & Overheads ( + / - Stock Adj. )	166136	192972	183354	110245	133027
Share in Loss of associate (net of tax)	(314)	(12)	-	-	-
<b>PROFIT BEFORE EXCEPTIONAL ITEM, FINANCE COST, DEPRECIATION AND TAX</b>	<b>11314</b>	<b>16125</b>	<b>28492</b>	<b>14237</b>	<b>13544</b>
Exceptional Item	-	-	-	(819)	-
<b>PROFIT BEFORE FINANCE COST, DEPRECIATION AND TAX</b>	<b>11314</b>	<b>16125</b>	<b>28492</b>	<b>13418</b>	<b>13544</b>
Less : Finance Cost	535	235	124	155	349
<b>PROFIT BEFORE DEPRECIATION AND TAX</b>	<b>10779</b>	<b>15890</b>	<b>28368</b>	<b>13263</b>	<b>13195</b>
Less : Depreciation / Amortisation	5026	4122	3962	4088	4550
Less : Tax Expenses	1478	2736	5,990	2,083	(908)
<b>NET PROFIT</b>	<b>4275</b>	<b>9032</b>	<b>18416</b>	<b>7092</b>	<b>9553</b>
DIVIDEND ( % )	100%	100%	100%	80%	80%
EARNING PER SHARE (₹)	19.56	41.34	84.28	32.46	43.72
CASH EARNINGS PER SHARE (₹)	46.82	59.12	100.66	52.80	51.37
BOOK VALUE PER SHARE (₹)	624.43	604.90	572.39	498.35	468.99

### STATEMENT OF ASSETS AND LIABILITIES

₹ / Lacs

	CONSOLIDATED		STANDALONE		
	As on 31.03.2024	As on 31.03.2023	As on 31.03.2022	As on 31.03.2021	As on 31.03.2020
<b>A. ASSETS</b>					
Property Plant Equipment and Intangible Assets	80995	75102	54450	49337	53073
Non-Current Investments	6759	3713	2602	1321	315
Long Term Loans and Advances	233	236	234	209	219
Other Non Current Assets	979	1168	2399	1100	1127
Current Assets	79459	82042	92574	82051	71653
	<b>( A )</b>	<b>168425</b>	<b>162261</b>	<b>134018</b>	<b>126387</b>
<b>B. EQUITY AND LIABILITIES</b>					
<b>Equity</b>					
Share Capital	2185	2185	2185	2185	2185
Other Equity	134253	129986	122883	106704	100289
	<b>136438</b>	<b>132171</b>	<b>125068</b>	<b>108889</b>	<b>102474</b>
<b>Non-Current Liabilities</b>					
Long Term Borrowings	3380	4870	616	497	974
Deferred Tax Liabilities (Net)	8180	7213	7323	7813	8275
Long Term Liabilities & Provisions	3025	2899	2048	2130	2014
	<b>14585</b>	<b>14982</b>	<b>9987</b>	<b>10440</b>	<b>11263</b>
<b>Current Liabilities</b>					
Short Term Borrowings	1493	1508	419	314	22
Trade Payables, Liabilities and Provisions	15909	13600	16785	14375	12628
	<b>17402</b>	<b>15108</b>	<b>17204</b>	<b>14689</b>	<b>12650</b>
	<b>( B )</b>	<b>168425</b>	<b>162261</b>	<b>134018</b>	<b>126387</b>



Century Enka Ltd.

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