

QUALITY-DRIVEN LEADERSHIP

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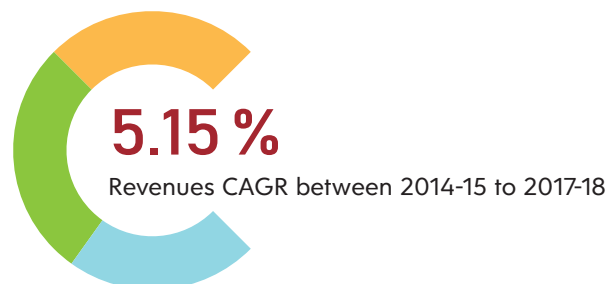
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Scan to view the report online:



Disclaimer

This document contains statements about expected future events of Century Enka Ltd which are forward-looking. By their nature, forward-looking statements require the Company to make assumptions and are subject to inherent risks and uncertainties. There is significant risk that the assumptions, predictions and other forward-looking statements may not prove to be accurate. Readers are cautioned not to place undue reliance on forward-looking statements as a number of factors could cause assumptions, actual future results and events to differ materially from those expressed in the forward-looking statements. Accordingly, this document is subject to the disclaimer and qualified in its entirety by the assumptions, qualifications and risk factors referred to in the Management's Discussion and Analysis Report in the Annual Report for FY 2017-18.



CAGR – Compounded Annual Growth Rate

FINANCIAL HIGHLIGHTS

OPERATING RESULTS

₹ / lacs

FINANCIAL YEAR	As Per Ind AS			As Per Previous GAAP	
	2017-18	2016-17	2015-16	2014-15	2013-14
INCOME					
Revenue from Operations (Net of Excise Duty)	141648	118531	114848	121853	146679
Other Income	1775	1549	431	702	1236
	143423	120080	115279	122555	147915
EXPENDITURE					
Materials & Overheads (+ / - Stock Adj.)	130477	100344	100655	110286	128952
Exceptional Item (Refer Note 43)	2491	(958)	(754)	-	(220)
PROFIT BEFORE EXCEPTIONAL ITEM, FINANCE COST, DEPRECIATION AND TAX	15437	18778	13870	12269	18743
Less : Finance Cost	340	562	956	1732	2091
PROFIT BEFORE DEPRECIATION AND TAX	15097	18216	12914	10537	16652
Less : Current Depreciation (Net)	4194	4237	4094	4275	7071
Less : Tax (Net) - Including Deferred Tax	3894	4882	2910	2605	3288
NET PROFIT BEFORE OTHER COMPREHENSIVE INCOME	7009	9097	5910	3657	6293
DIVIDEND (%)	70%	70%	75%*	60%	60%
EARNING PER SHARE (₹)	32.08	41.63	27.05	16.74	28.80
CASH EARNINGS PER SHARE (₹)	56.01	63.96	49.71	41.18	58.09
BOOK VALUE PER SHARE (₹)	412.31	391.01	356.07	323.75	316.14

* Includes 15% special dividend to commemorate Golden Jubilee year

STATEMENT OF ASSETS AND LIABILITIES

₹ / lacs

	As Per Ind AS				As Per Previous GAAP
	As on 31.03.2018	As on 31.03.2017	As on 31.03.2016	As on 01.04.2015	As on 31.03.2014
A. ASSETS					
Property Plant Equipment and Intangible Assets	57858	57488	60340	62877	61799
Non-Current Investments	1541	2025	1509	1713	852
Long Term Loans and Advances	231	184	191	196	1041
Other Non Current Assets	1020	938	925	1225	776
Current Assets	55721	51311	38626	39429	42532
(A)	116371	111946	101591	105440	107000
B. EQUITY AND LIABILITIES					
Equity					
Share Capital	2185	2185	2185	2185	2185
Other Equity	87905	83251	75617	71473	67928
	90090	85436	77802	73658	70113
Non-Current Liabilities					
Long Term Borrowings	3061	3708	5144	6580	4822
Deferred Tax Liabilities (Net)	11177	10158	10473	10370	9406
Long Term Liabilities & Provisions	1546	1811	1550	1705	1222
	15784	15677	17167	18655	15450
Current Liabilities					
Short Term Borrowings	1	109	390	7391	12768
Trade Payables, Liabilities and Provisions	10496	10724	6232	5736	8669
	10497	10833	6622	13127	21437
(B)	116371	111946	101591	105440	107000



OUR INSPIRING FORCE

B.K. BIRLA

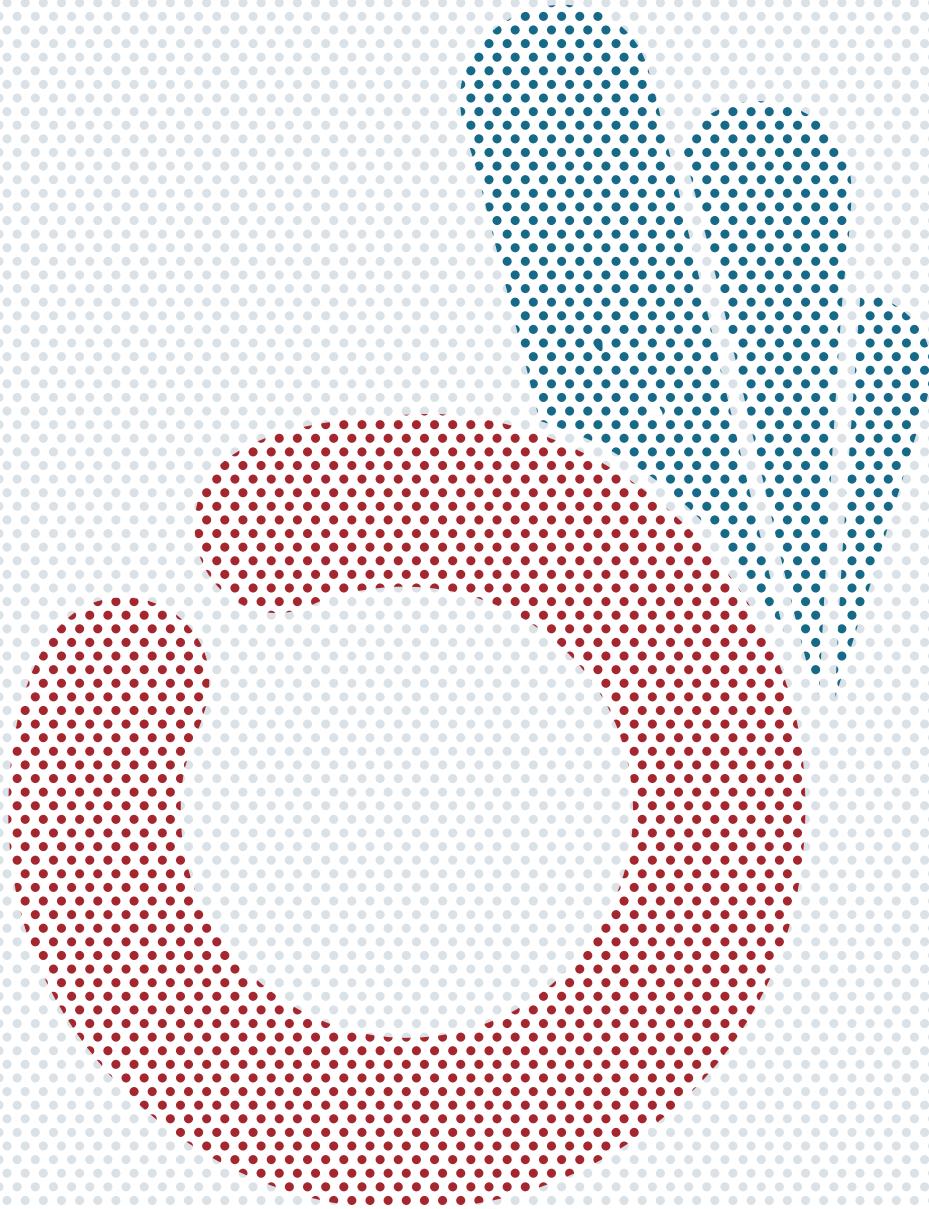
Chairman

The Leadership of Mr. B.K. Birla imbibed the philosophy of Trusteeship in the conduct of business, protecting the interest of all stakeholders. His belief in Corporate Governance is an example that before it became a part of statute, it was followed by the Company in its true spirit.

The in-depth analysis in business decisions and planned implementation has been the hallmark of his leadership.

His disciplined life and dedication to work is a natural force that inspires everyone.

Apart from driving the business philosophies, he continues to nurture educational and cultural institutions across India.



FIVE-DECADE RICH LEGACY COMMITTED TO EXCEL

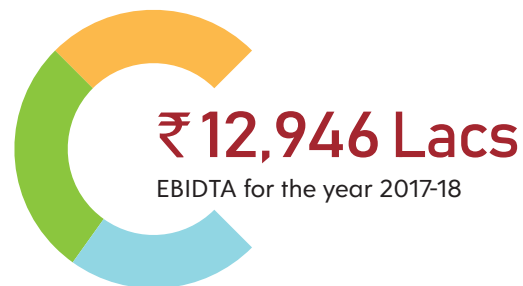
FINANCIAL HIGHLIGHTS 2017-18

Established in 1965, Century Enka Limited (CEL) is committed to quality, innovation and fair business practices for complete customer satisfaction.

The Company manufactures synthetic yarn – Nylon Tyre Cord Fabric (NTCF) that find its application in making bias tyres, and, Nylon Filament Yarn (NFY) that find its application in making sarees, dupattas, dress materials and athleisure among others.

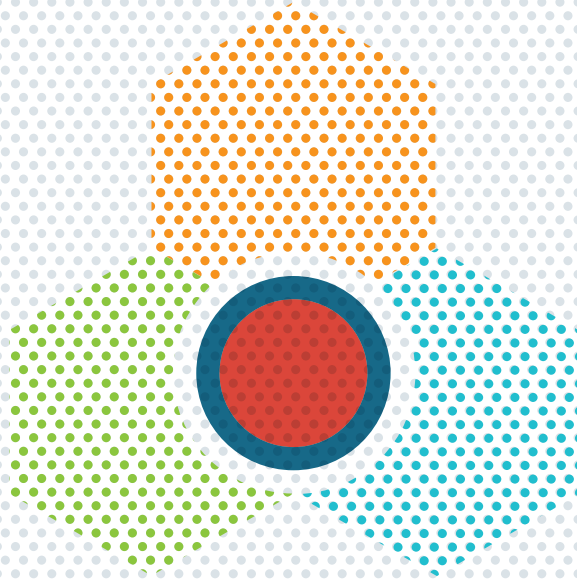
Plans are afoot to use its existing fabric capacities and dipping facilities to offer Polyester Tyre Cord Fabric (PTCF) that will find its application as a reinforcement material in radial passenger vehicle tyres.

Its manufacturing facilities located at Rajashree Nagar, Bharuch (Gujarat) and Bhosari, Pune (Maharashtra) are equipped with state-of-the-art manufacturing technology. With continuous innovation, the Company has consistently delivered new and high-quality products. Today, it enjoys a strong presence in both NTCF and NFY products.





BUSINESS PROFILE



Nylon Tyre Cord Fabric (NTCF)

Application

Bias tyres

USPs

- > Preferred NTCF supplier to leading tyre manufacturers
- > Best-in-class technologies
- > End-to-end integration

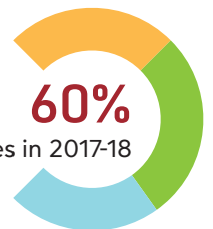
Industry opportunities

- > Despite increasing radialisation, there is going to be a sustained demand from the non-radial tyre segment like medium and heavy commercial vehicles (MHCV), off the road vehicles (OTR), Two Wheelers and Three Wheelers



~31,000 TPA

Capacities as on March 31, 2018



60%

Contribution to revenues in 2017-18



24%

Domestic market as on March 31, 2018

Nylon Filament Yarn (NFY)

Applications

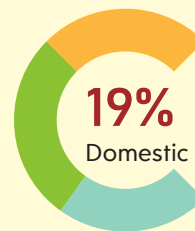
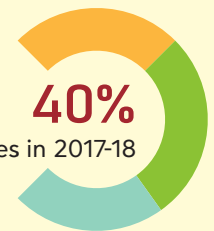
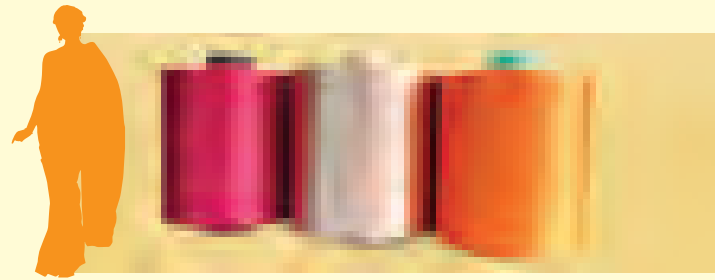
- Used in making fabrics for sarees, dupattas, dress materials, athleisure
- Very versatile to blend with other yarns

USPs

- Strong position in the industry
- Wide dealers network to serve small weavers
- Sells to fabric manufacturers that supply fabric to the bigger end users
- Converted polyester spinning capacities to nylon spinning capacities for better asset utilisation

Industry opportunities

- Increasing disposable income and aspirations will lead to higher spends on clothes
- Listed retailers and e-commerce clothing segment is consistently witnessing around 15% growth



Polyester Tyre Cord Fabric (PTCF)



Application

Passenger vehicle tyres (cars, utility vehicles and van)

USP

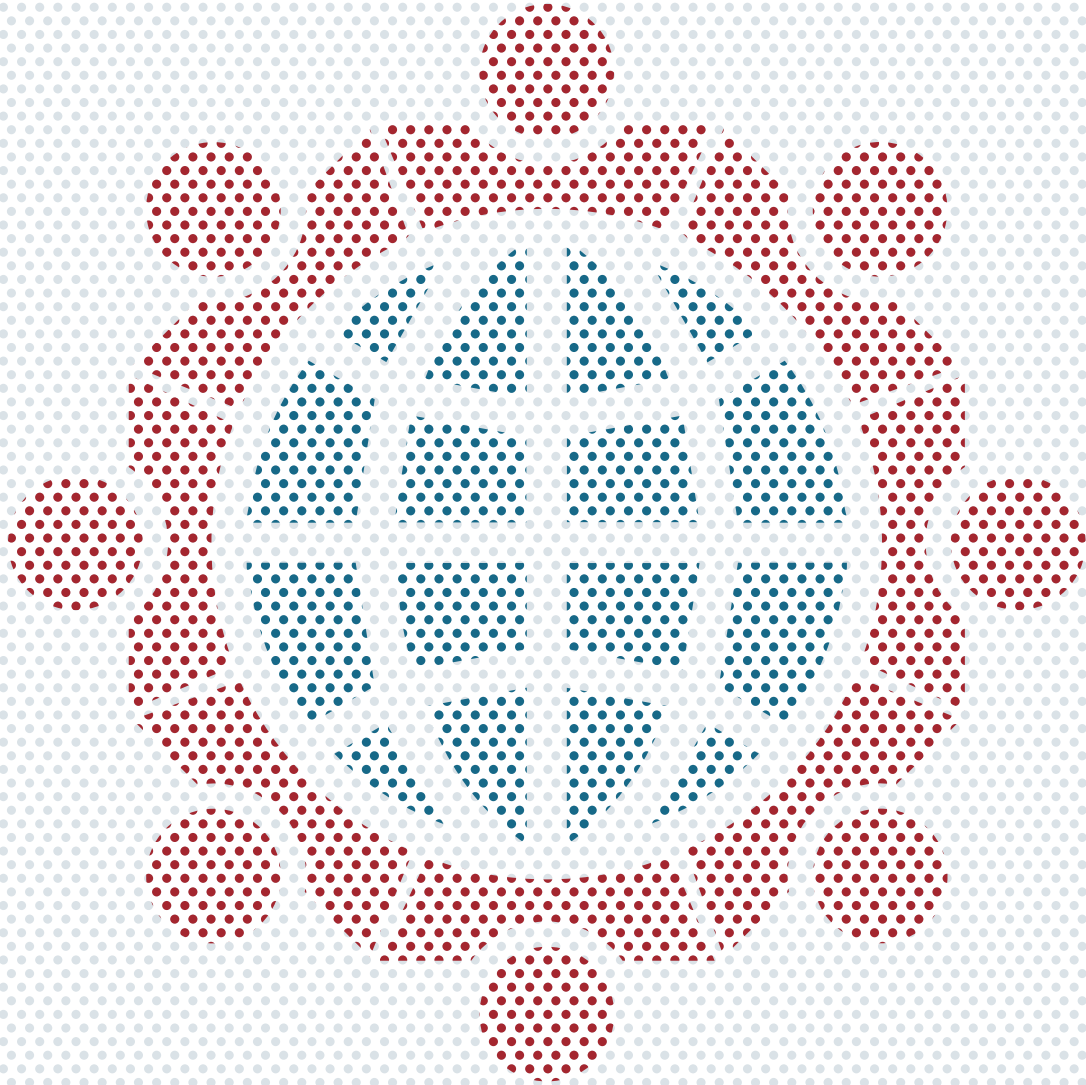
- Fabric with uniform cord distribution
- Ultra low shrinkage

Industry opportunities

- PTCF has an estimated annual domestic demand of 15,000 TPA. Out of these, only 4,000 TPA is produced in India and the rest is imported mainly from China and Thailand
- Demand of PTCF to grow with increase in demand of car



CORPORATE SOCIAL RESPONSIBILITY



At Century Enka we are committed to social responsibility and the pursuit of societal good through the inclusive well-being of the communities in and around us. Our CSR Projects cover Education, Health Care and Community Development.



1 Education

a) Vocational training institute

Skill development initiatives for the people in the vicinity of its Bharuch site

₹ 121 Lacs
Financial support

6
Trades vocational
learning

140
Trainees



b) Anganwadi

Constructed an Anganwadi with complete infrastructure near the Company's Bharuch site and handed over to Gram Panchayat, Tavdi

₹ 16 Lacs
Financial support

60+
Children of surrounding tribal
villages benefiting from this facility



c) Educational material

Distributed educational material and/or uniforms to over 3,550 students across 21 Government schools



d) School infrastructure development

Provided infrastructure support to the schools situated near Company's Bharuch site, Gujarat and at Shahad, Dist. Thane, Maharashtra



2 Health Care Programmes

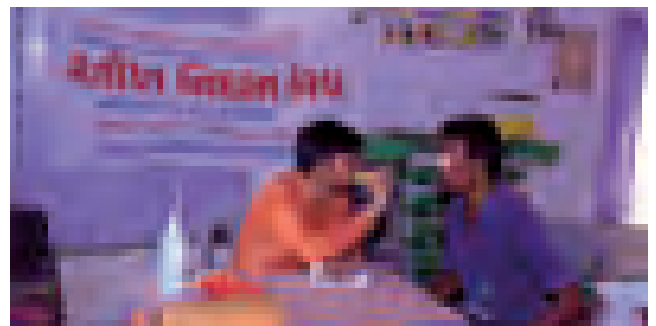
a) Eye check-up and cataract operation camp

4

Cataract operation camps
organised during the year

47

Patients treated at
free of cost



b) Operation camp

Conducted an operation camp for people suffering from Hernia, Hydrocele, Lipoma and similar disease in the vicinity of its Bharuch site in association with Orchid Multispeciality Hospital, Bharuch

180+

Persons examined by a team of specialist doctors



c) General medical check-up

A General Health check-up camp was organised jointly with Shree Narmada Khand Udyog Sahakari Mandli Limited, Joy of Sharing Foundation (U.S.A.) and Kailash Medical Foundation (U.S.A.) near the Company's Bharuch site

1,500+

People across the surrounding 20 villages examined and medicated



d) Blood donation camp

Two blood donation camps organised at Bharuch site and 121 units were given to the Red Cross Society, Rajpipla, Dist. Narmada



Community Development

Various activities were taken up in the villages near Bharuch site towards community welfare. These include:



a) Drinking water programme

b) Street lights

c) Pathways

d) Tree guards for tree plantation

CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr. B. K. Birla (Chairman)

Mrs. Rajashree Birla (Vice Chairperson)

Mr. B. S. Mehta

Mr. S. K. Jain

Mr. K. S. Thar

Mr. O. R. Chitlange (Managing Director)

KEY MANAGERIAL PERSONNEL

Mr. K. G. Ladsaria

Chief Financial Officer

Mr. C. B. Gagrani

Company Secretary

AUDITORS

Messrs. Khimji Kunverji & Co.

BANKERS

Bank of Maharashtra

State Bank of India

HDFC Bank

Axis Bank

REGISTERED OFFICE

Plot No. 72 & 72-A, MIDC, Bhosari, Pune - 411 026

Tel. No. 020-66127300 / 27120423

Fax No. 020-27120113

MUMBAI OFFICE

Industry House, 3rd Floor

159, Churchgate Reclamation, Mumbai - 400 020

Tel. No. 022-4321 5300 / 2202 7375

Fax No. 022-4321 5353 / 2287 3952

FACTORIES

Bhosari, Pune-411 026

Tel. No. 020-66127300 / 27120423

Fax No. 020-27120113

Rajashree Polyfil

Rajashree Nagar, Post: Umalla-393120, Dist.: Bharuch

Tel. No. 02640-308555

Fax No. 02640-308510

Raigad Processors (Not in Production)

Plot No. C-61, Part-A, MIDC Area,

Mahad-402 309, Dist.: Raigad

Tel. No. 02145-232136

Konkan Synthetic Fibres (Not in Production)

Plot No. C-61, Part-B, MIDC Area,

Mahad-402 309, Dist.: Raigad

Tel. No. 02145-232137

SHARE TRANSFER AGENT

LINK INTIME INDIA PRIVATE LIMITED

C-101, 247 Park, L.B.S. Marg, Vikhroli (West),

Mumbai - 400 083

Tel. No. 022-49186270, Fax No. 022-49186060



DIRECTORS' REPORT

FOR THE YEAR ENDED 31ST MARCH, 2018

Dear Shareholders,

Your Directors present the 52nd Annual Report and Audited Financial Statements of the Company for the year ended 31st March, 2018.

Profit for the year was impacted due to inventory losses resulting from sudden drop in raw material prices in the first half of the year, and lower margin in case of Nylon Filament Yarn (NFY).

FINANCIAL RESULTS

₹ / Lacs

	This Year	Previous Year
Net Revenue from Operations (Net of Excise Duty)	141648	118531
Profit before Depreciation, Finance Cost, Exceptional Item and Tax	12946	19736
Add / (Less) :		
Depreciation	(4194)	(4237)
Finance Cost	(340)	(562)
Exceptional Item (Note 1)	2491	(958)
Taxation (Net)	(3894)	(4882)
Net Profit	7009	9097

Note 1: Exceptional item in this year represents profit on sale of property and in previous year impairment loss for some polyester spinning machines.

DIVIDEND

We recommend a dividend at the rate of 70% (i.e. ₹ 7.00 per Equity Share of ₹ 10/- each) for the year ended 31st March, 2018 (Previous year dividend at the rate of 70% i.e. ₹ 7.00 per equity share of ₹ 10/- each).

TRANSFER TO RESERVES

It is proposed to transfer ₹ 900 lacs (previous year ₹ 900 lacs) to General Reserve.

COURSE OF BUSINESS

The Management's Discussion and Analysis Report as required under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 is forming a part of this report and gives the state of affairs of the business of the Company.

The business reengineering undertaken over the past few years, continued this year as well. Your Company converted polyester spinning machines into nylon spinning machines with strong in-house technical support. As a result, your Company has emerged as a market leader in the Nylon Filament Yarn market which is fragmented with large number of small size spinners. Your Company is further focussing on value added products such as

dope dyed, deep dyeable yarn and textured yarn and on exports to maintain its competitiveness in the market.

Nylon Tyre Cord Fabric (NTCF) plants at both the Sites are operating at full capacities. The levy of antidumping duty on import of radial tyres and increase in custom duty on NTCF imports have helped in stabilisation of demand for domestic NTCF. Your Company is making efforts to increase customer base including exports and diversify product portfolio by entering into Polyester Tyre Cord Fabric market, thus diversifying its product base.

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

High energy cost continued to be matter of concern. Continuous efforts are made to procure cheaper power. Your Company has concluded a long-term Open Power Purchase Agreement effective from 6th April, 2017 for its Bharuch site resulting in savings in power cost.

EXCISE DUTY DEMAND

The Company has filed an appeal against the order of Commissioner of Central Excise for the alleged excise duty demand of ₹ 22927 lacs, equal amount of penalty and interest on duty amount, before Customs, Excise and Service Tax Appellate Tribunal (CESTAT) Mumbai, denying benefit of Notification No. 6/2000 CE dated 01.03.2000 for specific excise duty. The appeal has been admitted and, on pre-deposit of ₹ 700 lacs, the stay has been granted. Your Company has been advised by the legal experts that it has a fair chance of ultimately succeeding in the matter and, accordingly, no provision is required to be made for the same.

EXPANSION AND MODERNISATION

Your Company continues to enjoy its leadership in Nylon Filament Yarn in terms of product range, quality parameters as well as in volumes. In order to further consolidate its position into value added segments, the Company proposes to install additional Air Texturising capacity. Besides, it will also undertake conversion of additional polyester spinning machines into nylon spinning machines to enhance its production capacity.

As reported last year, your Company continuous to pursue diversifying its product range by offering dipped Polyester Tyre Cord Fabric. It is also exploring possibilities of offering dipping services for Rayon Tyre Cord Fabric. Your Company is also pursuing to fully integrate its NTCF capacity and shall approach the Government authorities for requisite permissions to implement these facilities.

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

HEALTH, SAFETY AND ENVIRONMENT

The report on Management's Discussion and Analysis includes observations on health, safety and environment compliances by the Company.

Both the Plant sites of the Company are environment regulations compliant.

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

Particulars in respect of conservation of energy, technology absorption and foreign exchange earnings and outgo, as required under Section 134(3)(m) of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014 are set out in a separate statement attached hereto and forming part of the report. (Annexure-I)

CORPORATE GOVERNANCE

Your Company reaffirms its commitment to Corporate Governance and is fully compliant with the conditions of Corporate Governance stipulated in Clause 'C' of Schedule V on Annual Report pursuant to Regulation 34(3) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. A separate section of disclosure on Corporate Governance, and a Certificate from the firm of Practicing Company Secretaries dated 3rd May, 2018 in this regard, are annexed hereto and form part of the Report.

POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION

(including criteria for determining qualification, positive attributes, independence of a Director, policy relating to remuneration for Directors, Key Managerial Personnel and other employees).

Policy on Directors' appointment

Policy on Directors' appointment is to follow the criteria as laid down under the Companies Act, 2013 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. Emphasis is given to persons from diverse fields or professions.

Policy on Remuneration

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

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

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

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

DECLARATION OF INDEPENDENCE BY THE INDEPENDENT DIRECTORS

Pursuant to Section 149(7) of the Companies Act, 2013, Independent Directors of the Company have made a declaration confirming the compliance of the conditions of the independence stipulated in Section 149(6) of the Act.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirements of Section 134(1) (c) of the Companies Act, 2013 and on the basis of explanation and compliance certificate given by the executives of the Company, and subject to disclosures in the Annual Accounts and also on the basis of discussions with the Statutory Auditors of the Company from time to time, we state as under :

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

DIRECTORS

In accordance with the Articles of Association of the Company Mr. B.K. Birla, Director of the Company will retire by rotation and, being eligible, offers himself for re-appointment.

NUMBER OF MEETINGS OF BOARD OF DIRECTORS

The Board of Directors have met 5 times and Independent Directors once during the year ended 31st March, 2018.

DETAILS OF COMMITTEES OF DIRECTORS

Composition of Audit Committee of Directors, Nomination and Remuneration Committee of Directors, Corporate Social Responsibility



Committee of Directors, Stakeholders Relationship/Grievance Committee of Directors and Share Transfer Committee of Directors, number of meetings held of each Committee of Directors during the financial year 2017-18 and meetings attended by each member of the Committee as required under the Companies Act, 2013, are provided in Corporate Governance Report and forming part of the report.

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

KEY MANAGERIAL PERSONNEL

Following are the Key Managerial Personnel of the Company:

Mr. O.R. Chitlange - Managing Director

Mr. K.G. Ladsaria - Chief Financial Officer (CFO)

Mr. C.B. Gagrani - Company Secretary

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

There are no transactions with Related Parties which require disclosure under Section 134(3)(h) of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014.

LOANS, INVESTMENTS AND GUARANTEES BY THE COMPANY

There are no loans given, investments made, guarantees given or securities provided by the Company to any entity, under Section 186 of the Companies Act, 2013.

INTERNAL FINANCIAL CONTROLS

The Company is having in place Internal Financial Control System. The Internal Financial Controls with reference to the financial statements were adequate and operating effectively.

FIXED DEPOSITS

Your Company has not accepted any fixed deposits from the public during the financial year ended 31st March, 2018.

COMPLIANCE OF SECRETARIAL STANDARDS

Your Company has complied with the applicable Secretarial Standards.

RISK MANAGEMENT

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

A detailed report on significant risks and mitigation is given under the head Risk Management in Management's Discussion and Analysis.

WHISTLE BLOWER MECHANISM

Your Company has put in place Whistle Blower Mechanism. The detailed mechanism is given in Corporate Governance Report forming part of this report.

PREVENTION OF SEXUAL HARASSMENT OF WOMEN AT WORKPLACE

The Company has formulated a policy in respect of Sexual Harassment of Women at Workplace as per the provisions of

the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013. There was no complaint received by the Company during the financial year 2017-18 under the aforesaid Act.

CORPORATE SOCIAL RESPONSIBILITY

Information on Corporate Social Responsibility (CSR) Policy and initiative taken by the Company during the financial year 2017-18, pursuant to Section 135 of the Companies Act, 2013 read with Rule 8 of the Companies (CSR Policy) Rules, 2014 is annexed herewith and forming part of the report. (Annexure-II)

ANALYSIS OF REMUNERATION

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

AUDITORS

M/s. Khimji Kunverji & Co., Chartered Accountants have been appointed as the Auditors of the Company to hold office for a term of 5 (five) consecutive years from the conclusion of 50th Annual General Meeting held on 15th July, 2016 until the conclusion of the 55th Annual General Meeting subject to ratification of their appointment by the members at every Annual General Meeting during the remaining term of 5 (five) years. Accordingly, being eligible, their appointment is required to be ratified at the ensuing Annual General Meeting.

COST AUDITORS

The Cost Accounts records maintained by your Company for Nylon and Polyester Products are subject to yearly audit by Cost Accountant in Practice. Your Company has appointed M/s. D.C. Dave & Co., a firm of Cost Auditors, for conducting the audit of such records for the financial year 2017-18.

SECRETARIAL AUDIT REPORT

A Secretarial Audit Report for the year ended 31st March, 2018, in prescribed form, duly audited by the Practising Company Secretary M/s. Sanjay Sangani & Co. is annexed herewith and forming part of the report.

PARTICULARS OF EMPLOYEES

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

ANNUAL RETURN

Pursuant to Section 134(3)(a) of the Companies Act, 2013 read with Rule 12(1) of the Companies (Management and Administration) Rules, 2014 the extract of the Annual Return is annexed herewith and forming part of the report. (Annexure-V)

For and on behalf of the Board of Directors

Rajashree Birla

Vice Chairperson

(DIN: 00022995)

O.R. Chitlange

Managing Director

(DIN: 00952072)

Place : Mumbai

Date : 3rd May, 2018

(Annexure – I)

ANNEXURE TO DIRECTORS' REPORT

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 or impact on conservation of energy:

Steps taken	Impact (Annualised Savings)
Electricity	KWh (in Lacs)
a. Modification of heater to reduce pressure drop	2.62
b. Modification of duct layout of AHU	2.80
c. Stoppage of booster chilled water pump	1.44
d. Installation of high efficiency supply air fan on quench of spinning plant	5.46
e. Installation of centrifugal compressors	27.40
f. Replacement of old fans with high efficiency fans in A/W	1.50
g. Installation of LED lights in plant	0.86
h. Installation of harmonic filter on two power board	3.15
Steam	Ton
i. Installation of extruder for melting of waste	5250

ii) Steps taken for Utilisation of alternate sources of energy

- Replacement of electrical heating with thermic fluid in the heating system of polymerization.
- Installation of solar system for borewell.

iii) Capital investments on energy conservation equipment during 2017-18: ₹ 378 Lacs (previous year ₹ 271 Lacs)

(B) TECHNOLOGY ABSORPTION

i) Efforts made towards technology absorption:

- Modification in burnt out water line to enable reuse of water

- Improvement of spin finish nozzles for process improvement
- Modification in after treatment machine for flexibility of product
- Modification for solution dyeing for nylon chips
- Procurement of spectrophotometer
- Upgradation of nitrogen plant PLC
- Installation of fluff collection system in Loom area
- Development of portable splicer trolleys
- Upgradation and modification in NTCF spinning machines for process improvement.

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

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

iii) Information regarding imported technology

[Imported during the last 3 years (from the beginning of the financial year)]

- Technology Imported : NIL
- Year of Import : Not applicable
- Has the technology been fully absorbed : Not applicable

iv) Expenditure on Research & Development

₹ / Lacs

Particulars	2017-18	2016-17
1. Capital	See Note Below	
2. Recurring	251	185
3. Total	251	185
4. Total R & D expenditure as a Percentage of total revenue from Operation (Net)	0.18%	0.16%

Note: The Company has spent ₹ 35 Lacs (Previous year ₹ 179 Lacs) and shown as normal Capital Expenditure, although it is also used for R&D activities.

(C) FOREIGN EXCHANGE EARNINGS AND OUTGO

Total foreign exchange used ₹ 50433 Lacs (Previous year ₹ 44103 Lacs) and earned ₹ 2262 Lacs (Previous Year ₹ 962 Lacs).



ANNEXURE TO DIRECTORS' REPORT

STATEMENT CONTAINING INFORMATION AS PER SECTION 135 READ WITH THE RULE 8 OF THE COMPANIES (CORPORATE SOCIAL RESPONSIBILITY) RULES, 2014 AND FORMING PART OF DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH, 2018.

1. The Company's Corporate Social Responsibility (CSR) policy is multifaceted to cover projects and programmes in the field of education, healthcare, rural infrastructure and development, sanitation and environment. The Company's CSR projects and programmes are carried out within the CSR policy framework. The core focus area of the Company remains on supporting educational facilities more specifically for skill development (vocational training). The Company continued its support in the establishment of a Government recognised Industrial Training Institute (ITI) near its Bharuch site in Gujarat. Additionally, the Company constructed an Aanganwadi near its Bharuch site and provided support for development of school infrastructure near Bharuch site and in Thane district of Maharashtra. Under Healthcare, the Company carried out camps for Eye Checkup & Cataract operations and General checkup & medical treatment near its Bharuch site. Rural community welfare projects such as drinking water solutions, de-scaling of canals, installation of street lights were carried out in the villages near the Company's Bharuch site.

The company's CSR policy is available on http://www.centuryenka.com/pdf/policies/Corporate_Social_Responsibility.pdf

2. Composition of CSR Committee:
Mr. B.S. Mehta (Independent Director and Chairman)
Mr. S.K. Jain (Independent Director)
Mr. O. R. Chitlange (Managing Director)

- The Average Net Profit of the Company for last three financial years is ₹ 10093 Lacs.
- Prescribed CSR Expenditure for the financial year 2017 – 18 is ₹ 201.86 Lacs (Previous Year ₹ 176.96 Lacs) (Being two percent of the amount as in item 3 above)
- Details of CSR spent during the year.

₹ / Lacs

Sr No.	Particulars	Financial Year		Cumulative	
		2017-18	2016-17	Upto 31.03.2018	Upto 31.03.2017
i.	Total amount to be spent for the financial year	201.86	176.96	510.56	308.70
ii.	Amount Spent	206.20	174.02	511.36	305.16
iii.	Amount (Unspent) / Overspent, if any	4.34	(2.94)	0.80	(3.54)
iv.	Manner in which the amount is spent during the FY is detailed in statement herein below.				

- The CSR committee confirms that the implementation and monitoring of the CSR policy is in compliance with the CSR objectives and policy of the Company.

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

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

Place: Mumbai
Date : 3rd May, 2018

DETAILS OF CSR ACTIVITIES

₹ / Lacs

(1) Sr No.	(2) CSR Project/ Programme	(3) Sector in which Project/ Programme is covered	(4) Projects / programmes (1) Local area or other (2) Specify the State and district where projects or programmes were undertaken	(5) Amount outlay (budget) project/ programme wise	(6) Amount spent on the project/ programme sub heads : (1) Direct expenditure on project/ programme (2) Overheads	(7) Cumulative expenditure upto the reporting period i. e. 31.03.2018	(8) Amount spent : Direct or through implementing agency
1	a) Vocational & Technical Education: Contribution towards Setting up of vocational Training Institute	Education	Gujarat - Bharuch	122.00	120.99	190.59	CENKA Samaj Kalyan Sanstha
	b) School Education Projects: Distribution of Stationery & Uniforms at various Schools		Gujarat - Bharuch Maharashtra - Thane	16.00	8.12		Direct
	c) School Infrastructure: Construction of Aanganwadi and financial assistance in upgradation of infrastructure.		Gujarat - Bharuch Maharashtra - Thane	50.00	61.48		Direct & CENKA Samaj Kalyan Sanstha
				188.00	190.59		
2	Preventive Health Care Programme : Eye / General Medical checkup & Treatment camps.	Health	Gujarat - Bharuch	4.00	3.76	3.76	Direct
3	Rural Infrastructure Development other than for the purpose of Health/ Education / Livelihood : Drinking Water Solution, De-scaling of canal, installation of street lights & others.	Rural development & social empowerment	Gujarat - Bharuch	14.00	11.85	11.85	Direct
			TOTAL	206.00	206.20		

(Annexure – III)

ANNEXURE TO DIRECTORS' REPORT

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 for the year ended 31st March, 2018.

- i. The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the financial year 2017-18, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2017-18 and the comparison of remuneration of each Key Managerial Personnel (KMP) against the performance of the Company are as under:

Sr. No.	Name of Director/ Key Managerial Personnel (KMP)	Designation	2017-18 (₹ / Lacs)			2016-17 (₹ / Lacs)		
			Remuneration* of Director / KMP for Financial Year	% increase in remuneration in the Financial Year	Ratio of remuneration of each Director to median remuneration of employees	Remuneration* of Director / KMP for Financial Year	% increase in remuneration in the Financial Year	Ratio of remuneration of each Director to median remuneration of employees
1	Mr. B.K. Birla	Chairman	5.15	-2.83	1.17	5.30	-2.75	1.35
2	Mrs. Rajashree Birla	Vice Chairperson	5.15	-8.04	1.17	5.60	**	1.42
3	Mr. B.S. Mehta	Independent Director	11.45	-0.43	2.60	11.50	-0.43	2.93
4	Mr. S.K. Jain	Independent Director	6.35	0.00	1.44	6.35	-0.78	1.62
5	Mr. K.S. Thar	Independent Director	6.35	-0.78	1.44	6.40	-0.78	1.63
6	Mr. O.R. Chitlange	Managing Director w.e.f. 16.05.2017	231.36	***	52.46	N.A.	N.A.	N.A.
7	Mr. G.M. Singhvi	Whole-time Director upto 15.05.2017	51.27	***	11.63	224.15	17.00	57.04
8	Mr K.G. Ladsaria	Chief Financial Officer w.e.f 13.02.2017	83.25	****	N.A.	8.76	****	N.A.
9	Mr. C.B. Gagrani	Company Secretary	43.33	11.76	N.A.	38.77	4.90	N.A.
10	Mr D. B. Roonghta	Chief Financial Officer upto 12.02.2017	*****	*****	*****	65.91	*****	N.A.

* Directors Remuneration is including sitting fees.

** Details not given as Mrs. Rajashree Birla was on the Board only for the part of financial year 2015-16.

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

**** Details not given as Mr. K.G. Ladsaria was appointed Chief Financial Officer w.e.f. 13th February, 2017.

***** Details not given as Mr. D.B. Roonghta was the Chief Financial Officer upto 12th February, 2017.

- ii. The median remuneration of employees of the Company for the financial year 2017-18 was ₹ 4.41 Lacs (Previous Year ₹ 3.93 Lacs)
- iii. For the financial year, there was an increase of 12.25 % in the median remuneration of employees (Previous Year 3.70%). The increase in the median remuneration was due to the new wage agreement of Pune site that came into effect from 1st May, 2017.
- iv. Number of permanent employees on the rolls of the Company as on 31st March, 2018 was 1519 Nos. and as on 31st March, 2017 was 1479 Nos.
- v. Average percentage increase made in the salaries of employees other than the managerial personnel in the financial year 2017-18 and 2016-17 was 7.33%, 6.36% respectively and the increase in the managerial remuneration for the financial year 2017-18 and 2016-17 was 26.09%, 17.00 % respectively.
- vi. It is hereby affirmed that the remuneration paid is as per the Remuneration Philosophy / Policy of the Company.



(Annexure – IV)

ANNEXURE TO DIRECTORS' REPORT

STATEMENT CONTAINING INFORMATION AS PER SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULES 5(2) AND 5(3) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014 AND FORMING PART OF DIRECTORS' REPORT FOR THE YEAR ENDED, 31ST MARCH, 2018.

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

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

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.

1. Mr. O.R. Chitlange, Managing Director, ₹ 2,31,35,864, Contractual, B.Com., F.C.A., 38, 16-05-2017, 60, Century Textiles and Industries Limited, NIL.
2. Mr. G.M. Singhvi, Whole-time Director, ₹ 51,26,525, Contractual, B.Com., LL.B., F.C.A., 52, 11-09-1997, 76, Practicing Management Service, 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 / Managing Director and holds by himself or along with his spouse and dependent children, not less than 2% of the equity shares of the company.

NIL

NOTES:

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

For and on behalf of the Board of Directors

Rajashree Birla

Vice Chairperson

DIN: 00022995

O.R. Chitlange

Managing Director

DIN: 00952072

Place : Mumbai

Date : 3rd May, 2018

(Annexure - V)

FORM NO. MGT-9

EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31st March, 2018

[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies
(Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

(i)	CIN	L24304PN1965PLC139075
(ii)	Registration Date	17th November, 1965
(iii)	Name of the Company	Century Enka Limited
(iv)	Category / Sub-Category of the Company	Company limited by shares/ Indian Non-Government Company
(v)	Address of the Registered Office and contact details	Plot No. 72 & 72- A, MIDC, Bhosari, Pune – 411026 (Maharashtra) Tel. No.: 020-66127300 E-mail: regdoffice@centuryenka.com
(vi)	Whether listed company Yes / No	Yes
(vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	Link Intime India Pvt. Ltd. C-101, 247 Park L.B.S. Marg, Vikhroli (West) Mumbai – 400083 Maharashtra Tel. No.: 022-49186000 E-mail: rnt.helpdesk@linkintime.co.in

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:

Sr No.	Name and Description of main products/ services	NIC Code of the Product/ service	% to total turnover of the company
1	Nylon Tyre Cord Fabric	1399	58.69%
2	Nylon Filament Yarn	2030	39.98%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES –

Sr No.	NAME AND ADDRESS OF THE COMPANY	CIN/ GLN	HOLDING / SUBSIDIARY / ASSOCIATE	% of shares held	Applicable Section
NIL					

IV. SHARE HOLDING PATTERN (EQUITY SHARE CAPITAL BREAKUP AS PERCENTAGE OF TOTAL EQUITY)

(i) Category-wise Share Holding.

Category of Shareholders	No. of shares held at the beginning of the year 01.04.2017				No. of shares held at the end of the year 31.03.2018				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(I) Indian									
a) Individual/HUF	136130	-	136130	0.62	136130	-	136130	0.62	-
b) Central Govt.	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	5381918	-	5381918	24.63	5797598	-	5797598	26.54	191
e) Banks/Fl	-	-	-	-	-	-	-	-	-
f) Any Other	-	-	-	-	-	-	-	-	-
Sub-Total (A) (1) :	5518048	-	5518048	25.25	5933728	-	5933728	27.16	191



Category of Shareholders	No. of shares held at the beginning of the year 01.04.2017				No. of shares held at the end of the year 31.03.2018				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(2) Foreign									
a) NRIs/Individuals	-	-	-	-	-	-	-	-	-
b) Other-Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks/Fls	-	-	-	-	-	-	-	-	-
e) Any Other	-	-	-	-	-	-	-	-	-
Sub-Total (A) (2) :	-	-	-	-	-	-	-	-	-
Total Shareholding of Promoter (A)=(A)(1)+(A)(2)	5518048	-	5518048	25.25	5933728	-	5933728	27.16	1.91
B. Public Shareholding									
I. Institutions									
a) Mutual Funds	--	8610	8610	0.04	-	4365	4365	0.02	(0.02)
b) Banks/Fls	1592489	18210	1610699	7.37	1562830	17045	1579875	7.23	(0.14)
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	153390	80	153470	0.70	153390	80	153470	0.70	-
g) Flls	89839	5430	95269	0.44	-	3245	3245	0.01	(0.43)
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
l) Others (Specify) Foreign Portfolio Investors	833846	-	833846	3.82	809766	-	809766	3.71	(0.11)
Sub -Total (B)(1):	2669564	32330	2701894	12.37	2525986	24735	2550721	11.67	(0.7)
2. Non-Institutions									
a) Bodies Corp.									
(i) Indian	2218863	35705	2254568	10.32	1967614	20905	1988519	9.10	(1.22)
(ii) Overseas	237159	1255100	1492259	6.83	237159	1255000	1492159	6.83	-
(b) Individual									
(i) Individual Shareholders holding nominal share capital upto ₹ 1 lakh	5788087	722281	6510368	29.79	5877634	578618	6456252	29.55	(0.24)
(ii) Individual Shareholders holding nominal share capital in excess of ₹ 1 lakh	2422970	31964	2454934	11.23	2324404	31964	2356368	10.78	(0.45)
(c) Other									
1) NRIs	182533	7860	190393	0.88	232348	7265	239613	1.10	0.22
2) HUFs	419851	265	420116	1.92	399641	265	399906	1.83	(0.09)
3) Trusts	89817	-	89817	0.41	91930	--	91930	0.42	0.01
4) Directors / Relatives	8540	125	8665	0.04	8540	125	8665	0.04	-
5) Clearing Members	209527	-	209527	0.96	188256	-	188256	0.86	(0.10)
6) IEPF	-	-	-	-	144472	-	144472	0.66	0.66
Sub-Total (B)(2) :	11577347	2053300	13630647	62.38	11471998	1894142	13366140	61.17	(1.21)
Total Public Shareholding (B)=(B)(1)+(B)(2)	14246911	2085630	16332541	74.75	13997984	1918877	15916861	72.84	(1.91)
C. Shares held by custodian for GD ₹ & ADRs	-	-	-	-	-	-	-	-	-
Grand Total(A+B+C)	19764959	2085630	21850589	100.00	19931712	1918877	21850589	100.00	-

(ii) Shareholding of Promoters

Sr No.	Shareholder's Name	Shareholding at the beginning of the year 01.04.2017			Shareholding at the end of the year 31.03.2018			
		No. of Shares	% of total shares of the company	% of shares Pledged/ encumbered to total shares	No. of Shares	% of total shares of the company	% of shares Pledged/ encumbered to total shares	% change in share holding during the year
1	TGS Investment And Trade Pvt. Ltd.	3114970	14.26	--	3114970	14.26	--	--
2	Century Textiles And Industries Ltd.	1266887	5.80	--	1266887	5.80	--	--
3	Cygnat Industries Ltd.	--	--	--	415680	1.91	191	191
4	Prakash Educational Society	277360	1.27	--	277360	1.27	--	--
5	Trapti Trading And Investments Pvt. Ltd.	260820	1.19	--	260820	1.19	--	--
6	Turquoise Investment And Finance Pvt. Ltd.	242900	1.11	--	242900	1.11	--	--
7	Jayantika Investment & Finance Limited (Formerly Parvati Tea Company Pvt. Ltd.)	100000	0.46	--	100000	0.46	--	--
8	Birla Education Trust	75000	0.34	--	75000	0.34	--	--
9	Mr. Basant Kumar Birla	71360	0.32	--	71360	0.32	--	--
10	Aditya Vikram Kumarmangalam Birla HUF	29760	0.14	--	29760	0.14	--	--
11	Padmavati Investment Ltd.	28891	0.13	--	28891	0.13	--	--
12	Mrs. Rajashree Birla	26080	0.12	--	26080	0.12	--	--
13	B.K. Birla Foundation	15090	0.07	--	15090	0.07	--	--
14	Mrs. Vasavadatta Bajaj	8930	0.04	--	8930	0.04	--	--
	Total	5518048	25.25	--	5933728	27.16	191	191

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

Change in Promoters' Shareholding during the year

Sr No.		Shareholding at the beginning of the year				Cumulative Shareholding during the year	
		Date	No. of shares	% of total shares of the company	Reason	No. of shares	% of total shares of the company
	At the beginning of the year	01.04.2017	5518048	25.25	----	5518048	25.25
	Date wise Increase/Decrease in Promoters Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/ bonus / sweat equity etc.)						
	Cygnat Industries Ltd.	20.02.2018	415680	191	Transfer	415680	191
	At the end of the year	31.03.2018	5933728	27.16	----	5933728	27.16

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

Sr No.	Name of Shareholder	Shareholding at the beginning of the year 01.04.2017		Date wise Increase/ (Decrease) in Shareholding during the year			Cumulative Shareholding during the year		Shareholding at the end of the year 31.03.2018	
		No. of shares	% of total shares of the company	Date	No. of shares	Reason	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	Life Insurance Corporation of India	1515302	6.93	---	---	---	1515302	6.93	1515302	6.93
2.	Camden Industries Limited*	1340680	6.14	20.02.2018	(415680)	Transfer	925000	4.23	925000	4.23
3.	Mr. Hitesh Ramji Javeri*	619900	2.83	16.02.2018	62	Transfer	619962	2.83	619962	2.83
4.	Mrs. Harsha Hitesh Javeri*	472000	2.16	---	---	---	472000	2.16	472000	2.16
5.	Malingos International Holdings Limited	450000	2.06	---	---	---	450000	2.06	450000	2.06
6.	Larsin Enterprises Corp	450000	2.06	---	---	---	450000	2.06	450000	2.06
7.	French Wilbert Ltd.	250000	1.14	---	---	---	250000	1.14	250000	1.14



Sr No.	Name of Shareholder	Shareholding at the beginning of the year 01.04.2017		Date wise Increase/ (Decrease) in Shareholding during the year			Cumulative Shareholding during the year		Shareholding at the end of the year 31.03.2018	
		No. of shares	% of total shares of the company	Date	No. of shares	Reason	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
8.	Quantum Securities Pvt Ltd.*	0	0	19.01.2018	55000	Transfer	55000	0.25		
				26.01.2018	26340	Transfer	81340	0.37		
				02.02.2018	68660	Transfer	150000	0.69		
				09.02.2018	55795	Transfer	205795	0.94		
				23.02.2018	45205	Transfer	251000	1.14		
				02.03.2018	(965)	Transfer	250035	1.14		
				09.03.2018	(35)	Transfer	250000	1.14		
				23.03.2018	1000	Transfer	251000	1.14		
		31.03.2018	(1000)	Transfer	250000	1.14	250000	1.14		
9.	Devi Investment and Development Inc.*	177689	0.81	---	---	---	177689	0.81	177689	0.81
10	Morelia Enterprises Limited	164470	0.75	---	---	---	164470	0.75	164470	0.75

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

(v) Shareholding of Directors and Key Managerial Personnel:

Sr No.	Name	Shareholding at the beginning of the year 01.04.2017		Date wise Increase/ (Decrease) in Shareholding during the year			Cumulative Shareholding during the year		Shareholding at the end of the year 31.03.2018	
		No. of shares	% of total shares of the company	Date	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	Mr. Basant Kumar Birla (Director)	71360	0.32		---	---	71360	0.32	71360	0.32
2.	Mrs. Rajashree Birla (Director)	26080	0.12		---	---	26080	0.12	26080	0.12
3.	Mr. Bansidhar S. Mehta (Director)	8540	0.04		---	---	8540	0.04	8540	0.04
4.	Mr. Sohanlal Kundamal Jain (Director)	125	0.00		---	---	125	0.00	125	0.00
5.	Mr. Krishnagopal Ladsaria (CFO)	31	0.00		---	---	31	0.00	31	0.00

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding / accrued but not due for payment

₹/Lacs

	Secured Loans excluding deposits	Unsecured Loans	Deposit	Total Indebtedness
Indebtedness at the beginning of the financial year				
(i) Principal Amount	5253	--	--	5253
(ii) Interest due but not paid	--	--	--	--
(iii) Interest accrued but not due	44	--	--	44
Total (i+ii+iii)	5297	--	--	5297
Change in Indebtedness during the financial year				
• Addition	985	--	--	985
• Reduction	(1553)	--	--	(1553)
Net Change	(568)	--	--	(568)
Indebtedness at the end of the financial year				
(i) Principal Amount	4695	--	--	4695
(ii) Interest due but not paid	--	--	--	--
(iii) Interest accrued but not due	34	--	--	34
Total (i+ii+iii)	4729	--	--	4729

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director Mr. O. R. Chitlange & Whole-time Director Mr. GM Singhvi

₹/Lacs

Sr. No.	Particulars of Remuneration	Mr. O. R. Chitlange w.e.f 16.05.2017	Mr. G.M. Singhvi upto 15.05.2017	Total Amount
1	Gross Salary			
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	216.78	49.19	265.97
	(b) Value of perquisites under section 17(2) of Income Tax Act, 1961	6.77	0.09	6.86
	(c) Profits in lieu of salary under section 17(3) Income Tax, 1961	-	-	-
2	Stock Options	-	-	-
3	Sweat Equity	-	-	-
4	Commission			
	- As % of profit	-	-	-
	- Others, specify	-	-	-
5	Others, Please specify			
	Provident Fund(Co's Contribution),	6.31	0.86	7.17
	Superannuation (Exempted Portion)	1.50	1.09	2.59
	Medical Reimbursement (Exempted)	0.00	0.04	0.04
	Total Remuneration	231.36	51.27	282.63
	Ceiling as per the Act 5% of the net profit of company			430.45
	Net Profit of the Company for the year 2017-18 as per Section 198 of Companies Act, 2013			8609
	5% of Net Profit			430.45

B. Remuneration to Other Directors

I. Independent Directors

₹/Lacs

Sr. No.	Particulars of Remuneration	Mr. B.S. Mehta	Mr. S.K. Jain	Mr. K.S. Thar	Total Amount
1	Fee for attending board and other committee meetings	1.45	1.35	1.35	4.15
2	Commission	10.00	5.00	5.00	20.00
3	Others, Please specify	-	-	-	-
	Total of (I)	11.45	6.35	6.35	24.15

II. Other Non Executive Directors

₹/Lacs

Sr. No.	Particulars of Remuneration	Mr. B.K. Birla	Mrs. Rajashree Birla	Total Amount
1	Fee for attending board and other committee meetings	0.15	0.15	0.30
2	Commission	5.00	5.00	10.00
3	Others, Please specify	-	-	-
	Total of (II)	5.15	5.15	10.30
	Total (I) + (II) Total Remuneration to Other Directors			34.45

Notes :		₹/Lacs	
	Net Profit of the Company for the year 2017-18 as per Section 198 of Companies Act, 2013		8609
	1% of Net Profit		86.09

Total Managerial Remuneration (A + B)			317.08
Overall Ceiling as per the Companies Act, 2013			516.54

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

₹/Lacs

Sr. No.	Particulars of Remuneration	Mr. K.G. Ladsaria Chief Financial Officer	Mr. C.B. Gagrani Company Secretary	Total
1	Gross Salary			
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	78.88	38.06	116.94
	(b) Value of perquisites under section 17(2) of Income Tax Act, 1961	0.25	1.31	1.56
	(c) Profits in lieu of salary under section 17(3) Income Tax, 1961	-	-	-
2	Stock Options	-	-	-
3	Sweat Equity	-	-	-
4	Commission			
	- As % of profit	-	-	-
	- Others, specify	-	-	-
5	Others, Please specify			
	Provident Fund(Co's Contribution)	3.65	2.04	5.69
	Superannuation (Exempted Portion)	-	1.50	1.50
	Medical Reimbursement (Exempted)	0.47	0.42	0.89
	Total Remuneration	83.25	43.33	126.58

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES :

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT / COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty					
Punishment			-- NIL --		
Compounding					
B. DIRECTORS					
Penalty					
Punishment			-- NIL --		
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty					
Punishment			-- NIL --		
Compounding					



MANAGEMENT'S DISCUSSION AND ANALYSIS

1. OVERALL REVIEW

The first half of the financial year 2017-18 was quite challenging for the Company. A significant drop in raw material prices and the introduction of Goods and Services Tax (GST) from 1st July, 2017, adversely impacted the deliveries of Nylon Filament Yarn (NFY) for nearly 3 to 4 months, thus affecting the profitability. The second half of the year witnessed a good recovery due to the proactive initiatives by the Management.

The key highlights include:

Increase in turnover by 19%, from ₹ 1185 Crs. to ₹ 1416 Crs., owing to additional NFY sale resulting out of higher production from conversion of polyester spinning machines into nylon spinning machines at Bharuch plant.

Satisfactory performance of the Nylon Tyre Cord Fabric (NTCF) owing to steady demand from the tyre companies.

Enhanced focus on NFY product diversification and introduction of value-added products to maintain the competitive edge in the market.

Realised positive value potential from the newly installed Air Texturising and Draw Texturising machines towards the end of the year. The Company is expected to consolidate its position further in the NFY products.

Commissioning of new twisting machines and looms at Bharuch plant to increase conversion capacity of NTCF, thus, enabling the Company to increase production of NTCF.

Overall performance for the year is considered to be satisfactory under given circumstances.

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

Industry Status:

NTCF finds its application as a major reinforcement material in bias tyres for heavy commercial vehicles, farm and mining vehicles, 2-wheelers and 3-wheelers. The usage of steel tyre cord as reinforcement material in passenger and heavy commercial vehicles is rising owing to improvement in road conditions and strict compliance of overloading laws. However, the Company expects the NTCF usage to continue with marginal growth driven by farm and mining vehicles, 2-wheelers and 3-wheelers. In the long run, the percentage of usage of steel radial tyre cord would continue to be on the rise.

During the year 2017-18, the Government of India increased the custom duty on NTCF imports from 10% to 20% and imposed anti-dumping duty on radial tyre imports that has resulted in demand stability for the domestic NTCF producers. Apart from that, there exist anti-dumping duties on NTCF imports from certain countries. To circumvent levy of anti-dumping duty, significant imports of NTCF are coming in from FTA (Free Trade Agreement) countries with zero / concessional duty. This continues to put pressure on NTCF margin.

With better disposable income in the hands of middle class and ever-changing fashion requirement of young Indians, NFY is witnessing steady growth by virtue of its feel and luster quality. While NFY continues to enjoy preference in saree, dupatta and dress material, its substitution in silk and VFY may provide an opportunity to increase consumption.

Profitability of NFY continues to remain under pressure owing to raw material price volatility, competition from fragmented small and medium producers and imports from FTA countries, which caters about 20% of total consumption of NFY in India.

Company Status:

The Company witnessed full capacity utilization of NTCF at both Pune and Bharuch Sites. Trials were carried out for dipping of Polyester Tyre Cord Fabric. It is heartening to state that the samples of dipped Polyester Tyre Cord Fabric provided to the tyre companies have been approved. Encouraged by this successful trial, the Company is planning to consider commercial proposition for converting Polyester Tyre Yarn into Dipped Polyester Tyre Cord Fabric.

Additionally, the Company is also pursuing to provide dipping services for Rayon Tyre Cord Fabric and proposes to undertake first trial very shortly. Once successful, it would commercially explore this proposition as well.

Despite increasing competitive NTCF market due to imports, the Company has been able to maintain its market share. The Company is pursuing to fully integrate its NTCF capacity to strengthen its competitive position.

The Company, with a view to diversify its customer base, has started looking into export of NTCF and is pleased to share that the first export consignment has met with quality standards set by tyre companies. The Company would continue to diversify customer profile to reduce dependency risk.

As reported in the last balance sheet, the Company has successfully converted few of its Polyester Spinning machines at Bharuch Site into Nylon Spinning machines, which has enhanced NFY capacities by about 10,000 M.T. per annum. The Company expects to increase its market share from 19% to 22% in the year 2018-19.

With a vision to establish the Company as a leading exporter of NFY, the Company targets exports of its value-added NFY. It is heartening to state that it has received favourable response. The Company expects to substantially capitalise on this opportunity and increase its exports. It is also working with organised sector customers as a preferred supplier of premier NFY products.

With a view to avoid impact of raw material price volatility, the Company has strengthened raw material inventory management and cost control system. The system would effectively monitor prices of its main raw materials i.e. Caprolactam and nylon chips, and mitigate the risk from any unfavourable price movements.

Company Outlook:

With successful GST implementation, which brought nationwide uniform tax structure, a level playing field has been offered to companies like ours to improve its competitive position against unorganised NFY producers. This would pave way for better stability in price and maintaining the margins.

With focus on enlarging customer base and integration of NTCF capacity the Company expects optimum capacity utilisation.

Despite concerns on account of impact of volatility of raw material price and dependence on raw material imports coupled with NTCF and NFY import from FTA countries at zero/concessional import duties, the Company is cautiously optimistic of its improved performance. The optimism is largely driven by its thrust on diversification of product profile and consolidation of value-added products.

3. RISK MANAGEMENT

Risk Management is an important business aspect in the current economic environment. Its objective is to identify, monitor and take mitigation measures on a timely basis with respect to the unforeseen events that may be potential business risks.

The Company has a robust Risk Management Policy and Procedure in place for effective identification and monitoring of risks and implementation of mitigation plans. The Risk Management Committee reviews and monitors the identified risks and mitigation plans at regular intervals. Some of the risks identified and analysed by the Management are as under:

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

GSFC is the sole domestic manufacturer of Caprolactam. Hence, entire Nylon industry is dependent on imports. This results in higher inventory carrying cost and a risk of additional cost due to currency fluctuations. The Company is continuously working on increasing its supplier base to reduce cost and lead time and ensure uninterrupted supplies. The Company simultaneously reviews its policies and practices to adjust the inventory levels of both raw materials and finished goods to reduce the impact of volatility in raw material prices while ensuring availability of sufficient stocks for optimum production plans and supply of finished goods.

(b) High Energy Cost:

The Company is continuously evaluating various options including power purchase under open access to reduce the energy cost of Pune and Bharuch plants. The Company is further putting up a new Briquette Boiler of 15 TPH to reduce the steam cost at its Pune plant.

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

Continued efforts and investments are made to reduce power consumption and bring down the overall power cost.

(c) Technology Risk:

Technology obsolescence may adversely impact the production process and technical support from original equipment manufacturers. The Company regularly undertakes re-engineering for improvisation and efficiency improvement.

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

4. HEALTH, SAFETY, ENVIRONMENT AND SUSTAINABILITY

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

Safety:

The Company has adopted the safety culture among its employees and extended the same to its contractors, service providers, suppliers and neighbouring industrial units. It aims to bring about a cultural change and hence considers safety as the top priority.

To achieve this objective, various training programmes such as basic fire fighting, mock fire drill, case studies to learn and improve existing practices, emergency plan, shop floor training, safety promotion and motivation activities are regularly conducted. More than 95% work force participated in fire fighting training.

The Company also continues to impart accident prevention and fire fighting training to workmen of neighbouring small and medium size industries of its Pune and Bharuch plants. Pune plant attended four emergency fire fighting calls from Municipal Corporation of Pimpri Chinchwad in 2017-18 and Bharuch plant attended seven fire fighting calls from neighbouring units.

In order to further promote the safety measures among the workforce, the Company organised various safety contests round the year and rewarded the winners with prizes.

A monthly 'Safety Bulletin' is taken out in English, Hindi and regional language for circulation among employees.

Safety audits are conducted at regular intervals which inter-alia covers noise level, hazard identification and plant risk analysis.

Bharuch plant is awarded with a certificate of honour for the year 2017 from National Safety Council for maintaining good safety culture among textile industries in India.

Health:

Periodical health check-up are conducted across the workforce. More emphasis is given to cleanliness, workplace hygiene and good house-keeping. First-aid trainings are imparted from professionally qualified personnel and doctors. Regular lectures are organised on health awareness.

A booklet containing work specific health risk management in English, Hindi and local language is taken out for circulation among the employees.



Occupational Health & Safety Management System of Pune site is certified by international body as BS OHSAS 18001:2007.

Environment and Sustainability:

The Company follows a structured environment risk management approach which encompasses identifying potential environmental risks, assessing their potential impact, mitigating them through timely action and continuous monitoring.

Some of the major thrusts given by the Company on environment related issues include:

- Re-cycling of manufacturing waste and its eco-friendly disposal
- Extending use of treated water from effluent water treatment Plant
- Utilising solar energy for tube well
- Substituting fossil fuel oil for boiler with bio fuel
- Installing STP with softener for sewage water treatment which is further used in cooling tower makeup
- Utilising zero ozone depleting substance as refrigerants

The Company is continuously working on possibility of using appropriate technology to reduce the hazardous waste generation.

The Company's Pune plant has been certified by international certification body as ISO 14001:2015 compliant for Environment Management System.

The Company's products NFY and NTCF have been approved as eco-friendly and fulfilling requirement of European Chemical Regulation REACH as well as ECHA SVHC. NFY has also been approved by OEKO TAX as eco-friendly.

The Company's efforts on sustainability has received a stamp of approval by Maharashtra Energy Development Agency (MEDA) where the Company's entry was adjudicated first, for energy conservation in textile segment for Maharashtra.

5. HUMAN RESOURCE AND INDUSTRIAL RELATIONS

Human Resource is the back-bone of achieving organisation excellence. The Company continuously strives for improvement of its human resources. It regularly organises various programmes to improve productivity and competency of its employees.

The Company has redesigned performance evaluation system to draw career path of deserving employees and their promotion.

The industrial relations at both the sites are cordial. Regular interaction between the site management and union committees of workman paves the way to understand and cultivate a bonding amongst all.

The strength of permanent employees as on 31st March, 2018 was 1519 Nos. (as on 31st March, 2017 : 1479 Nos.).

6. INTERNAL CONTROL SYSTEM AND ITS ADEQUACY

The Company has a robust internal control system commensurate with the size and scale of its operations. Roles

and responsibilities are clearly defined and assigned alongwith well-structured authorisation matrix. Standard operating procedures are designed to provide a reasonable assurance and are well supported by SAP system. The Company has implemented SAP system to strengthen internal controls and monitoring. Apart from self-monitoring of internal controls, Internal Auditors have also expressed their satisfaction about the adequacy of the internal control systems.

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

7. INFORMATION TECHNOLOGY

Information Technology is the driving force of the business.

The Company has successfully migrated from home grown ERP to SAP with data analytics that would increase productivity and provide harmonious data for business decision making.

The Company is continuously adopting and utilizing various information technology tools and is in process to implement new age technologies in the sphere of *Internet of Things (IOT) and Robotics*, among others, to improve business process efficiency. Various IT enabled initiatives are being planned to strengthen work efficiency, support business growth and be responsive to the evolving IT scenario.

The systems for adopting GST was successfully implemented by the Company.

Data being very critical, the Company ensures implementation of necessary Information Security measures to protect them.

8. FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

Highlights	₹/Lacs	
	2017-18	2016-17
Net Revenue from Operations	141648	118531
Profit before Depreciation, Financial Cost, Exceptional Item and Tax	12946	19736
Depreciation	(4194)	(4237)
Finance Cost	(340)	(562)
Exceptional Item	2491	(958)
Taxation (Net)	(3894)	(4882)
Net Profit After Tax	7009	9097
Earnings per share (₹)	32.08	41.63
Cash Earnings per share (₹)	56.01	63.96

a. Sale:

Sales in terms of volume (MT) is higher by about 10%. Revenues for the year reflects the incremental volume as well as higher realisations.

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

PBFDT is lower owing to absorption of raw material price hike and losses on inventory of finished goods and raw material resulting out of falling raw material prices.

c. Finance Cost:

Finance cost continued to remain lower owing to lower borrowings and reduction in interest rates.

d. Exceptional Item:

Exceptional item in this year represents profit from sale of property and in previous year impairment loss for some polyester spinning machines.

9. CORPORATE SOCIAL RESPONSIBILITY (CSR)

The Company's CSR Projects focus on Education, Health Care & Community Development.

I) EDUCATION

a) Vocational Training Institute

As a part of skill development initiatives for the people in the vicinity of its Bharuch site, the Company has provided the necessary financial support in setting up and operating Vocational Training Institute. This institute offers vocational learnings in six trades with trainees strength of about 140 in Nos. The Institute is also actively considering to add some trade learnings for female trainees.

b) Anganwadi

Anganwadi is one of the flagship projects of the Government of Gujarat, to lay foundation for school education to the children of weaker section of society. The Company has actively supported the initiative by constructing an Anganwadi with complete infrastructure near the Company's Bharuch site and handed over to Gram Panchayat, Tavdi. Every year, more than 60 children of surrounding tribal villages will benefit from this facility.

c) Educational Material

Every year, Kanya Kelvani Mahotsav (Girl Education) is organised by the Government of Gujarat for enrolment of child. The Company continued its participation to the event and distributed educational material and/or uniforms to over 3,550 students across 21 Government schools in the vicinity of the Company's Bharuch site.

The Company has also distributed educational material and uniforms to over 90 students of a School at Shahad, Dist. Thane, Maharashtra.

The Company has also provided infrastructure support to 4 Government Schools near its Bharuch site with items such as swings & sliders, cupboards and furniture.

d) School Infrastructure Development

The Company provided financial support in upgradation of staff room, library, class rooms, equipment to virtual classes through video conferencing, interactive boards,

safety nets and other material to the schools situated near its Bharuch site, Gujarat and at Shahad, Dist. Thane, Maharashtra that would benefit over 4000 students.

II) HEALTH CARE PROGRAMMES

a) Eye check-up and cataract operation camp

Organised 4 eye check-up and cataract operation camps during the year. Over 1050 persons eyes were checked and 47 cataract operations were carried out at free of cost.

b) Operation camp

Conducted an operation camp for people suffering from Harnia, Hydrocele, Lipoma and similar disease in the vicinity of its Bharuch site. The initiative was jointly supported by Orchid Multispeciality Hospital, Bharuch. Over 180 persons were examined by a team of specialist doctors. Some of the cases referred for surgeries were also arranged at a nominal cost.

c) General Medical check-up

A General Health check-up camp was organised jointly with Shree Narmada Khand Udyog Sahakari Mandli Limited, Joy of Sharing Foundation (U.S.A.) and Kailash Medical Foundation (U.S.A.) near the Company's Bharuch site. Over 1,500 people of surrounding 20 villages were examined. Free medicines were also provided by the Company.

d) Blood Donation Camp

Two blood donation camps were organised in the campus of Bharuch site and 121 units were given to the Red Cross Society, Rajpipla, Dist. Narmada.

III) COMMUNITY DEVELOPMENT

Various activities were taken up in the villages near Bharuch site towards community welfare:

a) Drinking Water Programme

- Installed borewells at 2 villages
- Undertook cleaning of water bodies and de-scaling of canal

b) Street Lights

- Installed 27 Electric Polls and Lights on approach road to a village

c) Tree guards for tree plantation

10. CAUTIONARY STATEMENT

The report contains forward looking statements describing expectations, estimates, plans or words, with similar meaning. The Company's actual results may differ from those projected, important factors that could make the difference to the Company operations include prices of raw material, finished goods and energy costs, changes in government regulations, economic developments, globally and within India and labour negotiations. The Company cannot guarantee that the assumptions and estimates in the 'forward looking statements' are accurate or will be realised.



CORPORATE GOVERNANCE REPORT

COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Good Governance is an integral part of the Company's business practices based on the philosophy of Trusteeship. The core value of the Company's business practices are derived from the four pillars of Trusteeship, i.e. transparency, adequate disclosure, fairness to all and independent monitoring and supervision. The strong internal control systems and procedures, risk assessment and mitigation procedures and code of conduct for observance by the Company's directors and employees are conducive in achieving good Corporate Governance practices in the Company.

Detailed disclosures on the Board of Directors, Shareholders and Stock Performance are provided as follows:

1. BOARD OF DIRECTORS

Composition

The Board of Directors as on 31st March, 2018 comprises of six Directors out of which five Directors are Non-Executive Directors including a woman Director and one Director is Managing Director who is entrusted with substantial powers of management of the affairs of the Company. The Chairman and Vice Chairperson of the Company are Non-Executive Directors. Out of six Directors, three Directors are Independent Directors which comprises half of the total strength of the Board.

The Non-Executive Directors are eminent and experienced persons in their respective fields of industry, finance and law.

Directorship held by Directors of Century Enka Limited:

Name of the Director	DIN	Executive/Non- Executive / Independent/Promoter	No. of shares held in the Company	No. of outside Directorships in Public Limited Companies ¹	Membership held in Committee of Directors ²	Chairmanship held in Committee of Directors ²
Mr. B. K. Birla	00055856	Non-Executive and Promoter	71,360	4	-	-
Mrs. Rajashree Birla	00022995	Non-Executive and Promoter	26,080	6	-	-
Mr. B. S. Mehta	00035019	Non-Executive and Independent	8,540	7	7	3
Mr. S. K. Jain	02843676	Non-Executive and Independent	125	1	1	-
Mr. K. S. Thar	00390137	Non-Executive and Independent	-	-	-	-
Mr. O.R. Chitlange ³	00952072	Executive - Managing Director	-	-	-	-
Mr. G. M. Singhvi ⁴	01432978	Executive - Whole-time Director	-	-	-	-

A) Mr. B. K. Birla and Mrs. Rajashree Birla are related as in-laws (except these, no director is related to any other director on the Board).

B) The Company through periodical presentation to Board of Directors and various committee of Directors provides an opportunity to independent directors to facilitate their active participation and familiarise the Company's business. Web link of Familiarisation Programmes for Independent Directors: http://www.centuryenka.com/pdf/policies/Familiarisation_Programme.pdf

C) The Company has informal plan for orderly succession for appointment to the Board of Directors and Senior Management.

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

E) The terms and conditions of appointment of independent directors is also available on the Company's website: http://www.centuryenka.com/pdf/Independent_directors_terms_conditions.pdf

¹ This excludes directorship held in Private Companies, Foreign Companies, Companies formed under Section 8 of the Companies Act, 2013 and directorship held in Century Enka Limited.

² Membership/Chairmanship in Committee of Directors includes Audit Committee and Stakeholders' Relationship/Grievance Committee of Directors only. This does not include Membership/Chairmanship in Committee of Directors of Century Enka Limited.

³ Appointed as Managing Director of the Company w.e.f. 16th May, 2017.

⁴ Ceased as Whole-time Director of the Company w.e.f. 15th May, 2017.

2. NUMBER OF BOARD MEETINGS AND ATTENDANCE RECORD OF DIRECTORS

The Board meets at least once in a quarter to consider amongst other business, the performance of the Company and financial results. The particulars of Board Meetings held during the year 2017-18 as well as attendance of Directors at the Board Meetings and the last AGM are given here below:

Details of Board Meetings :

Number of Board Meetings held during the year 2017-18 : 5			
Sr. No.	Date of Board Meeting	Sr. No.	Date of Board Meeting
1	10.05.2017	4	07.11.2017
2	28.07.2017	5	06.02.2018
3	05.08.2017		

Attendance Record of Directors :

Name of the Director	Number of Board Meetings held	Number of Board Meetings Attended	Whether attended last AGM held on 05.08.2017
Mr. B. K. Birla	5	1	No
Mrs. Rajashree Birla	5	1	No
Mr. B. S. Mehta	5	5	Yes
Mr. S. K. Jain	5	5	Yes
Mr. K. S. Thar	5	5	Yes
Mr. O. R. Chitlange	4	4	Yes
Mr. G. M. Singhvi	1	1	Not Applicable

Meeting of Independent Directors and Attendance Record:

Independent Directors are required to meet at least once in a year to deal with matters listed out in Regulation 25 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Schedule IV to the Companies Act, 2013 which inter-alia includes, review of the performance of non-independent directors, Chairman and the Board as a whole and assess the quality, quantity and timeliness of flow of information between the Management and the Board that is necessary to perform the duties by the Board of Directors.

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

Date of Independent Directors meeting during the year 2017-18	12.03.2018
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Name of the Director	Number of Meetings held	Number of Meetings attended
Mr. B. S. Mehta	1	1
Mr. S. K. Jain	1	0
Mr. K. S. Thar	1	1

3. DIRECTORS' REMUNERATION

(a) Non-Executive Directors:

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

(i) Sitting Fee

The sitting fee is paid for attending meeting of Board of Directors and Committee of Directors to each Director except Whole-time Director/Managing Director at the rate as detailed here below:

Meeting	Sitting Fee per meeting
Board	₹ 15,000/-
Audit Committee	₹ 10,000/-
Nomination & Remuneration Committee / Corporate Social Responsibility Committee/ Stakeholders Relationship / Grievance Committee/Share Transfer Committee	₹ 5,000/-

(ii) Commission

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

**Remuneration Paid/Payable to Non-Executive Directors for the Financial Year 2017-18:**

Name	Sitting Fee for Board/ Committee Meetings Attended	Commission
Mr. B. K. Birla	₹ 15,000/-	₹ 5,00,000/-
Mrs. Rajashree Birla	₹ 15,000/-	₹ 5,00,000/-
Mr. B. S. Mehta	₹ 1,45,000/-	₹ 10,00,000/-
Mr. S. K. Jain	₹ 1,35,000/-	₹ 5,00,000/-
Mr. K. S. Thar	₹ 1,35,000/-	₹ 5,00,000/-

(b) Managing Director

Remuneration of Mr. O. R. Chitlange, Managing Director for the financial year 2017-18 (i.e. for the period 16.05.2017 to 31.03.2018) comprises Salary and Allowances ₹ 216.78 lacs, Perquisites ₹ 0.40 lac and Contribution to Provident Fund ₹ 6.31 lacs & Superannuation Fund ₹ 7.87 lacs. Monetary value of perquisites is calculated in accordance with existing provisions of the Income Tax Act, 1961. The above remuneration is exclusive of contribution to approved Gratuity Fund which is based on actuarial valuation done on an overall company basis. He is also entitled to annual variable pay of ₹ 40 lacs p.a. linked to the achievement of business and individual performance as may be decided by the Board of Directors from time to time. There are no stock option and pension. The employment is on contractual basis and subject to termination by either party giving to the other party three months notice.

(c) Whole-time Director

Remuneration of Mr. G. M. Singhvi, Whole-time Director for the financial year 2017-18 (i.e. for the period 01.04.2017 to 15.05.2017) comprises Salary and Allowances ₹ 49.19 lacs, Perquisites ₹ 0.08 lac and Contribution to Provident Fund ₹ 0.87 lac & Superannuation Fund ₹ 1.09 lacs. Monetary value of perquisites is calculated in accordance with existing provisions of the Income Tax Act, 1961. The above remuneration is exclusive of Contribution to approved Gratuity Fund which is based on actuarial valuation done on an overall company basis. There are no performance linked incentives, stock option and pension. The employment is on contractual basis and subject to termination by either party giving to the other party three months notice.

4. DIRECTORS' INTEREST IN THE COMPANY

Sometime, the Company enters into contracts with companies in which a Director of the Company is interested as director or member. However, these contracts are in the ordinary course of the Company's business without giving any specific weightage to them. Directors regularly make full disclosures to the Board of Directors regarding the nature of their interest in the companies in which they are directors or members. Full particulars of contracts entered with companies in which directors are directly or indirectly concerned or interested are entered in the Register of Contracts maintained under section 189 of the Companies Act, 2013 and the same is placed in every Board Meeting for the noting of the Directors.

5. CODE OF CONDUCT

The Company has always encouraged and supported ethical business practices in personal and corporate behaviour by its directors and employees. The Company has framed a Code of Conduct for the members of the Board of Directors and Senior Management Personnel of the Company. All members of the Board of Directors and Senior Management personnel affirm on annual basis the compliance of the code of conduct. In addition to that a Code of Conduct for dealing in equity shares and other listed securities of the Company is also in place. The Code of Conduct is available on the website of the Company <http://www.centuryenka.com/pdf/code-of-conduct-2015.pdf>

6. AUDIT COMMITTEE

The Board of Directors has constituted an Audit Committee of Directors and empowered the Committee to deal with all such matters which it may consider appropriate to perform as audit committee including items specified in Section 177(4) of the Companies Act, 2013 (as may be modified/amended from time to time), items specified in Part C of Schedule II in Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 under the head role of audit committee (as may be modified/amended from time to time) and such matters as may be assigned from time to time by the Board of Directors.

The Committee in addition to other business, reviews the quarterly (unaudited/audited) financial results, annual financial statements and auditors' report thereon, compliance of listing and other legal requirements relating to financial statements, cost audit statement before submitting to the Board of Directors, review internal financial control and procedures, internal control system and procedure and their adequacy, risk management, related party transaction, audit programme, nature and scope of audit programme, appointment, remuneration and terms of appointment of Auditors, approval of payment to Statutory Auditors for other services. The Committee consists of three Independent Directors.

The dates of the Meetings and attendance of each Committee Member are as under:

Dates of Audit Committee meetings during the year 2017-18	10.05.2017	28.07.2017	07.11.2017	06.02.2018
Name of Committee Member	No. of Meetings held		No. of Meetings attended	
Mr. S. K. Jain (Chairman) Non-Executive and Independent Director	4		4	
Mr. B. S. Mehta Non-Executive and Independent Director	4		4	
Mr. K. S. Thar Non-Executive and Independent Director	4		4	

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

Besides the Committee members, Wholetime Director (upto 15.05.2017), Managing Director (w.e.f. 16.05.2017), Chief Financial Officer and partners/other representatives of the firms of Statutory Auditors and Internal Auditors were also present (except where leave of absence was requested) at the meetings to answer the queries raised by the Committee Members.

The Chairman of Audit Committee was present at 51st Annual General Meeting of the Company held on 5th August, 2017.

7. NOMINATION AND REMUNERATION COMMITTEE OF DIRECTORS:

The Board of Directors has constituted a Nomination and Remuneration Committee of Directors. The role of the committee is to perform all such matters as prescribed under the Companies Act, 2013 and Schedule II - Part D about Role of Nomination and Remuneration Committee of Directors under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, which interalia includes - recommendation to Board of Directors remuneration policy for the Company, formulation of criteria for performance evaluation of directors, Board and Committee, appointment of Director, appointment and remuneration of Whole-time Director/Managing Director and Key Managerial Personnel. The Committee will also deal with matters as may be assigned from time to time by the Board of Directors.

The Committee has formulated a guiding policy on remuneration for its Directors, Key Managerial Personnel and employees of the Company.

The Committee has devised templates for performance evaluation of directors including Independent Directors, Chairman, the Board of Directors and Board Committees.

The Committee consists of three Independent Directors.

The date of the Meeting and attendance of each Committee Member are as under:

Date of Nomination and Remuneration Committee meeting during the year 2017-18	10.05.2017	
Name of Committee Member	No. of Meeting held	No. of Meeting attended
Mr. B. S. Mehta (Chairman) Non-Executive and Independent Director	1	1
Mr. S. K. Jain Non-Executive and Independent Director	1	1
Mr. K. S. Thar Non-Executive and Independent Director	1	1

8. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE :

The Board of Directors has constituted Corporate Social Responsibility Committee of Directors. The Role of the Committee is to formulate and recommend to the Board, a corporate social responsibility policy, recommend the amount of expenditure to be incurred on CSR Projects and Programmes and monitor them.

The Committee consists of three directors.

The dates of the meetings and attendance of each committee member are as under:

Dates of Corporate Social Responsibility Committee meetings during the year 2017-18	10.05.2017	07.11.2017
Name of Committee Member	No. of Meetings held	No. of Meetings attended
Mr. B. S. Mehta (Chairman) Non-Executive and Independent Director	2	2
Mr. S. K. Jain Non-Executive and Independent Director	2	2
Mr. O. R. Chitlange Executive - Managing Director	1	1
Mr. G. M. Singhvi Executive - Whole-time Director	1	1

**9. STAKEHOLDERS' RELATIONSHIP/GRIEVANCE COMMITTEE OF DIRECTORS:**

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

The Secretary of the Company Mr. C.B. Gagrani is the Compliance Officer.

The shareholders/investors can send shares/debentures related complaints, if any, through e-mail:investor@centuryenka.com designated exclusively for this purpose.

The Committee consists of two Directors.

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

Date of Stakeholders' Relationship/Grievance Committee meeting during the year 2017-18	26.02.2018
--	------------

Name of the Committee Member	No. of Meeting held	No. of Meeting attended
Mr. S. K. Jain (Chairman) Non-Executive and Independent Director	1	1
Mr. O. R. Chitlange Executive - Managing Director	1	1

Status of Shareholders'/Investors' Complaints for the period 01.04.2017 to 31.03.2018

Nature of complaint	No. of complaints received	No. of complaints resolved	No. of pending complaints
Exchange of Share Certificates	2	2	-
Dividend	2	2	-
Other	9	9	-
Total	13	13	-

There is no complaint not solved to the satisfaction of shareholders.

10. SHARE TRANSFER COMMITTEE OF DIRECTORS

The role of the Committee is to deal with issuance of duplicates of share certificates, transmission of shares and transfer of shares. The delegated authorities attend share transfer formalities at least thrice in a month. Transfer of shares are processed and registered within the stipulated time, provided all the documents are valid and complete in all respect. Share transfers approved by the delegated authorities are placed before Share Transfer Committee/Board for its review. As on 31st March, 2018, no shares were pending for transfer for more than 15 days.

The Board of Directors has appointed the Company Secretary as Compliance Officer of the Company to monitor the share transfer process.

The Committee consists of two Directors.

The dates of the meetings and attendance of each committee member are as under:

Dates of Share Transfer Committee meetings during the year 2017-18	06.07.2017	11.10.2017	12.03.2018
--	------------	------------	------------

Name of the Committee Members	No. of Meeting held	No. of Meeting attended
Mr. B. S. Mehta - (Chairman) Non-executive and Independent Director	3	3
Mr. K. S. Thar Non-executive and Independent Director	3	3

The Company has appointed M/s Link Intime India Pvt. Ltd. as its Registrar and Share Transfer Agent for both physical and demat segment of equity shares.

11. GENERAL BODY MEETINGS

A) Information about last three Annual General Meetings:

Year	Date	Time	Location
2015	14.07.2015	12:30 PM	Pudumjee Hall, Mahratta Chamber of Commerce, Industries and Agriculture, Tilak Road, Pune-411002.
2016	15.07.2016	12:30 PM	Pudumjee Hall, Mahratta Chamber of Commerce, Industries and Agriculture, Tilak Road, Pune-411002.
2017	05.08.2017	12:30 PM	Pudumjee Hall, Mahratta Chamber of Commerce, Industries and Agriculture, Tilak Road, Pune-411002.

- B) Information about Special Resolutions passed in previous three Annual General Meetings:
- (i) In the 49th Annual General Meeting held on 14th July, 2015, following special resolution was passed:
 - (a) Consent of the Company pursuant to Section 42 of the Companies Act, 2013 to issue Non-convertible Debentures/ bonds/other instruments on private placement basis, the outstanding aggregate amount at any time not exceeding ₹ 150 Crs.
 - (ii) In the 50th Annual General Meeting held on 15th July, 2016 following two special resolutions were passed :
 - (a) Re-appointment of Mr. G. M. Singhvi as Whole-time Director for a period of 1 (one) year with effect from 16th May, 2016.
 - (b) Consent of the Company pursuant to Section 42 of the Companies Act, 2013 to issue Non-convertible Debentures/ bonds/other instruments on private placement basis, the outstanding aggregate amount at any time not exceeding ₹ 150 Crs.
 - (iii) In the 51st Annual General Meeting held on 5th August, 2017 following special resolution was passed :
 - (a) Consent of the Company pursuant to Section 42 of the Companies Act, 2013 to issue Non-convertible Debentures/ bonds/other instruments on private placement basis, the outstanding aggregate amount at any time not exceeding ₹ 150 Crs.
- C) There was no special resolution passed in the financial year 2017-18 by postal ballot.
- D) As of date, there is no proposal to pass any special resolution by postal ballot.

12. RELATED PARTY TRANSACTION :

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

13. WHISTLE BLOWER POLICY :

The Company has put in place a Whistle Blower Policy to provide an open and transparent working environment and to promote responsible and secure whistle blowing system for directors and employees of the Company to raise concern. The Policy broadly cover instances of unethical behaviour, actual or suspected fraud or violation of the Company’s Code of Conduct, alteration of documents, fraudulent financial reporting, misappropriation/misuse of Company’s assets, manipulation of Company’s data, pilferage of proprietary information, abuse of authority, etc. The Policy provides adequate safeguard against victimisation of director(s) / employee(s) who raise the concern and have access to Chairman of Audit Committee who is entrusted to oversee the whistle blower mechanism and that no person has been denied access to Audit Committee. The Policy is available on the website of the Company http://www.centuryenka.com/pdf/policies/Whistle_Blower_Policy.pdf

14. ANY NON-COMPLIANCE, PENALTIES OR STRICTURES IMPOSED

There has been no non-compliance by the Company nor were any penalties imposed or strictures passed against the Company by the Stock Exchange, Securities and Exchange Board of India or any other statutory authority on any matter related to capital market in the last three years.

15. MEANS OF COMMUNICATION

The unaudited/audited financial results of the Company for each quarter is placed before the Board of Directors within stipulated time. The quarterly financial results of the Company are published in Business Standard (all editions) & Loksatta (Pune edition).

Financial results and other useful information of the Company are also available on the Company’s website www.centuryenka.com.

The Company has not made any presentation to institutional investors or analysts.

Official press release, if any, is placed on the Company’s Website and sent to Stock Exchanges for dissemination.

16. MANAGEMENT’S DISCUSSION AND ANALYSIS REPORT FORMS A PART OF THE ANNUAL REPORT

17. GENERAL SHAREHOLDER INFORMATION

Annual General Meeting

Day, Date and Time : Saturday, the 14th July, 2018 at 12.30 p.m.

Venue : Pudemjee Hall, Maharashtra Chamber of Commerce, Industries and Agriculture, Tilak Road, Pune-411 002.

Financial Year : 1st April - 31st March

Financial Calendar

Financial reporting for the quarter ending 30th June, 2018	:	On or before 14th August, 2018
Financial reporting for the quarter ending 30th September, 2018	:	On or before 14th November, 2018
Financial reporting for the quarter ending 31st December, 2018	:	On or before 14th February, 2019
Financial reporting for the quarter ending 31st March, 2019	:	On or before 30th May, 2019



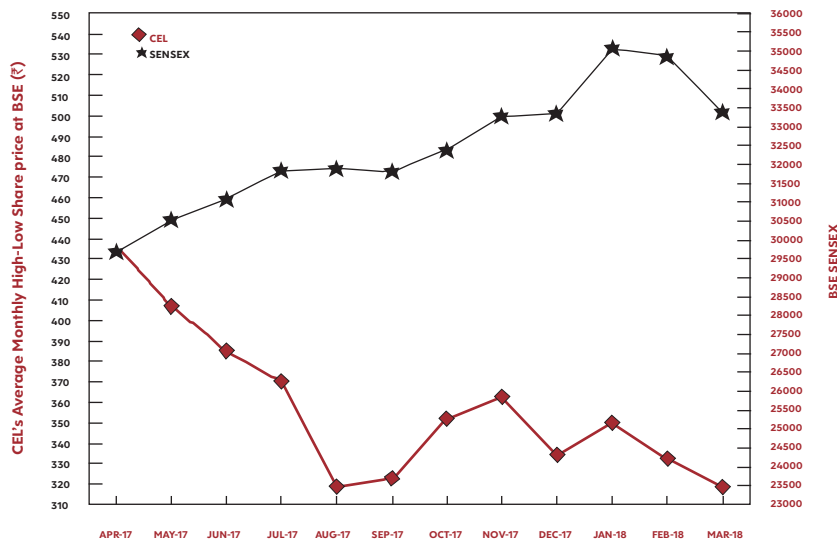
- Book Closure** : The Register of Members and Share Transfer Register will remain closed from Wednesday, the 4th July, 2018 to Friday, the 6th July, 2018 (both days inclusive) for the purpose of payment of dividend.
- Dividend Payment Date** : On or after 18th July, 2018
- Registered Office** : Plot No.72 & 72-A,
: MIDC, Bhosari, Pune- 411 026.
Tel. No.(020) 66127300/27120423 Fax No.(020) 27120113
E-mail : investor@centuryenka.com
- Company's Website** : www.centuryenka.com
- Listing at Stock Exchanges** : The Company's Equity Shares are listed at the following Stock Exchanges
i) BSE Limited, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400001.
ii) The National Stock Exchange of India Limited
"Exchange Plaza", Bandra-Kurla Complex, Bandra (East), Mumbai - 400051.
- Payment of Annual Listing Fees** : The Annual Listing Fees for the year 2018-19 have been paid
- Stock Code** : BSE Limited : 500280
National Stock Exchange : CENTENKA
- ISIN allotted to Equity Shares** : INE485A01015

Stock Market Data
Monthly high and low prices of equity shares of the Company quoted at BSE Ltd. and National Stock Exchange during the year 2017-18 :
(Amount in ₹)*

Month	BSE Limited		National Stock Exchange	
	High	Low	High	Low
April 2017	454	418	454	419
May	444	370	445	367
June	408	362	408	361
July	409	331	410	317
August	339	299	339	299
September	344	301	343	302
October	398	305	399	304
November	405	321	404	319
December	347	320	350	318
January 2018	378	321	379	320
February	372	292	372	292
March	345	292	346	291

(*) Rounded-off to nearest Rupee

Stock Performance Index



Distribution of Shareholding as on 31st March, 2018

No. of equity shares held	No. of shareholders	% of shareholders	No. of equity shares held	% of shareholding
1 to 10	11822	26.92	69424	0.32
11 to 50	16138	36.75	483329	2.21
51 to 100	5766	13.13	516535	2.36
101 to 500	7242	16.49	1819700	8.33
501 to 1000	1520	3.46	1177383	5.39
1001 to 5000	1153	2.63	2516300	11.52
5001 and above	271	0.62	15267918	69.87
Total	43912	100.00	21850589	100.00

Categories of Shareholding as on 31st March, 2018

Category	No. of shareholders	% of shareholders	No. of shares held	% of shareholding
Individuals	42531	96.88	9357321	42.83
Bodies Corporate	806	1.84	8066303	36.92
Non-Resident Bodies Corporate	3	0.00	1150000	5.26
FII's	27	0.06	813011	3.72
NRIs/OCBs	481	1.09	581772	2.66
Mutual Funds	12	0.02	4365	0.02
Banks, Financial Institutions & Insurance Companies	51	0.11	1733345	7.93
Investor Education and Protection Fund	1	0.00	144472	0.66
Total	43912	100.00	21850589	100.00
Promoters	14	0.03	5933728	27.16
Non-Promoters	43898	99.97	15916861	72.84
Total	43912	100.00	21850589	100.00

- Dematerialisation of Shares and Liquidity** : 91.22% of Equity Shares have been dematerialized as on 31st March, 2018. Trading in shares of Century Enka Limited is available in dematerialised form.
- Outstanding GDRs ADRs Warrants or any convertible instruments** : The Company has not issued any GDRs/ADRs Warrants/Convertible Instruments.
- Foreign Exchange Risk & Hedging activities** : It is the policy of the Company to cover its foreign currency exposure for imports to avoid currency exchange fluctuation.
- Plant Locations** : Pune, Rajashree Nagar (Bharuch) and Mahad (Not in operation)
- Share Transfer Agent** : Link Intime India Private Limited
(Unit : Century Enka Limited)
C 101, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai - 400 083.
Tel. : 022-49186270 Fax : 022-49186060
E-mail : rnt.helpdesk@linkintime.co.in
- Share Transfer System** : Share Transfer System is explained in Share Transfer Committee of Directors.

Transfer of Equity shares to Investor Education and Protection Fund Authority

Pursuant to Section 124 of the Companies Act, 2013 read with Rule 6 of Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 as amended from time to time, shares in respect of which dividends had not been claimed for 7 (seven) consecutive years and that period had been completed during 7th September, 2016 to 31st May, 2017 were required to be transmitted to Investor Education and Protection Fund Authority (IEPF Authority). Accordingly, 1,44,472 equity shares of ₹ 10/- each face value of 4385 shareholders who had not encashed dividend warrants for 7 (seven) consecutive years were transmitted to IEPF Authority on 29th November, 2017.

18. DISCLOSURES

The Company has complied with all the mandatory requirements specified in Regulations 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the Listing Regulations.

**19. DISCRETIONARY REQUIREMENTS****i) The Board**

At present, there is no separate office in the Company for use of Chairman nor any expenditure reimbursed in performance of his duty.

ii) Shareholders Rights

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

iii) Audit Qualifications

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

iv) Separate posts of Chairman and Chief Executive Officer

The Chairman of the Company is a Non-Executive Director. A separate person is Managing Director of the Company.

v) Reporting of Internal Auditors

Reports of Internal Auditors are placed before the Audit Committee for its review.

BRIEF RESUME OF PERSON PROPOSED TO BE RE-APPOINTED AS DIRECTOR OF THE COMPANY AT THE ANNUAL GENERAL MEETING

Name	Mr. B K. Birla
Age	97 Years
Nature of expertise	Industrialist
Name of the companies in which also holds directorship	1. Century Textiles & Industries Limited 2. Jay Shree Tea & Industries Limited 3. Kesoram Industries Limited 4. Pilani Investment & Industries Limited
Name of the companies in the committees of which also holds membership/ chairmanship	-
Other activities	Associated with charitable trusts & educational institutions.
No. of shares held in the Company.	71,360

CERTIFICATE

To,
The Members of Century Enka Limited

We have examined the compliance of conditions of Corporate Governance by Century Enka Limited ('the Company'), for the year ended on 31st March, 2018, as stipulated in Chapter IV of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

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

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

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

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

Mumbai, 3rd May, 2018

DECLARATION ON COMPLIANCE OF THE COMPANY'S CODE OF CONDUCT

All the members of the Board and Senior Management Personnel of the Company have affirmed due observance of the Code of Conduct, framed pursuant to Regulation 26(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, in so far as it is applicable to them and there is no non-compliance thereof during the year ended 31st March, 2018.

Place : Mumbai
Date : 3rd May, 2018

O.R. CHITLANGE
Managing Director
DIN: 00952072

**SECRETARIAL AUDIT REPORT
 FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2018**

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 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, 2018. 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, 2018, 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, 2018 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 Acquisitions of Shares and Takeovers) Regulations, 2011;
 - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 **(Not Applicable to the Company during the Audit Period)**;
 - d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 / the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 **(Not Applicable to the Company during the Audit Period)**;
 - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 **(Not Applicable to the Company during the Audit Period)**;
 - f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993

- g) regarding the Companies Act and dealing with client **(Not Applicable to the Company during the Audit Period)**;
- g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 **(Not Applicable to the Company during the Audit Period)**; and
- h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 **(Not Applicable to the Company during the Audit Period)**;
- 6) The management of the Company has informed that there is no industry specific law which is applicable to the Company.

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

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

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

We further report that

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

Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

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

We further report that based on review of compliance mechanism established by the Company and on the basis of Management Representation Letter received from the Company, we are of the opinion that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period, no major action having a bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. has taken place.

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

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

Mumbai, 3rd May, 2018

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

Annexure 'A'

To,
 The Members of Century Enka Limited

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

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

4. Wherever required, we have obtained the Management Representation about the compliance of laws, rules and regulations and happening of events, etc.

5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. Our examination was limited to the verification of procedures on test basis.

6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

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

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

Mumbai, 3rd May, 2018



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

Report on the Audit of the Ind AS Financial Statements

We have audited the accompanying Ind AS financial statements of Century Enka Limited ("the Company"), which comprise the Balance Sheet as at 31st March, 2018, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Cash Flows Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (herein after referred to as "Ind AS financial statements").

Management's Responsibility for the Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards ("Ind AS") prescribed under Section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibility

Our responsibility is to express an opinion on these Ind AS financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit of the Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Ind

AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Ind AS financial statements.

We are also responsible to 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 entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the opinion. Our conclusions are based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause an entity to cease to continue as a going concern.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the state of affairs of the Company as at 31st March, 2018, its profit (including other comprehensive income), changes in equity and its cash flows for the year ended on that date.

Emphasis of Matter

We draw your attention to Note 44 to the financial statements regarding the Company's appeal pending before CESTAT, Mumbai against the excise duty demand aggregating ₹ 22,927 Lakh plus interest thereon and penalty of ₹ 22,927 Lakh. Based on expert legal advice and merits of the case, no provision has been considered necessary by the Company. The final determination of the cash outflow, if any, would depend upon the final decision of the appropriate authorities in the future. Our opinion is not modified in respect of the matter.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
 - a) We have sought and obtained all the information and

INDEPENDENT AUDITOR'S REPORT *(Contd.)*

- explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss, the Statement of Changes in Equity and Cash Flow Statement and dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the Ind AS financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act.
 - e) On the basis of the written representations received from the directors as on 31st March, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2018 from being appointed as a director in terms of Section 164(2) of the Act.
 - f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
 - g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its Ind AS financial statements - Refer Note 44 (a) to the Ind AS financial statements.
 - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on derivative contracts - Refer Note 45 to the Ind AS financial statements. The Company did not have any other long-term contracts for which there were any material foreseeable losses.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
 - iv. The disclosures in the Ind AS financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made since they do not pertain to the financial year ended 31 March 2018.

For **Khimji Kunverji & Co.**

Chartered Accountants

Firm's Registration No: 105146W

Gautam V. Shah

Partner

Membership No: 117348

Mumbai
3rd May, 2018

Annexure A to the Independent Auditors' Report – 31st March, 2018

(Referred to in our report of even date)

- i. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has a regular programme of physical verification of its fixed assets by which all fixed assets are verified in a phased manner over a period of three years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, certain fixed assets were physically verified by the Management during the year. In our opinion, and according to the information and explanations given to us, no material discrepancies were noticed on such verification.
- (c) In our opinion and according to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- ii. The inventory has been physically verified by the management at reasonable intervals during the year. In our opinion, the frequency of such verification is reasonable. The discrepancies noticed on verification between the physical stocks and the book records were not material.
- iii. In our opinion and according to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act. Accordingly, paragraph 3(iii) of the Order is not applicable to the Company.
- iv. The Company has not granted any loans or provided any guarantees or security to the parties covered under section 185 of the Act. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Section 186 of the Act, with respect to the loans given, investments made, guarantees given and security provided.
- v. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public during the year in terms of the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed there under. Accordingly, paragraph 3(v) of the Order is not applicable to the Company.
- vi. We have broadly reviewed the books of account maintained by the Company as specified under Section 148(1) of the Act, for maintenance of cost records in respect of products manufactured by the Company, and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.



INDEPENDENT AUDITOR'S REPORT (Contd.)

- vii. (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/acrued in the books of account in respect of undisputed statutory dues including Provident Fund, Employees' State Insurance, Income-Tax, Sales-Tax, Service Tax, Goods and Services Tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of

Provident Fund, Employees' State Insurance, Income-Tax, Sales-Tax, Service Tax, Goods and Services Tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and other material statutory dues were in arrears as at 31st March, 2018 for a period of more than six months from the date they became payable.

- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, details of dues of Income-Tax, Sales-Tax, Service Tax, Duty of Customs, Duty of Excise and Value Added Tax which have not been deposited as on 31st March, 2018 on account of disputes are given below:

Name of the Statute	Nature of the Dues	Forum where dispute is pending	Period to which amount relates	Amount* (₹ in Lacs)
Income Tax Act, 1961	Income Tax, interest and penalty	Calcutta High Court	A.Y. 2004-2005	118
		Income Tax Appellate Tribunal	A.Y. 2008-2009	50
Central Excise Act, 1944	Excise Duty and penalty	Custom, Excise and Service Tax Appellate Tribunal	2000 to 2003	45154 [#]
			1995-1996	66
			2007-08 to 2010-11 & 2011-12	196
			1999-2000	10
Finance Act, 1994	Service Tax	Custom, Excise and Service Tax Appellate Tribunal	2009-10 to 2013-14	141
Gujarat Sales Tax Act, 1969	Sales Tax including interest & penalty	The Supreme Court of India	2000-2001	672
		Joint commissioner of Sales-tax (A)	2007-2008	13

* net of amounts paid under protest.

This does not include the interest claimed (not quantified) by the Central excise authorities

- viii. According to the information and explanations given to us, and based on the records of the Company, the Company has not defaulted in the repayment of loans or borrowings to financial institutions, banks, government and dues to debenture holders.
- ix. According to the information and explanations given to us, the term loans have been applied by the Company during the year for the purposes for which they were obtained. The Company did not raise money by way of initial public offer or further public offer (including debt instruments) during the year.
- x. According to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- xi. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
- xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable to the Company.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company,

transactions with the related parties are in compliance with Sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the Ind AS financial statements as required by the applicable accounting standards.

- xiv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3(xiv) of the Order is not applicable to the Company.
- xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with them. Accordingly, paragraph 3(xv) of the Order is not applicable to the Company.
- xvi. According to the information and explanations given to us, the Company is not required to be registered under Section 45 IA of the Reserve Bank of India Act, 1934. Accordingly, paragraph 3(xvi) of the Order is not applicable to the Company.

For **Khimji Kunverji & Co.**

Chartered Accountants
Firm's Registration No: 105146W

Gautam V. Shah

Partner

Membership No: 117348

Mumbai
3rd May, 2018

INDEPENDENT AUDITOR'S REPORT *(Contd.)*

Annexure B to the Independent Auditors' Report of even date on the Ind AS financial statements of Century Enka Limited – 31st March, 2018

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Act

We have audited the internal financial controls over financial reporting of Century Enka Limited ("the Company") as at 31st March, 2018 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A Company's internal financial control over financial reporting 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 control over financial reporting includes those policies and procedures that:

- (a) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;
- (b) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and
- (c) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, 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 over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

For **Khimji Kunverji & Co.**
Chartered Accountants
Firm's Registration No: 105146W

Gautam V. Shah
Partner
Membership No: 117348

Mumbai
3rd May, 2018

**BALANCE SHEET AS AT 31ST MARCH, 2018**

	Note No.	31st March, 2018	31st March, 2017
₹ / lacs			
ASSETS			
Non-Current Assets			
Property, Plant and Equipment	3	56853	56877
Capital Work-in-Progress		389	366
Intangible Assets	4	616	4
Intangible Assets under development		-	241
Financial Assets			
Investments	5	1541	2025
Others	6	231	184
Other Non-Current Assets	7	1020	938
Total Non Current Assets		60650	60635
Current Assets			
Inventories	8	21876	23081
Financial Assets			
Investments	9	7120	7778
Trade Receivables	10	20710	18879
Cash and Cash Equivalents	11	2311	275
Bank Balances other than Cash & Cash Equivalents	12	171	156
Others	13	309	195
Current Tax Assets		311	311
Other Current Assets	14	2913	636
Total Current Assets		55721	51311
TOTAL ASSETS		116371	111946
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	15	2185	2185
Other Equity		87905	83251
Total Equity		90090	85436
Non-Current Liabilities			
Financial Liabilities			
Borrowings	16	3061	3708
Others	17	223	233
Provisions	18	1016	1256
Deferred Tax Liabilities (Net)	19	11177	10158
Other Non-Current Liabilities	20	307	322
Total Non-Current Liabilities		15784	15677
Current liabilities			
Financial Liabilities			
Borrowings	21	1	109
Trade Payables	22	7230	6827
Others	23	2371	2406
Other Current Liabilities	24	583	960
Provisions	25	217	176
Current Tax liabilities	26	95	355
Total Current Liabilities		10497	10833
TOTAL EQUITY AND LIABILITIES		116371	111946
Significant Accounting Policies	1 & 2		

The accompanying notes are an integral part of these financial statements

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

For and on behalf of the Board of Directors

For **Khimji Kunverji & Co.**
Firm Registration No. 105146W
Chartered Accountants

Gautam V. Shah
Partner
Membership No. 117348

Place : Mumbai
Date : 3rd May, 2018

K. G. Ladsaria
Chief Financial Officer

C. B. Gagrani
Secretary

Rajashree Birla
Vice Chairperson
DIN: 00022995

O.R. Chitlange
Managing Director
DIN: 00952072

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2018

₹ / lacs

	Note No.	31st March, 2018	31st March, 2017
INCOME			
Revenue From Operations (Refer Note 50)	27	144777	133922
Other Income	28	1775	1549
TOTAL INCOME		146552	135471
EXPENSES			
Cost of Materials Consumed	29	89394	69359
Purchases of Stock-in-Trade		460	455
Changes in Inventories of Finished Goods, Stock-in -Trade and Work-in-Progress	30	1918	(4174)
Employee Benefits Expense	31	8844	7792
Power and Fuel		19229	17313
Finance Costs	32	340	562
Depreciation and Amortization Expense	3 & 4	4194	4237
Excise Duty (Refer Note 50)		3129	15391
Other Expenses	33	10632	9599
TOTAL EXPENSES		138140	120534
PROFIT BEFORE EXCEPTIONAL ITEMS AND TAX		8412	14937
Exceptional Items	43	2491	(958)
PROFIT BEFORE TAX		10903	13979
TAX EXPENSE:			
(1) Current Tax		2858	5198
(2) Deferred Tax		1036	(316)
PROFIT FOR THE YEAR		7009	9097
Other Comprehensive Income			
A (i) Items that will not be reclassified to profit or loss		(531)	475
(ii) Income tax relating to items that will not be reclassified to profit or loss		17	34
B (i) Items that will be reclassified to profit or loss		-	-
(ii) Income tax relating to items that will be reclassified to profit or loss		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR (Comprising Profit and Other Comprehensive Income for the year)		6495	9606
EARNINGS PER EQUITY SHARE IN ₹ (Face value per share ₹ 10 each):			
(1) Basic	42	32.08	41.63
(2) Diluted		32.08	41.63
Significant Accounting Policies	1 & 2		

The accompanying notes are an integral part of these financial statements

This is the Statement of Profit and Loss referred to in our report of even date.

For and on behalf of the Board of Directors

For **Khimji Kunverji & Co.**
Firm Registration No. 105146W
Chartered Accountants**Gautam V. Shah**
Partner
Membership No. 117348Place : Mumbai
Date : 3rd May, 2018Place : Mumbai
Date : 3rd May, 2018**K. G. Ladsaria**
Chief Financial Officer**C. B. Gagrani**
Secretary**Rajashree Birla**
Vice Chairperson
DIN: 00022995**O.R. Chitlange**
Managing Director
DIN: 00952072



STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2018

(A) EQUITY SHARE CAPITAL

₹ / Lacs

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

₹ / Lacs

For the year ended 31st March, 2017		
Balance as at 1st April, 2016	Changes in equity shares capital during the year ended	Balance as at 31st March, 2017
2185	-	2185

(B) OTHER EQUITY

₹ / lacs

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

For the year ended 31st March, 2017							
Particulars	Reserves and Surplus					FVOCI-Equity Instruments	Total
	Capital Reserve	Capital redemption Reserve	Securities Premium Reserve	General Reserve	Retained Earnings		
Balance at 1st April, 2016	48	186	3225	35766	35790	602	75617
Profit for the Year (1)	-	-	-	-	9097	-	9097
Other Comprehensive Income:							
Remeasurement of the net defined benefit liability/asset, net of tax benefit (₹ 34 Lacs) effect (2)	-	-	-	-	(64)	-	(64)
Equity instruments through other comprehensive income (3)	-	-	-	-	-	573	573
Total Comprehensive Income (1+ 2+ 3)	-	-	-	-	9033	573	9606
Dividends Paid (including corporate dividend tax ₹ 333 Lacs) 15-16	-	-	-	-	(1972)	-	(1972)
Transfer to General Reserves	-	-	-	900	(900)	-	-
Balance at 31st March, 2017	48	186	3225	36666	41951	1175	83251

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

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

The accompanying notes are an integral part of these financial statements

This is the Other Equity Statement referred to in our report of even date.

For and on behalf of the Board of Directors

For **Khimji Kunverji & Co.**
Firm Registration No. 105146W
Chartered Accountants

Gautam V. Shah
Partner
Membership No. 117348

Place : Mumbai
Date : 3rd May, 2018

K. G. Ladsaria
Chief Financial Officer

C. B. Gagrani
Secretary

Place : Mumbai
Date : 3rd May, 2018

Rajashree Birla
Vice Chairperson
DIN: 00022995

O.R. Chitlange
Managing Director
DIN: 00952072

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2018

	Year Ended 31st March, 2018	₹ / lacs Year Ended 31st March, 2017
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit Before Tax	10903	13979
Adjustment for:		
Depreciation and amortisation	4194	4237
Finance cost	340	562
Fair value movement in derivative instruments	(169)	148
Interest Income	(9)	(360)
Dividend Received on Mutual Funds	(10)	
Fair Value of Investments through P&L	(151)	(86)
Liabilities/Provisions no longer required written back	(450)	(111)
Amortization of Government Grant (TUF Capital Subsidy)	(15)	(6)
(Profit) / Loss on sale / write off of Property, Plant and Equipments (Net)	(102)	31
Exceptional Item (Refer Note 43)	(2491)	958
Profit on sale of Current and Non Current Investments (Net)	(477)	(685)
Adjustment for: Other Comprehensive Income	(48)	(98)
Operating Profit Before Working Capital Changes	11515	18569
Adjustment for:		
Trade payable and other liability	300	4237
Trade Receivables	(1831)	(3302)
Inventories	1205	(8417)
Financial and other Assets	(2458)	(382)
Cash Generated From Operations	8731	10705
Direct Taxes Paid (net of refunds)	(3118)	(4652)
Net Cash From Operating Activities	5613	6053
	(A)	
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Property, Plant and Equipments	(5130)	(2309)
Sale of Property, Plant and Equipments	2998	104
Interest received	9	360
Dividend Received on Mutual Funds	10	-
Government Grant (Capital Subsidy)	-	343
(Purchase)/Sale of Current Investments	809	(1224)
Profit on Sale of Current Investments (Net)	477	742
Net Cash From Investing Activities	(827)	(1984)
	(B)	
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Long Term Borrowings	985	-
Repayment of Long Term Borrowings	(1436)	(1436)
Changes in Short Term Borrowings (Net)	(108)	(281)
Interest paid	(350)	(580)
Equity Dividends paid (including Dividend Distribution Tax)	(1841)	(1972)
Net Cash From Financing Activities	(2750)	(4269)
	(C)	
D. NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	2036	(200)
Closing Balance of Cash and Cash Equivalents	2311	275
Opening Balance of Cash and Cash Equivalents	275	475
Notes :		
1. 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.		
2. Figures in bracket indicate cash outflow.		
3. Previous year comparatives have been reclassified to confirm with current year's presentation, wherever applicable.		
4. Cash and Cash equivalents comprises of:		
	As at 31st March, 2018	As at 31st March, 2017
On hand [Including Cheques ₹ Nil (Previous Year ₹102 Lacs)]	1	103
With Banks		
In Current Accounts	1310	172
In Deposit Accounts maturing within 3 months	1000	-
	2311	275

The accompanying notes are an integral part of these financial statements

This is the Cashflows Statement referred to in our report of even date.

For and on behalf of the Board of Directors

For **Khimji Kunverji & Co.**
Firm Registration No. 105146W
Chartered Accountants**K. G. Ladsaria**
Chief Financial Officer**Rajashree Birla**
Vice Chairperson
DIN: 00022995Place : Mumbai
Date : 3rd May, 2018**Gautam V. Shah**
Partner
Membership No. 117348Place : Mumbai
Date : 3rd May, 2018**C. B. Gagrani**
Secretary**O.R. Chitlange**
Managing Director
DIN: 00952072



NOTES TO THE 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 SIGNIFICANT ACCOUNTING POLICIES

(a) Statement of Compliance

These financial statements are prepared in accordance with the Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standards) (Amendment) Rules, 2016, the relevant provisions of the Companies Act, 2013 ("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 May 3, 2018.

(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
- (i) Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments)
- (ii) Employee's Defined Benefit Plan as per actuarial valuation

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 initial cost of PPE comprises its purchase price, including import duties and non-refundable purchase taxes, and any directly attributable costs of bringing an asset to working condition and location for its intended use, including relevant borrowing costs and any expected costs of decommissioning. Expenditure incurred after the PPE have been put into operation, such as repairs and maintenance, are charged to the Statement of Profit and Loss in the period in which the costs are incurred.

If significant parts of an item of PPE have different useful lives, then they are accounted for as separate items (major components) of PPE.

Material items such as spare parts, stand-by equipment and service equipment are classified as PPE when they meet the definition of PPE as specified in Ind AS 16 – Property, Plant and Equipment.

(d) Expenditure during construction period:

Expenditure/ Income during construction period (including financing cost related to borrowed funds for construction or acquisition of qualifying PPE) is included under Capital Work-in-Progress, and the same is allocated to the respective PPE on the completion of their construction. Advances given towards acquisition or construction of PPE outstanding at each reporting date are disclosed as Capital Advances under “Other non-current Assets”.

(e) Depreciation:

Depreciation is the systematic allocation of the depreciable amount of PPE over its useful life and is provided on a straight-line basis over the useful lives as prescribed in Schedule II to the Act or as per technical assessment.

Depreciable amount for PPE is the cost of PPE less its estimated residual value. The useful life of PPE is the period over which PPE is expected to be available for use by the Company, or the number of production or similar units expected to be obtained from the asset by the Company.

In case of certain classes of PPE, the Company uses different useful lives than those prescribed in Schedule II to the Act. The useful lives have been assessed based on technical advice, taking into account the nature of the PPE and the estimated usage of the asset on the basis of management’s best estimation of obtaining economic benefits from those classes of assets.

Such classes of assets and their estimated useful lives are as under:

No	Nature	Useful life
1	Leasehold Assets	Lease Period
2	Stores and Spares Parts in the nature of PPE	03 Years
3	Assets individually costing less than or equal to ₹ 5,000	Fully Depreciated in the year of purchase

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

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

(f) Intangible Assets and Amortisation:

➤ Internally generated Intangible Assets:

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

➤ Intangible Assets acquired separately:

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

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

Nature	Useful life
Software	10 Years



(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) Inventories:

Inventories are valued as follows:

- Raw materials, fuel, stores & spare parts and packing materials:

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. Cost is determined on weighted average basis. The cost of inventory comprises its purchase price, including non-refundable purchase taxes, and any directly attributable costs related to the inventories.

- Work-in- progress (WIP), finished goods, stock-in-trade and trial run inventories:

Valued at lower of cost and NRV. Cost of Finished goods and WIP includes cost of raw materials, direct labour, other direct costs and related production overheads upto the relevant stage of completion. Cost of inventories is computed on weighted average basis.

- Waste / Scrap:

Waste / Scrap and Byproduct inventory is valued at NRV.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

(i) Borrowing Costs:

General and specific borrowing costs that are attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of such asset till such time the asset is ready for its intended use and borrowing costs are being incurred. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use. All other borrowing costs are recognised as an expense in the period in which they are incurred.

Borrowing cost includes interest expense, amortization of discounts, hedge related cost incurred in connection with foreign currency borrowings, ancillary costs incurred in connection with borrowing of funds and exchange difference arising from foreign currency borrowings to the extent they are regarded as an adjustment to the Interest cost.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

(j) Government Grants and Subsidies:

Government grants are recognised in the Statement of Profit and Loss on a systematic basis over the periods in which the Company recognises the related costs for which the grants are intended to compensate.

Government grants are not recognised until there is reasonable assurance that the Company will comply with the conditions attached to them and that the grants will be received.

(k) 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.

(l) Revenue Recognition:

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the amount can be reliably measured.

Sale of goods: Revenue is measured at the fair value of consideration received or receivable taking into account the amount of discounts, volume rebates, outgoing taxes on sales and are recognized when all significant risks and rewards of ownership of the goods sold are transferred to buyer and there is no managerial involvement and effective control over goods.

Other Income:

- Dividend Income is accounted for when the right to receive the income is established.
- Interest income is recognized on time proportion basis taking into account the amount outstanding on effective interest rate.
- Difference between the sale price and carrying value of investment is recognised as profit or loss on sale / redemption on investment on trade date of transaction.

(m) Lease :

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

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

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



(n) 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
- Remeasurement

The present value of the gratuity liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds.

The defined benefit obligation recognised in the Balance Sheet represents the actual deficit or surplus in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

Superannuation:

The company has Defined Contribution Plan for Post Employment benefits in the form of Superannuation schemes for eligible employees. The scheme is administered through Life Insurance Corporation (LIC) and Trust which is administered by the Trustees. In respect of this scheme, the Company has no further obligation beyond its contributions.

Employee's Family Pension

The Company has Defined Contribution Plan for Post Employment benefits in the form of family pension for eligible employees, which is administered by the Regional Provident Fund Commissioner. Company has no further obligation beyond its contributions.

Provident Fund

Contribution towards provident fund for certain employees is made to the regulatory authorities, where the Company has no further obligations. Such benefits are classified as Defined Contribution Scheme as the Company does not carry any further obligations, apart from the contributions made on a monthly basis.

In respect of certain employees, Provident Fund contributions are made to the Trust set up and administered by the Company. If the board of trustees are unable to pay interest at the rate declared by the government under Para 60 of the Employees provident fund scheme, 1972 for the reason that the return on investment is less or for any other reason, then the deficiency shall be made good by the Company making interest shortfall a defined benefit plan. Accordingly, the Company obtains actuarial valuation and having regard to the assets of the fund and the return on investments, the Company does not expect any deficiency as at the year end. If there is a deficiency as at any Balance Sheet date, then, the same will be recognized in the Statement of Profit or Loss / Other Comprehensive Income in the year in which it arises.

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.

(o) 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.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority.

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable. MAT is recognized as an asset to the extent there is convincing evidence that the Company will pay normal income tax during the specified period.

(p) 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.

(q) 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.

(r) Financial Instruments:

Financial assets and financial liabilities are recognized when a Company becomes a party to the contractual provisions of the instruments.

Initial Recognition:

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss and ancillary costs related to borrowings) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in Statement of Profit and Loss.



Classification and Subsequent Measurement: Financial Assets

The Company classifies financial assets as subsequently measured at amortised cost, fair value through other comprehensive income (“FVOCI”) or fair value through profit or loss (“FVTPL”) on the basis of following:

- the entity’s business model for managing the financial assets and
- the contractual cash flow characteristics of the financial asset.

Amortised Cost:

A financial asset shall be classified and measured at amortised cost if both of the following conditions are met:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

Fair Value through OCI:

A financial asset shall be classified and measured at fair value through OCI if both of the following conditions are met:

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Where the Company has elected to present the fair value gain on equity instruments in other comprehensive income, there is no subsequent classification of fair value gain or losses to profit and loss account. Dividend from such instruments is recognized in profit and loss account as other income where right to receive is established.

Fair Value through Profit or Loss:

A financial asset shall be classified and measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through OCI.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification and Subsequent Measurement: Financial liabilities

Financial liabilities are classified as either financial liabilities at FVTPL or ‘other financial liabilities’.

Financial Liabilities at FVTPL:

Financial liabilities are classified as at FVTPL when the financial liability is held for trading or are designated upon initial recognition as FVTPL:

Gains or Losses on liabilities held for trading are recognised in the Statement of Profit and Loss.

Other Financial Liabilities:

Other financial liabilities (including borrowings and trade and other payables) are subsequently measured at amortised cost using the effective interest method.

Impairment of financial assets:

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at the end of each reporting period. In case of trade receivables, the Company follows the simplified approach permitted by Ind AS 109 – Financial Instruments for recognition of impairment loss allowance. The Company recognises a loss allowance for expected credit losses on financial asset. The Company’s trade receivables do not contain significant financing component and loss allowance on trade receivables is measured at an amount equal to life time credit expected losses. The Company calculates the expected credit losses on trade receivables using a provision matrix on the basis of its historical credit loss experience.

Derecognition of financial assets:

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises associated liabilities.

On derecognition of a financial asset, other than 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.

The Company derecognizes financial liabilities when the Company's obligation are discharged, cancelled or have expired. The difference between the carrying amount of financial liability derecognized and consideration paid and payable is recognized in the statement of profit and loss.

On derecognition of equity investments classified as FVOCI, accumulated gains or loss recognised in OCI is transferred to retained earnings.

(s) 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.

(t) 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.

(u) 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.

(v) 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.

Note 2(A) Critical accounting judgements and key sources of estimation uncertainty:

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.



Key assumptions:

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

(i) Useful Lives of Property, Plant & Equipment:

The Company uses its technical expertise along with historical and industry trends for determining the economic life of an asset/component of an asset. The useful lives are reviewed by management periodically and revised, if appropriate. In case of a revision, the unamortised depreciable amount is charged over the remaining useful life of the assets.

(ii) Fair value measurement of financial instruments:

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash Flow model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility.

(iii) Defined benefit plans:

The cost of the defined benefit plans gratuity and provident fund, and the present value of the gratuity and provident fund obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

(iv) Impairment of Assets:

The Company has used certain judgments and estimations to estimate future projections and discount rates to compute value in use of cash generating unit and to assess impairment. In case of certain assets independent external valuation has been carried out to compute recoverable values of these assets.

3. PROPERTY, PLANT AND EQUIPMENT (PPE)

₹ / lacs

	Leasehold Land	Freehold Land	Buildings (Refer Note a & b below)	Plant & Machinery (Refer Note c)	Furniture & Fixtures	Office equipments	Vehicles	Total
For the year 16-17 as at 1st April, 2016	224	336	8513	55508	38	26	234	64879
Add: Additions	-	-	141	1898	6	6	33	2084
Less: Disposals	-	-	4	2660	-	-	13	2677
As at 31st March, 2017	224	336	8650	54746	44	32	254	64286
Accumulated Depreciation: as at 1st April, 2016	4	-	648	4044	2	4	26	4728
Add: Depreciation during the year	4	-	422	3748	12	15	36	4237
Less: Disposals	-	-	-	2505	-	-	9	2514
Add: Write down/ Impairment Loss (Refer note 43)	-	-	-	958	-	-	-	958
As at 31st March, 2017	8	-	1070	6245	14	19	53	7409
Net carrying amount as at 31st March, 2017	216	336	7580	48501	30	13	201	56877
For the year 17-18 as at 1st April, 2017	224	336	8650	54746	44	32	254	64286
Add: Additions	-	-	157	4266	24	62	28	4537
Less: Disposals	-	-	281	160	7	2	-	450
As at 31st March, 2018	224	336	8526	58852	61	92	282	68373
Accumulated Depreciation: as at 1st April, 2017	8	-	1070	6245	14	19	53	7409
Add: Depreciation during the year	4	-	348	3740	12	15	39	4158
Less: Disposals	-	-	19	19	7	2	-	47
As at 31st March, 2018	12	-	1399	9966	19	32	92	11520
Net carrying amount as at 31st March, 2018	212	336	7127	48886	42	60	190	56853

- a) Includes Land ₹ 2 Lacs and ₹ 500 being the cost of 5 shares in a co-operative housing society held in the name of a nominee of the Company
b) Includes ₹ 2000 being the cost of 40 shares in co-operative societies.
c) Rupee Term Loans are secured by hypothecation of specific Plant and Machinery against which Loans have been taken.

4. INTANGIBLE ASSETS

₹ / lacs

	Computer Software
For the year 16-17 As at 1st April, 2016	-
Add: Additions	4
Less: Disposals	-
As at 31st March, 2017	4
Accumulated Depreciation: As at 1st April, 2016	-
Add: Depreciation during the year	-
Less: Disposals	-
As at 31st March, 2017	-
Net carrying amount as at 31st March, 2017	4
For the year 17-18 as at 1st April, 2017	4
Add: Additions	650
Less: Disposals	2
As at 31st March, 2018	652
Accumulated Depreciation: as at 1st April, 2017	-
Add: Depreciation during the year	36
Less: Disposals	-
As at 31st March, 2018	36
Net carrying amount as at 31st March, 2018	616



5. NON-CURRENT INVESTMENTS

₹ / lacs

Investments in Equity Shares (fully paidup)	Number of Shares	Face Value Per Share	As at 31st March, 2018	As at 31st March, 2017
1) Quoted Investments Fair value through OCI				
➤ Kesoram Industries Limited	1403985 (1403985)	10	1527	2011
➤ Kesoram Textiles Mills Limited (Reveived during the year 1999-2000 without any consideration pursuant to scheme of arrangement of Kesoram Industries Limited)	584994 (584994)	2	-	-
2) Unquoted Investments Fair Value through profit or loss				
➤ Bharuch Enviro Infrastructure Limited	10220 (10220)	10	1	1
➤ MMA CETP Co-operative Society Limited	12895 (12895)	100	13	13
			1541	2025
Note: Figures in bracket represents previous year numbers				
Aggregate amount of Quoted Investments and market value thereof			1527	2011
Aggregate amount of Unquoted Investments			14	14

6. OTHER NON-CURRENT FINANCIAL ASSETS

(Unsecured, Considered Good)				
Security Deposits			211	163
Others			20	21
(Unsecured, Considered Doubtful)				
Subsidy Receivable under Technology Upgradation Fund Scheme			622	622
Less: Provision for Doubtful Receivable			(622)	(622)
			231	184

7. OTHER NON-CURRENT ASSETS

Capital Advances			66	4
Others				
Statutory Receivables			940	904
Prepaid Expense			14	30
			1020	938

8. INVENTORIES

(Valued at lower of cost or NRV) (Unless otherwise stated)				
Raw Material [Including in transit ₹ 1320 Lacs (Previous Year ₹3314 Lacs)]			10145	9926
Stock-in-Process			3632	4307
Finished Goods			6445	7722
Stores, Spares, Packing Material and Fuel (at cost)			1654	1126
[Including in transit ₹ 83 Lacs (Previous Year ₹46 lacs)]			21876	23081

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

The Company follows a suitable provisioning norms for writing down the value of Inventories towards slow moving, non-moving and surplus inventory. Provision for the year ₹ 107 Lacs (March 31, 2017 ₹ 328 Lacs).

₹ / lacs

As at
31st March, 2018 As at
31st March, 2017

	As at 31st March, 2018	As at 31st March, 2017
9. CURRENT INVESTMENTS		
Unquoted Investments		
Investments in Mutual Funds		
Units of Debt Schemes of Various Mutual Funds	7120	7778
Aggregate amount of Unquoted Investments	7120	7778
10. TRADE RECEIVABLES		
(Unsecured, Considered Good)		
Trade Receivables	20710	18879
11. CASH AND CASH EQUIVALENTS		
Cash and Cash equivalents		
Cash on Hand	1	1
Cheques on Hand	-	102
Bank Balances		
In Current Accounts	1310	172
In Deposits Accounts Maturing within 3 months	1000	-
	2311	275
12. BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS		
Unpaid Dividends Accounts	171	156
13. OTHER FINANCIAL ASSETS		
Advances to Employees	1	6
TUF Subsidy Receivables	54	108
Others	254	81
	309	195
14. OTHER CURRENT ASSETS		
Advances to Suppliers	410	418
Others		
Prepaid Expense	35	78
Statutory Receivables	2453	53
Others	15	87
	2913	636



₹ / lacs

As at
31st March, 2018

As at
31st March, 2017

15. SHARE CAPITAL

Authorised:

1,00,000 Redeemable Cumulative Preference Shares of ₹100.00 each (As at 31.03.2017 - 1,00,000 Shares)	100	100
3,30,00,000 Equity Shares of ₹10.00 each (As at 31.03.2017 - 3,30,00,000 Shares)	3300	3300
1,00,000 Unclassified Shares of ₹100.00 each (As at 31.03.2017 - 1,00,000 Shares)	100	100

Issued, Subscribed and Fully Paidup:

(2,18,50,589 Equity Shares of ₹10 each (Refer Notes below) As at 31.03.2017 - 2,18,50,589 Shares)	2185	2185
--	-------------	-------------

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

Particulars	31st March, 2018		31st March, 2017	
	No. of Shares	Amount ₹ / lacs	No. of Shares	Amount ₹ / lacs
Balance at the beginning and end of the year	21850589	2185	21850589	2185

b) The details of Shareholders holding more than 5% Shares:

S. No.	Name of Shareholder	31st March, 2018		31st March, 2017	
		%	No. of Shares	%	No. of Shares
1	TGS Investment and Trade Pvt. Limited	14.26	3114970	14.26	3114970
2	Life Insurance Corporation of India	6.93	1515302	6.93	1515302
3	Camden Industries Limited	4.23	925000	6.14	1340680
4	Century Textiles and Industries Limited	5.80	1266887	5.80	1266887

c) The Company has one class of Equity Shares having a par value of ₹ 10.00 per share. Each Shareholder is eligible for one vote per share held and has same right to dividend.

d) No bonus shares have been issued during five years immediately preceding 31st March, 2018.

e) Dividend Proposed, Declared and paid [Refer Note 36(A)]

f) Shares reserved for issue under options and contracts or commitments for the sale of shares or disinvestment, including the terms and amounts - Nil

g) For the period of five years immediately preceding the date at which the Balance Sheet is prepared-

- 1 aggregate number and class of shares allotted as fully paid up pursuant to contract without payment being received in cash - Nil
- 2 aggregate number and class of shares bought back - Nil

₹ / lacs

As at

31st March, 2017

As at
31st March, 2018**16. NON-CURRENT BORROWINGS**

Secured

Term Loans from Banks:

Rupee term Loans from:

3061

3708

Terms of Borrowings

Nature of Security	Terms of Repayment	Month in which last Installment is due	Prevailing Interest Rate	Balance as at 31st March, 2018	Balance as on 31st March, 2017
			Per Annum %	₹ / lacs	₹ / lacs
Secured					
Rupee Term Loans					
Axis Bank	Quarterly	December 2020	9.15%	1810	2533
Bank of Maharashtra*	Monthly	October 2020	8.65%	1899	2611
HDFC Bank	Annual	April 2023	8.23%	985	-
Sub-Total				4694	5144
Less: Current Maturities of Long Term Debt (Refer Note 23)				1633	1436
Total				3061	3708

Rupee Term Loans are secured by hypothecation of specific Plant and Machinery against which Loans have been taken.

*Note: Interest rate after considering subsidy under Technology Upgradation Scheme (TUF) is 3.65% p.a.

17. OTHER NON-CURRENT FINANCIAL LIABILITIES

Security Deposits

223

233

18. NON-CURRENT PROVISIONS

Provision for Employee Benefits

Gratuity (Refer Note 39)

303

283

Compensated Absences

538

507

Provision for Disputed Matters

175

466

1016

1256

19. DEFERRED TAX LIABILITIES (NET)

The balances is comprises of temporary differences attributable to:

Property, Plant and Equipments	11624	10727
Financial Assets at Fair value through Profit or loss	97	(22)
Others	(544)	(547)
Deferred Tax (Assets)/Liabilities	11177	10158

MOVEMENT IN DEFERRED TAX LIABILITIES.

Description	Property, Plant and Equipments	Financial Assets at FVPL	Others	Total
As on 1st April, 2016	11052	19	(598)	10473
Charged / (Credited)				
- To Profit and Loss	(325)	(41)	51	(315)
- To OCI	-	-	-	-
As on 31st March, 2017	10727	(22)	(547)	10158
Charged / (Credited)				
- To Profit and Loss	897	119	20	1036
- To OCI	-	-	(17)	(17)
As on 31st March, 2018	11624	97	(544)	11177



₹ / lacs

	As at 31st March, 2018	As at 31st March, 2017
20. OTHER NON-CURRENT LIABILITIES		
Deferred Income on Government Grant	307	322
21. BORROWINGS		
Working capital borrowings repayable on demand	1	109
Note: Working Capital borrowings (Secured)		
a) Working Capital borrowings are secured by way of hypothecation of Inventories, Book Debts and Receivables, both present and future.		
b) Working Capital borrowings carry an average interest rate of 9.20% per annum (As at 31st March, 2017: 10.02%)		
c) Working Capital Borrowings are renewed based on contract with bankers.		
22. TRADE PAYABLES		
Total outstanding dues of Micro and Small enterprises (Refer Note 47)	465	48
Total outstanding dues of Vendors other than above	6765	6779
	7230	6827
23. OTHER CURRENT FINANCIAL LIABILITIES		
Current Maturity of Non-Current Financial Borrowings (Rupee Term Loans)	1633	1436
Interest accrued but not due on borrowings	34	44
Unpaid Dividend Accounts *	171	156
Capital Goods Liability	230	329
Others	303	441
	2371	2406
* There is no amount required to be credited to Investors Education and Protection Fund.		
24. OTHER CURRENT LIABILITIES		
Advances from Customers	41	20
Others		
Statutory dues	520	693
Deferred Income on Government Grant	15	15
Other Liabilities	7	232
	583	960
25. CURRENT PROVISIONS		
Employee Benefits		
Compensated Absences	217	176
26. CURRENT TAX LIABILITIES		
Current Tax Payable	95	355

		₹ / lacs	
		Year	Year
		31st March, 2018	31st March, 2017
27	REVENUE FROM OPERATIONS		
	Sale of Products (Including Excise Duty) (Refer Note 50)		
	Finished Goods	143123	132943
	Traded Goods	1062	488
		144185	133431
	Other Operating Revenue		
	Scrap Sales	592	491
	Revenue from Operations (Gross)	144777	133922
	Note : Details of Sales of Products		
	Nylon Tyre Cord Fabric	84973	80955
	Nylon Filament Yarn	57875	51044
	Others	1337	1432
	Total	144185	133431
28	OTHER INCOME		
	Interest Income		
	Tax Refunds	8	65
	Subsidy refund (Refer Note 40)	-	292
	From Customers	51	29
	Others	1	3
		60	389
	Profit on Sale of Assets	102	44
	Profit on Sale of Current and Non-Current Investments (Net)	477	685
	Gain on Fair Valuation of Investments through Profit and Loss	151	86
	Dividend Received on Mutual Funds	10	-
	Liabilities / Provisions no longer required written back	450	111
	Government Grant	15	6
	Miscellaneous Income	510	228
		1775	1549
29	COST OF MATERIALS CONSUMED		
	Opening Stock of Raw Materials	9926	5672
	Add: Purchases	86875	70986
		96801	76658
	Less: Closing Stock of Raw Materials	10145	9926
	Cost of Raw Materials Consumed	86656	66732
	Add: Packing Material Consumed	2738	2627
		89394	69359



₹ / lacs

Year
31st March, 2018 31st March, 2017

30	CHANGE IN INVENTORIES OF FINISHED GOODS, STOCK-IN-PROCESS AND STOCK-IN-TRADE		
	Opening Stock		
	Finished Goods	7722	3715
	Stock-in-Process	4307	4140
		12029	7855
	Less: Closing Stock		
	Finished Goods	6445	7722
	Stock-in-Process	3632	4307
		10077	12029
	Less: Reversal of Excise Duty on Inventories	34	-
	(Increase) / Decrease in Stocks	1918	(4174)
31	EMPLOYEE BENEFITS EXPENSE		
	Salaries, Wages and Bonus	7552	6613
	Contribution to Provident and other funds (Refer Note 39)	700	605
	Workers and Staff Welfare Expenses	592	574
		8844	7792
32	FINANCE COSTS		
	Interest Expense	340	562
33	OTHER EXPENSES		
	Stores and Spare Parts Consumed	3029	3161
	Processing Charges	984	776
	Repairs and Maintenance		
	Building	225	201
	Machinery	1280	1074
	Rent	97	63
	Rates and taxes	101	112
	Insurance	96	90
	Directors' Sitting Fees	4	5
	Directors' Commission	30	30
	Payment to Auditors [Refer Note 48 (a)]	43	43
	Loss on Assets Sold / Written off	-	75
	Commission on Sales	1023	860
	Transport and Handling	1496	1125
	Expenditure on Corporate Social Responsibility (CSR) Activities (Refer Note 46)	206	174
	Loss due to Foreign Currency Fluctuations (Including MTM on Derivatives)(Net)	281	408
	Legal and Professional Fees	481	409
	Miscellaneous Expenses	1256	993
		10632	9599

34. FINANCIAL RISK MANAGEMENT OBJECTIVES (IND AS 107):

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

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

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

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

The Company has standard operating procedures and investment policy for deployment of surplus liquidity, which allows investment in debt securities and mutual fund schemes of debt categories only and restricts the exposure in equity markets.

Compliances of these policies and principles are reviewed by internal auditors on periodical basis.

The Corporate Treasury team updates the Audit Committee on a quarterly basis to about the implementation of the above policies. It also updates to the Internal Risk Management Committee of the Company on periodical basis about the various risk to the business and status of various activities planned to mitigate the risk.

A. Market Risk Management:

Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates, commodity prices, equity prices and other market changes that affect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including investments and deposits, foreign currency receivables, payables and borrowings.

1) Foreign Currency Risk:

Foreign currency risk is the risk of impact related to fair value or future cash flows of an exposure in foreign currency, which fluctuate due to changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to import of raw materials and spare parts, capital expenditure, exports of textile yarn and nylon chips.

When a derivative is entered for the purpose of being a hedge, the Company negotiates the terms of those derivatives to match the terms of the hedged exposure.



The Company evaluates exchange rate exposure arising from foreign currency transactions. The Company follows established risk management policies and standard operating procedures. It uses derivative instruments like foreign currency forwards to hedge exposure to foreign currency risk.

		in lacs	
Outstanding foreign currency exposure as at	As at 31st March, 2018	As at 31 st March, 2017	
Trade Receivables			
USD	4		1
Trade Payables			
USD	43		40
Total USD	47		41

Out of USD 47 Lacs Foreign Currency Exposure as 31st March 2018, USD 33 Lacs was hedged by forward contracts. Foreign Currency Exposure as at 31st March, 2017 was fully hedged.

Forward Exchange Contracts:

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

		in lacs		
Particulars	Purpose	Currency	As at 31st March, 2018	As at 31 st March, 2017
Forward Contracts	Imports	USD	38	124

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	
Total as at 31 st March 2018	4695	4695	
Total as at 31 st March 2017	5253	5253	

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

		₹ / lacs	
Particulars	As at 31st March 2018	As at 31 st March 2017	
INR	47	51	

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 three major clients which represents 80% receivables as on 31st March, 2018 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.

As per provision matrix, the Company makes provision for the trade receivable for more than 6 Months @ 10 – 15%.

All the Trade Receivables are less than 6 months and hence there is no provision as per expected credit loss model.

Investments, Derivative Instruments, Cash and Cash Equivalent and Bank Deposit

Credit Risk on cash and cash equivalent, deposits with the banks/financial institutions is generally low as the said deposits have been made with the banks/financial institutions who have been assigned high credit rating by international and domestic rating agencies.

Credit Risk on Derivative Instruments are generally low as Company enters into the Derivative Contracts with the reputed Banks and Financial Institutions.

Investments of surplus funds are made only with approved Financial Institutions/ Counterparty. Investments primarily include investment in units of mutual funds. These Mutual Funds and Counterparties have low credit risk.

Total Non-current and current investments as on 31st March, 2018 is ₹8661 Lacs (31st March , 2017 - ₹ 9803 Lacs).

C. Liquidity Risk Management:

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time or at reasonable price. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of credit facilities to meet obligations when due. The Company's treasury team is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management. Management monitors the Company's liquidity position through rolling forecasts based on expected cash flows.

The table below provides details regarding the remaining contractual maturities of financial liabilities and investments at the reporting date based on contractual undiscounted payments.

₹ / lacs

As at 31st March, 2018	Less than 1 Year	1 to 5 Years	More than 5 Years	Total
Borrowings (including current maturities of long-term debts)	1634	3061		4695
Trade payables	7230	-	-	7230
Interest accrued but not due on borrowings	34	-	-	34
Other financial liabilities (excluding derivative liability)	554	394	-	948
Derivative liability/ (Assets)	(21)	-	-	(21)
Investments	7120	-	1541	8661
As at 31st March, 2017	Less than 1 Year	1 to 5 Years	More than 5 Years	Total
Borrowings (including current maturities of long-term debts)	1545	3708	-	5253
Trade payables	6827	-	-	6827
Interest accrued but not due on borrowings	44	-	-	44
Other financial liabilities (excluding derivative liability)	464	389	-	853
Derivative liability/ (Assets)	306	-	-	306
Investments	7778	-	2025	9803



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

Particulars	₹ / lacs	
	As at 31 st March, 2018	As at 31 st March, 2017
Financial Assets at amortised cost #		
Trade Receivables	20710	18879
Other Financial Assets	540	379
Cash and Cash Equivalents	2311	275
Bank Balance other than Cash & Cash Equivalents	171	156
Financial Assets at fair value through profit or loss		
Investments	7120	7778
Financial Assets at fair value through other comprehensive income		
Investments (Non-Current)	1541	2025
Total	32393	29492
Financial Liabilities at amortised cost #		
Term Loan from Banks	3061	3708
Cash Credits/Working Capital Borrowing	1	109
Trade Payables	7230	6827
Other Financial Liabilities	2615	2639
Fair Value Hedging Instruments		
Derivative Liability/(Asset)	(21)	306
Total	12886	13589

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

(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	
	As at 31 st March, 2018	As at 31 st March, 2017
Financial Assets at fair value through profit or loss		
Investments –Level 2	7120	7778
Financial Assets at fair value through other comprehensive income		
Investments –Level 2	1527	2011
Fair Value derivative		
Derivative liability/ (Asset) -Level 2	(21)	306

The management assessed that fair value of cash and bank balances, trade receivables, trade payables, cash credits, commercial papers 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 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.

35. 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.

36. (A) DISTRIBUTION MADE AND PROPOSED (IND AS 1):

₹ / lacs

Particulars	Year Ended 31 st March, 2018	Year Ended 31 st March, 2017
Cash dividends on equity shares declared and paid:		
Final dividend for the year ended on 31 st March, 2017: ₹ 7.00 per share (31 st March, 2016: ₹ 7.50 per share)	1530	1639
DDT on final dividend	311	333
Total Dividend paid	1841	1972
Proposed dividends on Equity shares:		
Final dividend for the year ended on 31 st March, 2018: ₹ 7.00 Per share. (31 st March, 2017: ₹7.00 per share)	1530	1530
DDT on proposed dividend	314	311
Total Dividend proposed	1844	1841

Proposed dividends on equity shares are subject to approval at the annual general meeting and are not recognized as a liability (including Dividend Distribution Tax thereon) as at 31st March 2018.

(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.

₹ / lacs

Particulars	As at 31 st March, 2018	As at 31 st March, 2017
Total Debt (Bank and other borrowings)	4695	5254
Equity	90090	85436
Debt to Equity (Net)	0.05	0.06

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.



37. INCOME TAXES (IND AS 12):

(i) Reconciliation of Effective Tax Rate:

Particulars	Year ended 31st March, 2018	Year ended 31st March, 2017
Profit before Tax ₹ / lacs	10903	13979
Tax Expense ₹ / lacs	3894	4882
Effective Tax Rate (in %)	35.715	34.924
Effect of Non-Deductible expenses (in %)	(0.654)	(1.617)
Effect of Allowances for tax purpose (in %)	-	-
Others (in %)	(0.453)	1.301
Applicable Tax Rate (in %)	34.608	34.608

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

38. OPERATING LEASE (IND AS 17):

- (a) Future minimum rental payables under non-cancellable operating lease

₹ / lacs

Sr. No	Particulars	Year Ended 31st March, 2018	Year Ended 31st March, 2017
(i)	Not later than one year	104	56
(ii)	Later than one year and not later than five years	68	37
(iii)	More than five years	-	7

- (b) Operating lease payment recognized in the Statement of Profit and Loss amounting to ₹97 Lacs (31st March, 2017 ₹ 63 Lacs)
- (c) General Description of leasing agreements:
- Leased Assets: Land, Godowns, Offices, Flats.
 - Future Lease rentals are determined based on agreed terms.
 - At the expiry of lease terms, the Company has an option to return the assets or extend the term by giving notice in writing.
 - Lease agreements are generally cancellable and are renewable by mutual consent on mutually agreed terms.

39. 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:**

₹ / lacs

Particulars	2017-18	2016-17
Employer's Contribution to Provident Fund and Employee's Pension Scheme, 1995	402	378
Employer's Contribution to Superannuation Fund	61	65
Employer's Contribution to Employee's State Insurance	30	17
Total	493	460

- b) **Defined Benefit Plans - Gratuity and Provident Fund**

Gratuity: Inherent Risk - The plan is defined benefit in nature which is sponsored by the Company and hence it underwrites all the risks pertaining to the plan. In particular, this exposes the Company to actuarial risk such as adverse salary growth, change in demographic experience, inadequate return on underlying plan assets. This may result in an increase in cost of providing these benefits to employees in future. Since the benefits are lump sum in nature, the plan is not subject to any longevity risks.

The Company operates a gratuity plan which is administered through Life Insurance Corporation and a trust which is administered through trustees. Every employee is entitled to a minimum benefit equivalent to 15 days salary last drawn for each completed year of service in line with Payment of Gratuity Act, 1972. However, certain employees are entitled to benefit higher than the benefit prescribed under Payment of Gratuity Act, 1972. The same is payable at the time of separation from the Company or retirement, whichever is earlier or death in service.

i) A reconciliation of opening and closing balances of the present value of the defined benefit obligation (DBO):

₹ / lacs

Particulars	2017-18	2016-17
Opening DBO	3176	2798
Current Service Cost	141	127
Past Service Cost	55	-
Interest on DBO	202	199
Remeasurement due to:		
Actuarial loss/ (gain) arising from change in financial assumption	52	118
Actuarial loss/ (gain) arising from change in demographic assumption	(2)	-
Actuarial loss/ (gain) arising on account of experience change	44	18
Benefits Paid	(251)	(84)
Closing DBO	3417	3176

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

₹ / lacs

Particulars	2017-18	2016-17
Opening Fair Value of Plan Assets	2893	2398
Interest on Plan Assets	190	177
Remeasurement due to:		
Actuarial loss/ (gain) arising on account of experience change	46	38
Contribution by the Employer	236	364
Benefits Paid	(251)	(84)
Closing Fair Value of Plan Assets	3114	2893

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:

₹ / lacs

Particulars	As at 31st March, 2018	As at 31st March, 2017
Present value of Defined Benefit Obligation	3417	3176
Fair value of Plan Assets	(3114)	(2893)
Net Liability recognised in the Balance Sheet	303	283
Long Term Provisions	303	283

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

₹ / lacs

Particulars	2017-18	2016-17
Current Service Cost	141	127
Past Service Cost	55	-
Interest Cost on defined benefit liability / (assets)	11	22
Total	207	149



v) Amount recorded in Other Comprehensive Income

₹ / lacs

Particulars	As on	As on
	31st March, 2018	31st March, 2017
Opening amount recognised in OCI outside P&L Account	74	(24)
Remeasurement due to:		-
Changes in financial assumptions	52	118
Changes in demographic	(2)	-
Experience Adjustments	44	18
Actual return on plan assets less interest on plan assets	(46)	(38)
Closing amount recognised in OCI outside profit and loss account	122	74

vi) 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 on 31st March, 2018		As on 31st March, 2017	
	Amount ₹ / lacs	Rate %	Amount ₹ / lacs	Rate %
Government of India Securities	-	-	-	-
Corporate Bonds	-	-	-	-
Special Deposit Scheme	-	-	-	-
Equity Shares of Listed Companies	-	-	-	-
Property	-	-	-	-
Insurer Managed Funds	3114	100%	2893	100%
Others	-	-	-	-
Total	3114	100%	2893	100%

vii) 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.

viii) The Actual Return on Plan Assets is as follows:

₹ / lacs

Particulars	2017-18	2016-17
Actual Return on Plan Assets (Incl. remeasurement effect)	237	215

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

Particulars	2017-18	2016-17
	Rate %	Rate %
Discount Rate	6.80%	7.10%
Salary Escalation Rate	7.00%	7.00%
Attrition Rate (Average Rate of 4 Age Groups in 17-18)	11.25%	10.00%

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

₹ / lacs

Particulars	2017-18	2016-17	2015-16	2014-15	2013-14
Defined Benefit Obligation	3417	3176	2798	2592	1978
Plan Assets	3115	2893	2398	2080	1935
Surplus / (Deficit)	(302)	(283)	(400)	(512)	(43)
Experience Adjustment on Plan Liabilities	44	18	(9)	307	(11)
Experience Adjustment on Plan Assets	47	38	36	29	40

xi) Expected Contribution to the Funds in the Next Year: ₹ / lacs

Particulars	2018-19
Gratuity	250
Provident Fund and Employee's Pension Scheme, 1995	452

xii) Sensitivity Analysis:

Particulars	2017-18 Rate %	2016-17 Rate %
Impact of increase in 50 bps on discounting rate on DBO	-2.52%	-2.36%
Impact of decrease in 50 bps on discounting rate on DBO	2.64%	2.47%
Impact of increase in 50 bps on salary escalation rate on DBO	2.59%	2.40%
Impact of decrease in 50 bps on salary escalation rate on DBO	-2.50%	-2.32%

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

Provident Fund:

The Company makes contribution towards Provident fund for certain eligible employees to the trust, set up and administered by the Company, in line with the Provident Fund and Miscellaneous Provisions Act, 1952. The plan guarantees interest at the rate notified by the Provident Fund Authorities. The contribution by the employer and employee together with the interest accumulated thereon are payable to employees at the time of their separation from the company or retirement, whichever is earlier. The benefits vest immediately on rendering of the services by the employee. The rules of the trust provides that if the board of trustees are unable to pay interest at the rate declared by the government under Para 60 of the Employees provident fund scheme, 1972 for the reason that the return on investment is less or for any other reason, then the deficiency shall be made good by the Company making interest shortfall a defined benefit plan. Accordingly, the Company has obtained actuarial valuation and based on the below provided assumptions there is no deficiency as at the balance sheet date. Hence, the liability is restricted towards monthly contributions only.

₹ / lacs

Particulars	As at 31st March, 2018	As at 1st April, 2017
Present value of Defined Benefit Obligation	8750	7766
Fair value of Plan Assets	(8750)	(7766)
Net Liability recognised in the Balance Sheet	-	-

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

Particulars	As at 31st March, 2018 Rate %	As at 31st March, 2017 Rate %
Discount Rate	6.80%	7.10%
Expected rate of return on Plan Assets	8.02%	8.83%
Discount Rate for the remaining term to Maturity of the Investment Portfolio	7.67%	7.19%
Average Historic Yield on the Investment Portfolio	8.89%	8.92%
Guaranteed Rate of Return	8.55%	8.65%

40. GOVERNMENT GRANT (IND AS 20):

Other Income includes subsidy received against Capital Investments, under Technology Upgradation Fund (TUF) Scheme of ₹ NIL Lacs (31st March, 2017- ₹ 292 Lacs).

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

Parties	Relationship
Mr. B.K.Birla - Non-Executive Director	Key Management Personnel (KMP)
Mrs. Rajashree Birla - Non-Executive Director	Key Management Personnel (KMP)
Mr. B.S.Mehta - Independent Director	Key Management Personnel (KMP)
Mr. S.K.Jain - Independent Director	Key Management Personnel (KMP)
Mr. K.S. Thar - Independent Director	Key Management Personnel (KMP)
Mr. G.M.Singhvi - Whole-time Director upto 15.05.2017	Key Management Personnel (KMP)
Mr. O.R.Chitlange- Managing Director w.e.f. 16.05.2017	Key Management Personnel (KMP)

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

₹ / lacs

Nature of Transaction/Relationship	Year Ended 31st March, 2018	Year Ended 31st March, 2017
Services received from:		
KMP (Director's Sitting Fees and Commission)	34	35

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

₹ / lacs

Nature of transaction/relationship	Year Ended 31st March, 2018	Year Ended 31st March, 2017
Short-term employee benefits	266	208
Other long-term benefits	17	16
Total compensation paid to key management personnel	283	224

Based on the recommendation of the Nomination, Remuneration and Compensation Committee, all decisions relating to the remuneration of the Directors are taken by the Board of Directors of the Company, in accordance with shareholders' approval, wherever necessary.

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

Particulars	Year Ended 31st March, 2018	Year Ended 31st March, 2017
Basic/Diluted EPS:		
(i) Net Profit attributable to Equity Shareholders (₹ / lacs)	7009	9097
(ii) Weighted average number of Equity Shares outstanding (Nos.) [For Basic & Diluted EPS]	21850589	21850589
Basic/ Diluted EPS in ₹ Per share (Face Value ₹10 per share) (i)/(ii)	32.08	41.63

43. EXCEPTIONAL ITEM REPRESENTS:

For the year ended 31st March, 2018, ₹ 2491 Lacs for profit on sale of property, and for the year ended 31st March, 2017, impairment loss of ₹ 958 Lacs on the basis of management's assessment and plan of conversion of polyester spinning machine at Bharuch to nylon machine and valuation from an independent valuer as per Ind AS 36.

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

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

Particulars	As at	
	31st March, 2018	31st March, 2017
(a) Income Tax Matters	50	50
(b) Sales-Tax / VAT Matters	6	6
(c) Excise , Service Tax & Custom Matters	481	470

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

- (b) Excise Department had issued an order dated 31st December 2013 denying the applicability of Notification No. 6/2000 dated 1st March 2000 which allowed payment of duty at specific rate instead of ad-valorem basis and raised a demand of ₹ 22927 lacs plus interest thereon and penalty equivalent to demand amount against which the Company had filed an appeal before Appellate Tribunal (CESTAT). The CESTAT has admitted the appeal on pre-deposit of ₹ 700 lacs and granted stay against the recovery. The company has been advised by legal experts that it has a fair chance of ultimately succeeding in the matter and accordingly no provision is required to be made in accounts.

45. CAPITAL AND OTHER COMMITMENTS:

- (a) Estimated amount of contracts remaining to be executed on capital account, not provided for (net of advances) ₹412.68 Lacs. (31st March, 2017 - ₹ 79 Lacs).
- (b) Other Commitments: The Company has renewed non cancellable agreement with Gas Utility Company on 1st January, 2017 for purchase of LNG. Under this agreement, the Company is committed to purchase certain annual minimum quantity of LNG upto 31st December, 2021 failing which it will pay the seller for any shortfall in offtake of LNG based on an agreed formula. The cost of the minimum committed quantity as at 31st March, 2018 for the remaining period of the contract at current market prices approximates ₹ 2823 Lacs (Previous Year ₹ 3071 Lacs). Based on the current projection Company does not expect shortfall in offtake of minimum committed quantity and therefore no material foreseeable losses are expected.

46. CORPORATE SOCIAL RESPONSIBILITY:

The amount required to be spent under Section 135 of the Companies Act, 2013 for the year ended 31st March, 2018 is ₹201.86 Lacs (31st March, 2017- ₹ 177 Lacs) i.e. 2% of average net profits for last three financials years, calculated as per section 198 of the Companies Act, 2013.

47. DISCLOSURE UNDER THE MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT ACT, 2006 :

Amounts due to Micro and Small Enterprises disclosed on the basis of information available with the Company regarding status of the suppliers are as follows:

(₹ / lacs)

Particulars	2017-18		2016-17	
	Principal	Interest	Principal	Interest
Principal Amount and Interest due thereon, remaining unpaid as at the end of the year	465	(₹58716)	48	-
Amount paid during the year	587	(₹111909)	79	(₹56556)
Amount due of the previous year	-	-	-	-

**48. AUDITORS' REMUNERATION (EXCLUDING TAXES) AND EXPENSES:**

₹ / lacs

Particulars	Year Ended	
	31st March, 2018	31st March, 2017
(a) Statutory Auditors:		
Audit fees (including quarterly Limited Review)	35	35
Tax audit fees	5	5
Fees for other services	2	1
Expenses reimbursed	1	2
Total	43	43
(b) Cost Auditors: Audit fees	3	3

49. IND AS 115 REVENUE FROM CONTRACTS WITH CUSTOMERS

In March 2018, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2018, notifying Ind AS 115 'Revenue from Contracts with Customers', which replaces Ind AS 11 'Construction Contracts', Ind AS 18 'Revenue'. Except for the disclosure requirements, the new standard will not materially impact the Company's financial statements, as most of the Company's sales relate to the delivery at a point in time.

50. GOODS AND SERVICE TAX

Effective July 01, 2017, sales are recorded net of GST whereas earlier sales were recorded gross of excise duty which formed part of expenses. Hence revenue from operations for the year ended March 31, 2018 are not comparable with the previous year corresponding figures.

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

For and on behalf of the Board of Directors

For **Khimji Kunverji & Co.**
Firm Registration No. 105146W
Chartered Accountants

Place : Mumbai
Date : 3rd May, 2018

Gautam V. Shah
Partner
Membership No. 117348

Place : Mumbai
Date : 3rd May, 2018

K. G. Ladsaria
Chief Financial Officer

C. B. Gagrani
Secretary

Rajashree Birla
Vice Chairperson
DIN: 00022995

O.R. Chitlange
Managing Director
DIN: 00952072



CENTURY ENKA LIMITED

Registered Office:

Plot No. 72 & 72-A, MIDC, Bhosari, Pune 411026

CIN: L24304PN1965PLC139075

Phone: 020-66127300, 27120423 | Fax: 020-27120113

Website: www.centuryenka.com