

56<sup>th</sup> Annual Report  
**2021-22**  
(1<sup>st</sup> Integrated Report)



Century Enka Limited



**TRUST**  
**C****MMITMENT**  
**VALUE CREATION**

## TRIBUTE TO A LEGEND



यत् भावो तत् भवति ।

You become what you believe

### SHRI BASANT KUMAR BIRLA

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

Former Chairman

Century Enka Limited

A visionary. A humanitarian. A legend.  
His life was a rich tapestry of business acumen, arts, culture and philanthropy. He was always a beacon of inspiration. We live by his values.

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For online version of this annual report, please visit:

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

### Investor Information

Market Capitalisation as of 31 <sup>st</sup> March 2022	₹1,216 crores
CIN	L24304PN1965PLC139075
BSE Code	500280
NSE Symbol	CENTENKA
Dividend Declared	100% i.e., ₹10/- per equity share of ₹10/- each
Book Closure for Dividend	Tuesday, 9 <sup>th</sup> August 2022 to Wednesday, 10 <sup>th</sup> August 2022
Record Date (Cut-off date) for E-voting	Thursday, 11 <sup>th</sup> August 2022
AGM Date	Thursday, 18 <sup>th</sup> August 2022 at 2:30 pm (IST)
AGM Mode	Audio-visual means

#### Disclaimer:

This document contains statements about expected future events and financials of Century Enka Limited, which are forward-looking. By their nature, forward-looking statements require the Company to make assumptions and are subject to inherent risks and uncertainties. There is a 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 several 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 Discussion and Analysis section of this Annual Report.

# Corporate Overview

## Trust. Commitment. Value Creation.

Our product and processes reflect unmatched quality, that ensures customer satisfaction. Through our customer-centric approach to production and manufacturing, we have tailored ourselves to build a legacy of trust and commitment. We now step towards integrated reporting to enhance our communication, way of telling our story of value creation and to continue maintaining the faith, our stakeholders have in us.

# About the Report

'Trust. Commitment. Value Creation' is our first Integrated Report with reflections on detailed insights as well as our achievements in the FY22. In our mission to be a responsible and reliable organisation in the industry, we aim to demonstrate our financial and non-financial performance. This demonstrates our strong leadership, culture, practices and strategy, and showcases our value creation process to the stakeholders. During the reporting period, there have been no significant changes in the organisation's size, structure, ownership or supply chain. Since it is our maiden Integrated Report, there are no restatements of information during this reporting period.

### Reporting Guidelines and Frameworks

This Report is prepared as per the International Integrated Reporting Framework (January 2021) of International Integrated Reporting Council (IIRC). The performance across Environment, Social and Governance (ESG) aspects is disclosed in accordance with the Global Reporting Initiative (GRI) Standards: Core option. The financial and statutory data presented in this Report is as per the requirements of the Companies Act, 2013 (including the rules made thereunder); Indian Accounting Standards; the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015; and the Secretarial Standards.

### Reporting Boundaries

The data includes the activities of our Company, figures of which are consolidated in the Financial Statements of the Report. There is no subsidiary company/network firm/network entity for our Company. This Integrated Report covers the business activities of Century Enka Limited for the financial year 1<sup>st</sup> April 2021 to 31<sup>st</sup> March 2022. Our sustainability journey towards shared value creation encompasses operations in Pune, Maharashtra and Bharuch, Gujarat. Exclusions have been provided in the respective sections. We aspire to report our ESG initiatives and efforts on an annual basis through our integrated reporting practice.

### Materiality and Scope

Our Report is defined by the outline of the material topics derived and further described in our six <IR> Capitals. We endeavour to ensure that this Report addresses the impact and use of the capitals on our strategy and business model. We have also considered the key risks and valued inputs from the Stakeholder Engagement and Materiality Assessment (SEMA). The Report content and presentation are based on issues material to Century Enka Limited and our stakeholders. The material issues are mastered from various channels and forums of engagement across the organisation and from external stakeholders. We have identified our ESG material issues and have incorporated them in the long-term plans. There are no changes in reporting, given that we begin our integrated reporting journey from FY22.

### Statement of Responsibility

Our Board strongly believes that Century Enka's 2021-22 Integrated Report addresses all material topics, offers a balanced and comprehensive vision of our strategy and the organisational ability to create long-term value. Our Board also acknowledges the elements of this Report, which are prepared under the recommendations of senior management based on the inputs received from various key functional teams.

## Navigation

To effectively connect the information, cross reference, concise the communication, and to make it easy for our readers, we have used below icons for navigation.

### Our Stakeholders



### Capitals Linked



## Contact

For more information/queries or to provide your valuable feedback about our Report, you may contact our Investor Cell on 020-66127304.

# Chairperson's Message

I would like to express my gratitude to all the stakeholders for your immense support and trust on us.



### Dear Stakeholders,

I hope you and your families are doing well and keeping good health. The year gone-by has indeed been taxing, given the raging pandemic. FY22 has been a tough year globally. It was no different in India. Just when there was hope for getting back on the recovery track, the emergence of new and deadlier COVID-19 variants put the brakes which resulted in a severe economic disruption. Fortunately, its impact on the economy was not as crippling as the first wave, with vaccinations gaining pace.

The economy witnessed a turnaround from Quarter 2 onwards. Backed by massive fiscal and monetary initiatives, robust consumer spending, and a better business front, we witnessed the resurgence of the economy. India's GDP is estimated to have expanded over 8.5% in FY22 vis-à-vis a contraction of 6.6% in FY21.

The resilience of our employees and the team at CEL bolstered the growth of your Company, and reported a remarkable progress compared to the previous year. FY22 has been a record year for your Company with highest ever volumes in both the products i.e. Nylon Tyre Cord Fabric (NTCF) and Nylon Filament Yarn (NFY) along with overall profitability. I am happy to record that work on the ambitious expansion projects undertaken by your Company is well under way.

Our vision is to be the leader in the business of tyre reinforcement and man-made textile yarn with a clear focus on compliance, preserving the capital and value creation for investors and stakeholders through responsible sustainable business. Profitable growth, diversification, and opportunity-based expansion is always on your Company's radar. While doing so, we are extremely environment-sensitive, conscious of our obligations to our multiple stakeholders,

and factoring all aspects of governance, transparency as well as accountability.

This year, our Company has taken a step forward in our Environmental, Social and Governance (ESG) journey. We have engaged with key stakeholders to understand issues material to them. This has helped in charting the direction for our sustainability endeavours. This year's Integrated Annual Report presents the financial and ESG performance of your Company.

I would like to thank all of our colleagues for their invaluable commitment and dedication, and all of you, our stakeholders for your support. The trust and faith reposed by all of you in your management is deeply valued.

Here's wishing you all a great year ahead. Best regards,

**Rajashree Birla**  
Chairperson

# Managing Director's Message

This year, we have prepared an ESG roadmap which will help us in meeting our sustainability commitments. We seek your continued trust, support and valuable feedbacks.



## Dear Stakeholders,

As you are all aware, the outbreak of COVID-19 adversely affected the global economy. With the pandemic lasting for almost two years now, the economies learnt to brave it and find solutions for growing business operations. Despite the ambiguity and unpredictability of FY22, we achieved the highest volumes and profitability. Our proactive unending endeavours enabled us to successfully navigate supply chain disruptions and achieve excellent operating results. With a sense of pride, we report that Apollo Tyres Gold Partner Award, 2021 for supply chain excellence was conferred upon CEL.

Our enduring aim is to offer innovative, cost-effective, and sustainable solutions. We continue to provide consistent quality while leveraging technology and creating value for our stakeholders.

### Robust performance

In FY22, we achieved the highest-ever production and sales volume. Our domestic market share for NFY was around 25% while that of NTCF was 23%. Our revenue for the financial year increased by 72% year-on-year at ₹2,098 crores. Profit before Interest, Depreciation and Tax (PBITD) was at ₹285 crores with a growth of 100% year-on-year and PBITDA margin of 13.6%. Profit after tax (PAT) stood at ₹184 crores soaring over 150% with PAT margin of 8.8%.

The demand for NFY is on the rise, given their wide ranging applications. Its properties compared to other textile yarns render this material more popular among customers.

To strengthen our competitive position in the Tyre Reinforcement market, we are diversifying into Polyester Tyre Cord Fabric (PTCF) used in Passenger Radial Tyres. Alongside modernising our plant and augmenting our capacities is under way.

### Sustainability review

Sustainability being our key focus, we are moving towards reducing our carbon footprint. Our eco-friendly range contributes to create fashionable clothing with low environment impact.

These products are made by recycling yarn and polymer waste created during production. Our production of dope-dyed yarns helps in conserving water and reducing dyeing related pollution.

We are a STANDARD 100 OEKO-TEX® certified Company. It gives us the confidence that our yarn meets the human ecological requirements of the standard and is harmless for human health. We also have other certifications which endorses our sustainable operations and products.

Various waste management measures are being initiated at our plants, one of which is to have Zero-Liquid Discharge (ZLD). The effluent is treated and recycled in line with the required standards in ZLD and then reused. This resulted in zero liquid discharge at the end of the treatment. Yet another initiative of ours, entails developing our manufactured capital capacity by adding dipping capacity. This cuts the emission caused by transportation.

Innovation and process improvement form part of our ecosystem. The waste material generated during Nylon-6 production is used as the main raw material for production of green polymer. With the installation of depolymerisation units in Pune, the raw material caprolactam is reused in producing the green polymer chips. Consequently, there is 100%

recycling and reduction in the use of virgin material.

To increase our renewable energy capacity, we have signed a power purchase agreement for hybrid (Wind and Solar) power under group captive norms with a capacity of 10.5 MW for our Bharuch plant. Through this project, the use of power generated using fossil fuels will be considerably curtailed.

### Fostering our people

We believe in investing in our people and providing them with opportunities to grow, personally and professionally. We continue to hone our employees' skills through training and development programmes. We are proud to report that we organised 111 training programmes with 767 hours of training during the reporting period.

The health and safety of our people is of utmost importance to us. A healthy and conducive work environment and striving to make our plant operations safe is part of our DNA.

### Commitment towards society

We promote holistic growth and development of communities in which we operate. We are striving to enrich the lives of the underprivileged people through meaningful community development initiatives. These center around education, healthcare, making safe drinking water available, disaster management and rural

infrastructure development.

### Way forward

I am pleased to share with you that your Company's maiden Integrated Annual Report for FY22 endeavours to reflect upon our work on the ESG aspects of our business. This year, we have prepared an ESG roadmap which will help us in meeting our sustainability commitments. We count on your continued trust, support and valuable feedback.

Warm regards,

**Suresh Sodani**

Managing Director

## Board of Directors



**Mrs. Rajashree Birla**  
Chairperson



**Mr. S. K. Jain**  
Independent and Non-executive Director



**Mr. K. S. Thar**  
Independent and Non-executive Director



**Mrs. Krupa R. Gandhi**  
Independent and Non-executive Director



**Mr. Devajyoti N. Bhattacharya**  
Non-executive Director



**Mr. Suresh Sodani**  
Managing Director

## Our Senior Management



**Mr. Krishnagopal Ladsaria**  
Chief Financial officer



**Mr. Rahul Dubey**  
Company Secretary



**Mr. Rajeev Rathi**  
Sr. Vice President  
(Operations) - Bharuch Plant



**Mr. Shivappa Agasimani**  
Sr. Vice President  
(Operations) - Pune Plant



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



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

## Committees of Board of Directors







# Performance Highlights

## Financial

**53%**

Contribution to the Revenue by NTCF

**23%**

Domestic Market Share by NTCF

**47%**

Contribution to the Revenue by NFY

**25%**

Domestic Market Share by NFY

**₹2,849 Mn**

EBITDA



## Non-financial

**78,000** tonnes/annum

Total Production Capacity

**2.5** GJ/MT

Emission Intensity

**53,258**

Lives reached through CSR

**2,184**

Total Workforce

**767** hours

Total hours of Training

# Century Enka at a Glance

Established in 1965, with decades of responsible business in Nylon Filament Yarn (NFY), Nylon Tyre Cord Fabric (NTCF), and High Tenacity Yarn (HTY), we have emerged as a reputed producer. We have two manufacturing facilities, one at Pune (Maharashtra), which is also the registered office, and the other at Bharuch (Gujarat).

We, as Century Enka Limited (hereinafter referred to as 'CEL' or 'We'), a listed public company, have created a culture of continuous improvement. We are leveraging our innovation capabilities, technology leadership and focusing on sustainability to create long-term value for our stakeholders. Our business is in existence for decades now, and we aspire to grow our business while complying with all the applicable laws and regulations of the jurisdictions.

We are focused on driving the paradigm of better value through digital transformation and robust infrastructure, enabling better growth and success all around the world.

## Our Vision and Mission

We are focused on driving the paradigm of better value through digital transformation and robust infrastructure, enabling better growth and success all around the world.



### Our Vision

We aspire to be a leading and reliable organisation in the business of tyre reinforcement and man-made textile yarn



### Our Mission

- 🌱 We aim to provide innovative, cost-effective and sustainable solutions, while following fair commercial practices
- 🌱 By implementing total quality management, we ensure complete customer and stakeholder satisfaction

## Product Portfolio



POY Yarn (50/24 Brt)



Mother Yarn for Mono

We are primarily involved in the business of producing Nylon Tyre Cord Fabric (NTCF) for the Tyre industry, High Tenacity Yarn (HTY) for technical textiles and Nylon Filament Yarn (NFY) for the Apparel industry. We offer a diverse product range of NFY comprising of mono filaments, mother yarn, Fully Drawn Yarn (FDY), Partially Oriented Yarn (POY), drawn textured yarns, dope-dyed yarns, TOW, and draw wound yarns. We also make customised tyre cord fabric for reinforcement of tyres, which are used in motorcycles, scooters, Light Commercial Vehicles (LCVs), Heavy Commercial Vehicles (HCVs) and Off The Road (OTR).

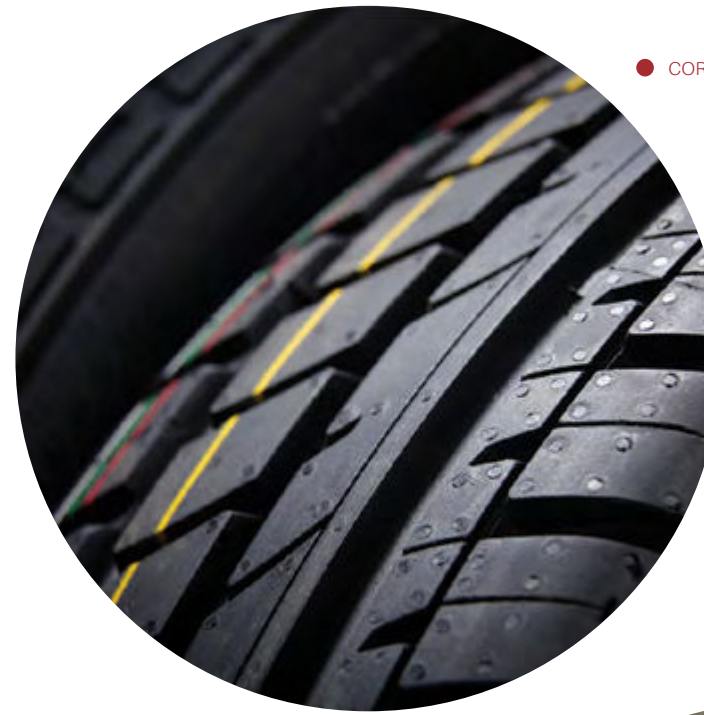


Nylon Processed Yarns

We produce a broad range of High-Quality Nylon Processed Yarns for diverse application areas. The nylon industrial yarns are used for a variety of applications including fish-twines, conveyor belts, etc. The brand name 'Enkalon' is a testament to our high quality material, which gives a soft, lustrous and elegant feel to the finished fabric. The nylon processed yarn can be used for various weaving applications on high-speed latest generation machines. We spearheaded the introduction of jumbo beams for nylon yarn in India.

## The Nylon Filament sector as an industry – CEL’s position in this industry

India is one of the largest producers of Manmade Fibers (MMF) and filaments globally. CEL is known as a high quality and leading brand for Tyre and Apparel industry. The quality of our yarn and filament have been highly admired by our buyers in the Indian market and we endeavour to carry our legacy forward.

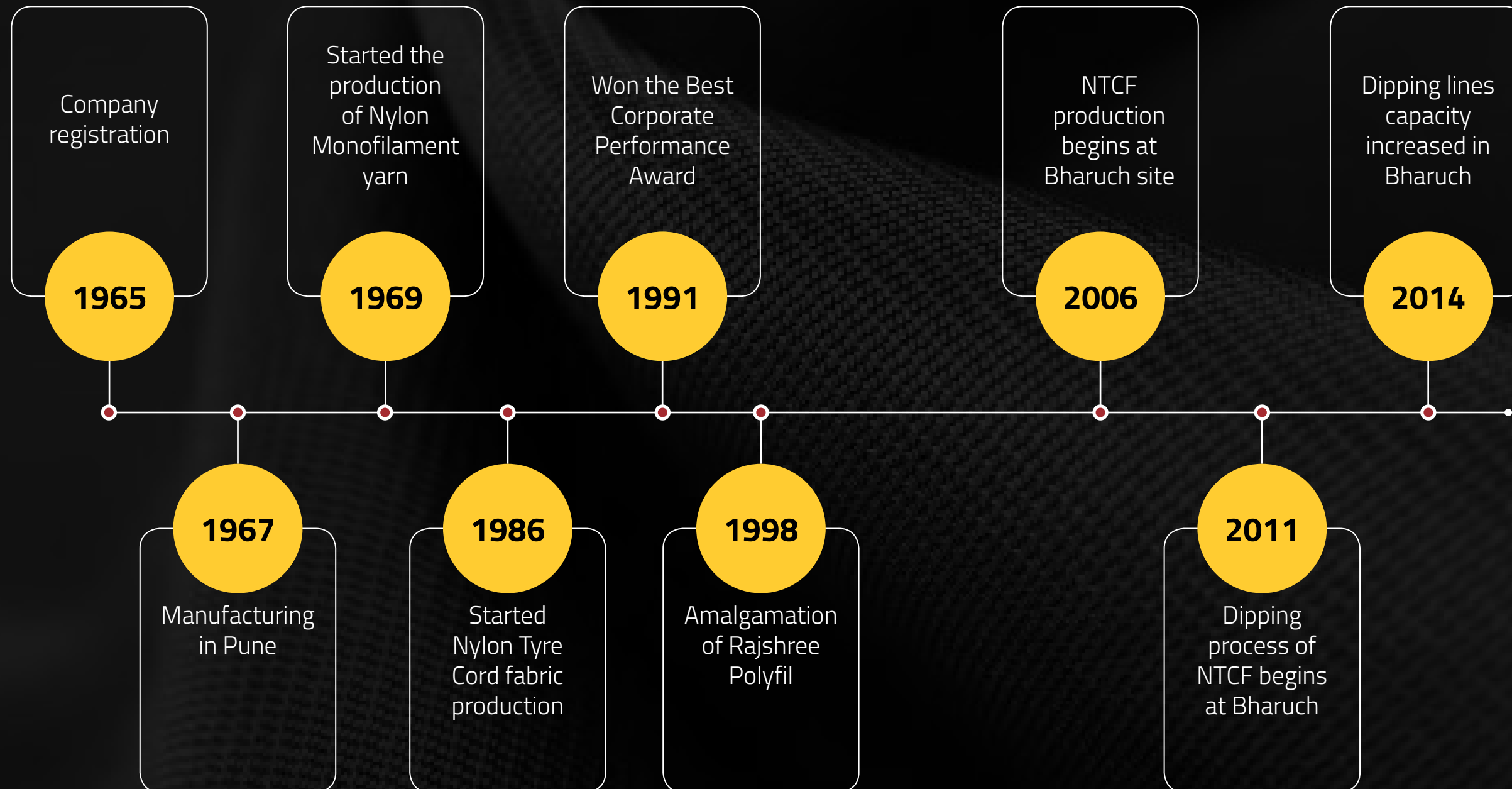


### Defining our capitals

We have adopted a multi-capital approach for reporting. The resources and relationships that support us in creating value for all our stakeholders are referred to as Capitals and are mentioned below:



## Milestones - the journey so far



### Industry Associations

We have been linked with various trades, chambers, and associations to enhance our sustainability initiatives and collaborate towards advocating sustainable business principles. Major associations that we team up with are:

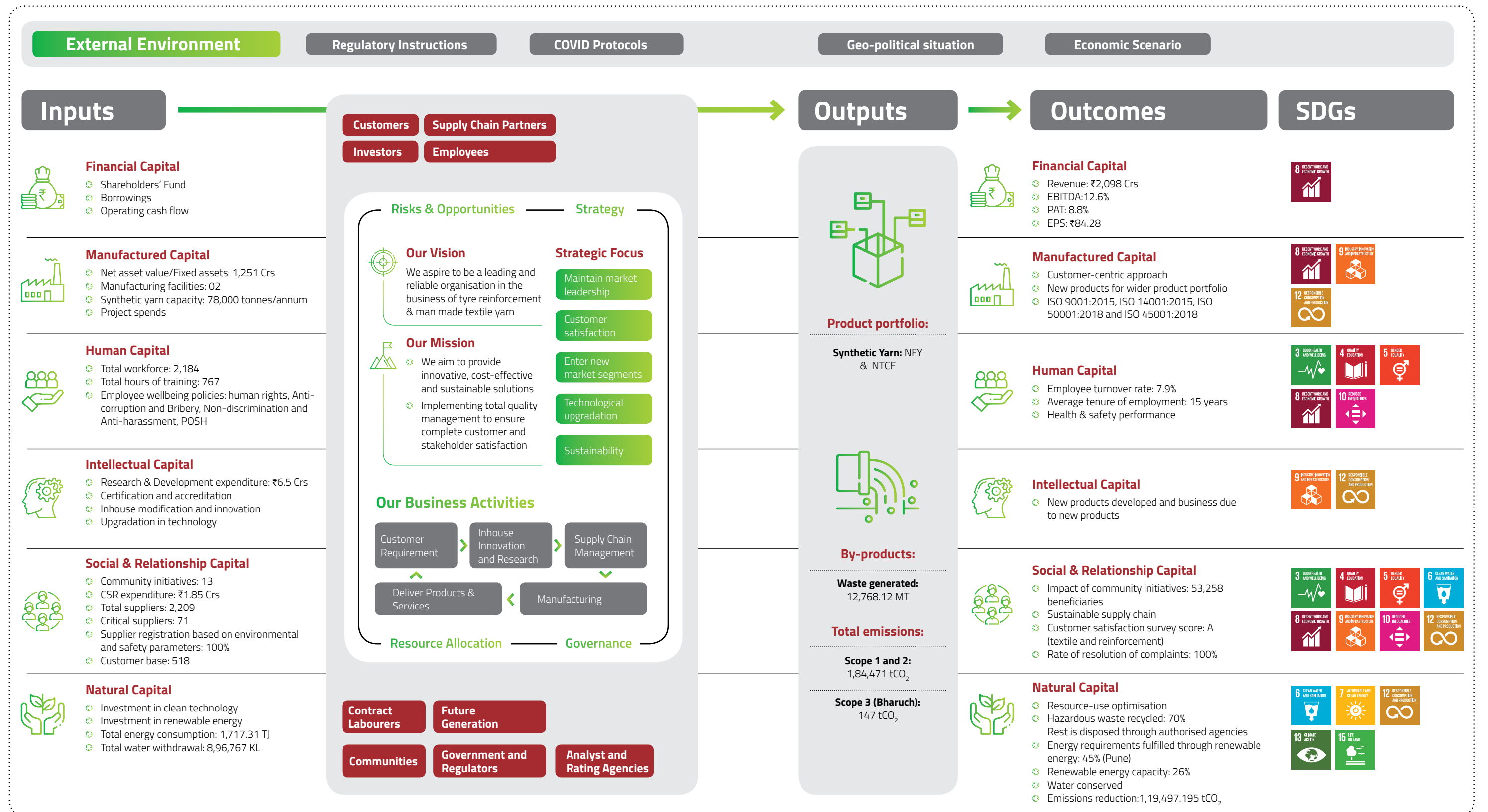
- Association of Synthetic Fibre Industry (ASFI)
- Indian Technical Textile Association (ITTA)
- The Synthetic & Rayon Textiles Export Promotion Council
- Maharashtra Chamber of Commerce Industries and Agriculture, Pune (MCCIA)
- Nylon Spinners Association
- Federation of Gujarat Industries, Vadodara
- Jhagadia Industries Association, Jhagadia

We have also aligned our business strategies with United Nations Sustainable Development Goals (UNSDGs).

# Our Value Creation Process



# Our Value Creation Process



# Strategic Overview

...for long-term value creation

# Strategic Overview

## Strategic Focus (SF) Area:

### Customer Oriented-SF1

Our products are driven by customer requirements and specifications  
 .....  
 We strive for best quality, innovate as per customer requirement and supply world-class products  
 .....  
 Our interventions and expansions are carried out while keeping in mind the benefits to customers

### Sustainability-SF2

We have a legacy of conserving the environment, taking care of our people and focusing on fair business practices  
 .....  
 We are now looking at sustainability with a new vision and new attention  
 .....  
 It forms part of our everyday business, each activity and consideration of all our stakeholders

### New Market Segment-SF4

Venturing into new market segments is driven from the external environment which may impact our business  
 .....  
 We would be looking at different geographies and demographics for the product range and offerings

### Purpose

We aim to provide innovative, cost-effective, and sustainable solutions

### Maintain Leadership Position-SF3

We have been one of the largest producers of NFY and NTCF  
 .....  
 We provide a wide range of products to meet all the requirements of our customers in this sector  
 .....  
 We endeavour to maintain this position irrespective of diversification or expansion plans

## Risks, Challenges and Opportunities

### Risk Governance

Risk management is one of the most crucial aspects of the business operations. Risk being an unforeseen event may affect the business, and thus needs to be mitigated. The objective of risk management is to identify such potential risks and develop measures and actions to eliminate or reduce the identified risks.

We have a robust Risk Management Policy and mechanism in place to mitigate the risks. The Board of Directors constituted a Risk Management Committee, which supervises the implementation of risk mitigation strategies. The Committee reviews and monitors the identified risks and formulates mitigation plans and strategies at regular intervals.

The four membered Risk Management Committee comprises, Non-Executive Director, who is the Chairman of the Committee and others being the Independent Director, Managing Director and Chief Financial Officer. Our Company Secretary is the Secretary of this Committee.

### Risk Evaluation Framework

Our risk evaluation framework focuses on probability or likelihood of the risk event and its impacts and consequences.

The risk reporting tool categorises probability as unlikely, possible, likely and regular whereas the consequences are classified as low, moderate, high and extreme.

For risks that are not quantifiable and whose impact on PBITDA cannot be measured, are classified as qualitative risks. Qualitative risks are rated based on the criterias of low, moderate, high and extreme. For qualitative risks, low refers to minor disruption to day-to-day activities with no impact on the overall plant operations. Moderate refers to disruption caused to the operations that may last for one day.

Major disruptions to the operations lasting, for one to three days are referred as high. When the business functionality is affected for more than three days and leads to losses, it is referred to as extreme.

The Risk Management Committee has identified few key emerging risks in relation to market, operations, technology and environment.



## Key Risks

Risk	Mitigation Plans	Strategic Focus Areas	Capitals Influenced
<b>Market Risks</b>			
<b>1. Steep fall in raw material prices</b> The risk of correction in selling prices of our product resulting in lower or negative margin The risk of losses in inventory in case of sudden drop in prices	<ul style="list-style-type: none"> <li>We have moved to better, enhanced pricing formula to help reduce the impact of sudden price drops. It also helps in better correlation to prices of raw material consumed and finished goods inventory in-hand to certain extent</li> <li>Reducing dependencies on imported chips by sourcing locally to the extent possible and thus, reducing inventories as imports have significant lead time between order to receipt</li> </ul>	SF3	
<b>2. Competition from un-organised sector</b> The risk of competition from unorganised players, imports and players with lower cost leading to pressure on margin	<ul style="list-style-type: none"> <li>Efforts are being made for imposition of Anti-Dumping Duty (ADD) on imports from China</li> <li>Tap exports market for value-added products</li> <li>Right sizing of the portfolio of exiting unviable products. CAPEX for NFY is planned in VAP and newer spinning technologies</li> <li>Optimum use of available manufactured capital.</li> <li>Developing institutional clients</li> </ul>	SF1 SF2 SF3 SF4	  
<b>3. Bad debt</b> The risk which arises from failure of customers in making payment against receivables	<ul style="list-style-type: none"> <li>Incentives for early payments</li> <li>Involve distributors to increase security</li> <li>Proper accounting and follow-up mechanism</li> <li>Credit policy to control risk</li> <li>Cease the supplies if delay in receipt of payments after the standardised threshold</li> </ul>	SF3	 
<b>4. Raw material availability</b> The risk of availability of raw materials due to the supply chain disruptions	<ul style="list-style-type: none"> <li>MOUs and long-term contracts with current suppliers for continued supply</li> <li>Supplier development through research of different types of raw material</li> <li>Increase in inventory levels for critical raw materials</li> <li>Interim re-negotiation of contracts with customers on solutions and mutual benefits</li> </ul>	SF1 SF2 SF3 SF4	 

Risk	Mitigation Plans	Strategic Focus Areas	Capitals Influenced
<b>5. Foreign currency fluctuations</b> The risk of potential loss of our Company due to the fluctuations in foreign exchange	<ul style="list-style-type: none"> <li>Policy of 100% hedge for usance period of LC is followed</li> <li>CAPEX items are covered at the time of firm commitment</li> <li>NTCF sales pricing factors impact of foreign currency fluctuations</li> <li>In case of NFY, inventories are controlled to minimise this risk</li> </ul>	SF3 SF4	
<b>Operational Risks</b>			
<b>1. Under-utilisation of NTCF capacity</b> The risk of non-utilisation/ under-utilisation of NTCF capacity due to lower demand owing to tyre moving out from the restricted import category and/or rapid radialisation	<ul style="list-style-type: none"> <li>MOU with major tyre companies will help us in maintaining capacity utilisation in lean periods</li> <li>Dipping capacity commissioning will reduce the risk of unsold greige capacity</li> <li>We are planning to diversify in new products where current equipment available would be fungible</li> </ul>	SF1 SF2 SF3	  
<b>2. Labour cost</b> The risk of rising wages of labour	<ul style="list-style-type: none"> <li>Reducing current labour-intensive manufacturing operations and deploying labour to new interventions/expansions</li> <li>Negotiated for higher outsourcing in LTS</li> </ul>	SF2 SF3	 
<b>3. Project delay</b> The risk which arises due to delay in project delivery and inefficient project execution	<ul style="list-style-type: none"> <li>Transparent ordering process involving plant, commercial and finance</li> <li>Recruitments for strengthening the project team.</li> <li>Focus on planning and monitoring of the progress</li> </ul>	SF1 SF3 SF4	  

Risk	Mitigation Plans	Strategic Focus Areas	Capitals Influenced
<b>Environment and Social Risk</b>			
<b>1. Environment pollution</b> The risk which may arise due to the impacts of the business operations on the environment	<ul style="list-style-type: none"> <li>Installation of RO and MEE at Bharuch. It will help to reduce use of ground water and improve ground water quality</li> <li>Significant reduction in hazardous waste discharge by installation of paddle dryer at Pune location</li> <li>Approach towards increasing arrangement of co-processing of hazardous waste instead of landfill disposal</li> <li>Manufacturing of 'green polymer' using process waste</li> <li>Planned for better fuel options to reduce the emissions</li> <li>Reviews/inspections by external authorities for process improvements</li> </ul>	SF2 SF3 SF4	
<b>2. Energy cost</b> The risk which arises due to an increase in the prices of energy supplies	<ul style="list-style-type: none"> <li>Actively pursuing for hybrid power (solar and wind) under group captive structure to reduce power cost</li> </ul>	SF2 SF3 SF4	
<b>3. Fire and explosion</b> Risk of loss owing to fire and explosion incidents at plants	<ul style="list-style-type: none"> <li>Upgradation in technology</li> <li>Fire-fighting infrastructure augmentation</li> <li>Strengthening and constant focus on health and safety management system</li> <li>Periodic safety and fire audits and implementation of the recommendation</li> <li>Strengthening of vigilance system</li> <li>Valuation of assets by independent valuer to ensure adequacy of insurance cover</li> </ul>	SF2 SF3	

Risk	Mitigation Plans	Strategic Focus Areas	Capitals Influenced
<b>4. Unsafe working</b> The risk of accidents arising due to unsafe working conditions	<ul style="list-style-type: none"> <li>Continuous training</li> <li>Increased supervision</li> <li>Strengthening of vigilance system</li> <li>Promote use of PPEs</li> </ul>	SF2 SF3	
<b>Technological Risk</b>			
<b>Risk arising due to technology failure</b> The risk of reduced product quality due to the usage of old technologies	<ul style="list-style-type: none"> <li>Gradually upgrading on technology along with expansion and diversification of business</li> <li>Benchmarking with best practices in industry</li> <li>IMS/IATF/NABL, certification to ensure adherence to benchmarked processes</li> <li>Cost effective modification of existing hardware to improve efficiency</li> </ul>	SF1 SF3 SF4	

In addition to the above risks, CEL has also identified few generic risks like legal non-compliance, reputation, cyber risk, physical risks, plant breakdown, talent attrition and failure to address stakeholder concerns. The Risk Management Committee develops and monitors the mitigation plan to reduce these risks.

### Opportunities

We strive to uphold profitable growth and continue to focus on innovative and sustainable practices, value creation and diversification of business. While exploring opportunities for expansion, we are also looking for optimisation of our product mix and focusing on value-added products. Our approach towards hybrid power projects (solar and wind) will help us to continue sustainable business operations while also cutting down our energy cost. We are entering into partnerships for better energy management. Power subsidy will further serve as an opportunity for energy cost reduction.

Right sizing the portfolio and investments in newer spinning technologies will help improve our performance. Thus, with upgradation of the technologies and processes, our focus would be more towards capacity utilisation.

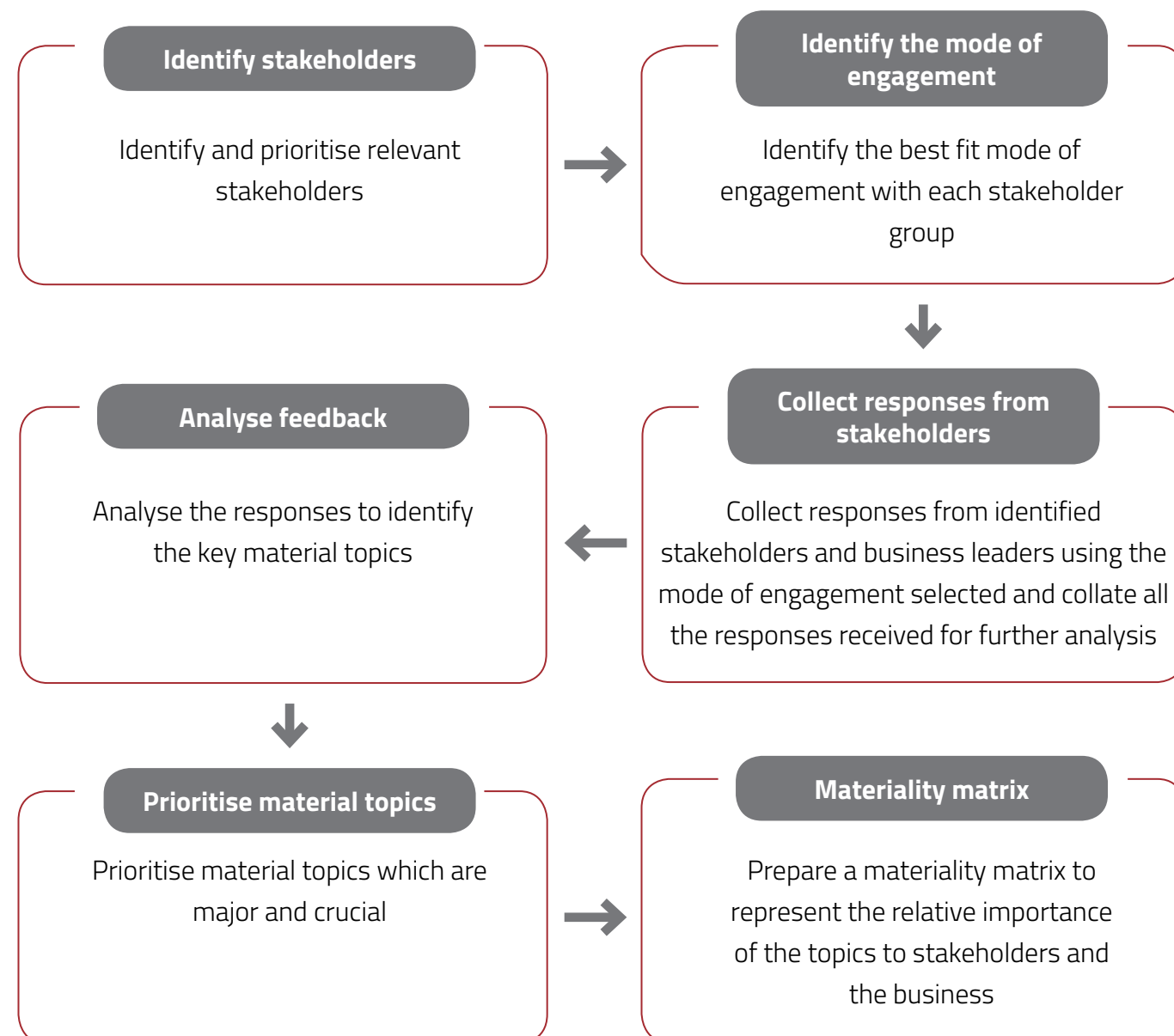
The economy is expected to reach pre-COVID-19 levels which may further aid in the increase in demand for our products. External factors like global inflation and Ukraine-Russia war may affect our business, but we are hopeful to overcome those issues.



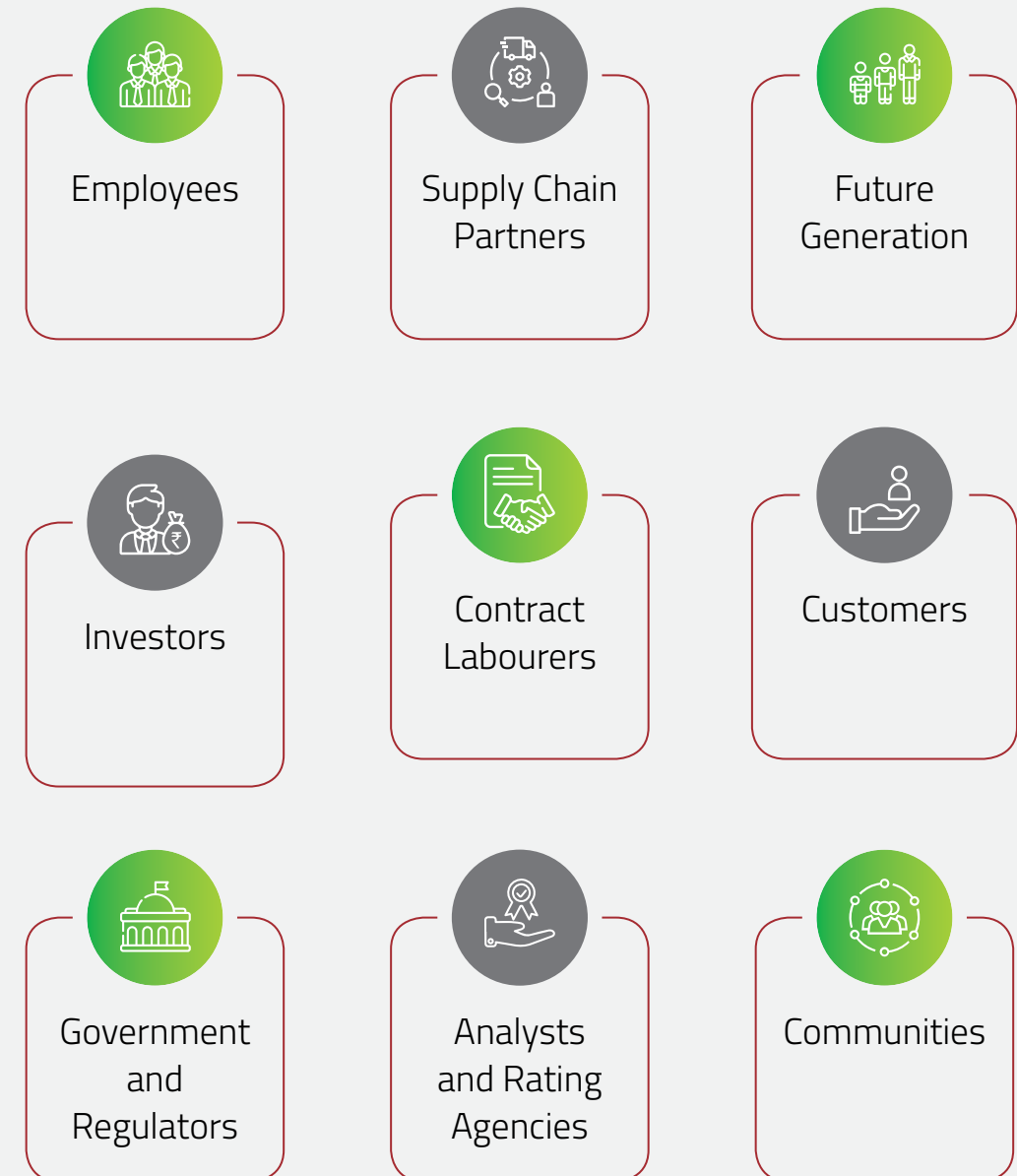
# Stakeholder Engagement

Stakeholder Engagement is of utmost importance to us. We recognise the significance of the stakeholders and the need to strengthen our relationship with them. Engaging with the stakeholders offers us with an opportunity to understand their concerns and expectations, which then helps us prioritise our business strategies. During the reporting period, we identified key stakeholders based on the influence that we have on each other considering economic, environment and social aspects. We carried out a comprehensive stakeholder engagement exercise to analyse the gaps, enhance our ESG efforts and achieve our goals.

## Our Approach to Stakeholder Engagement & Materiality Assessment



## Key Stakeholders Identified



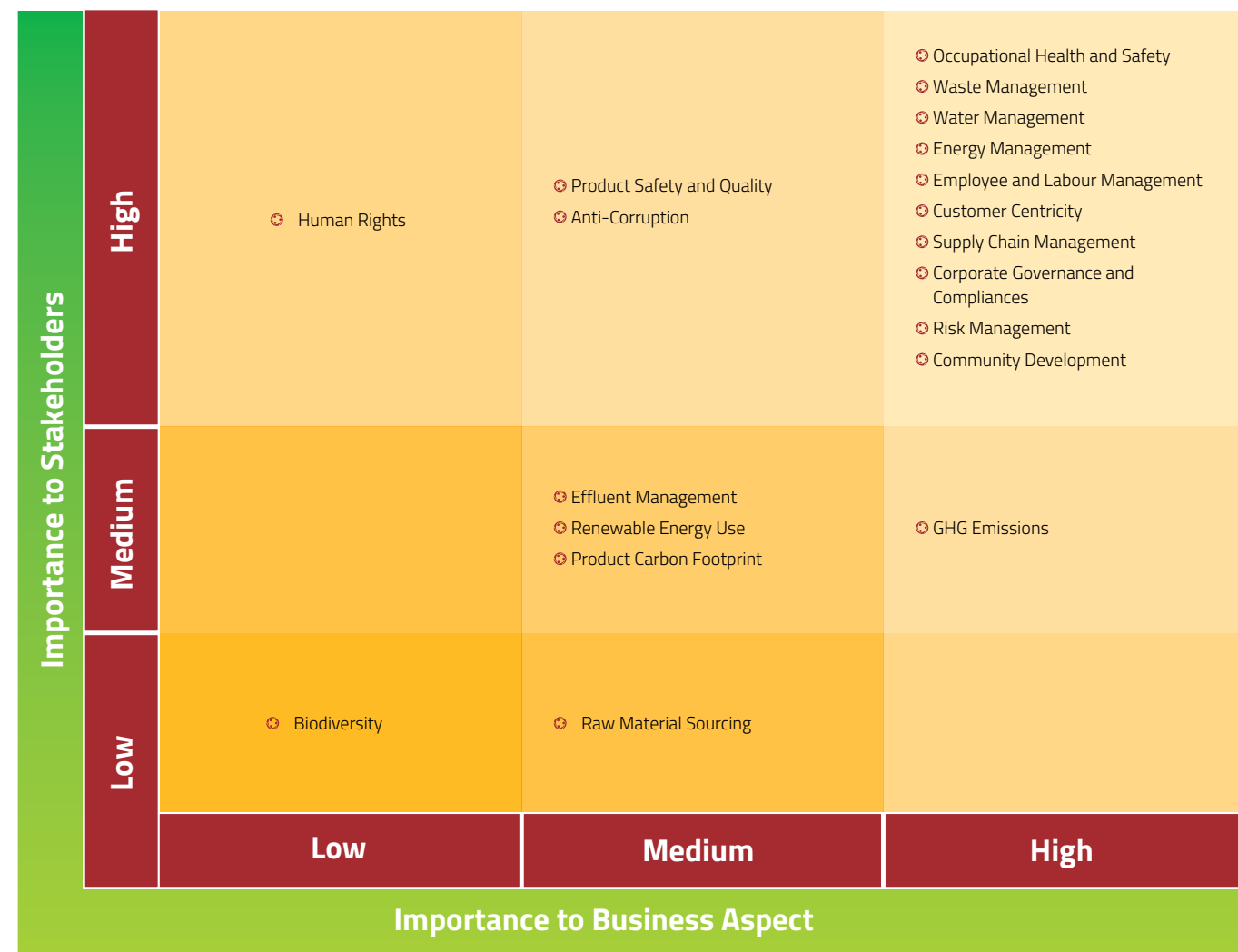
Description of Stakeholder	Government and Regulators	Employees	Investors	Customers
Significance	Providing licenses and permissions to operate and we pay corporate, payroll and sales tax	Get employment and become a part of business activities	Provide capital and expect to earn a certain rate of return on that invested capital	Impacted by the quality of products and services
Frequency of Engagement	Annually, and as and when required	Continuous	Annually, and as and when required	Continuous
Modes of Engagement	<ul style="list-style-type: none"> <li>Annual reports</li> <li>Formal meetings</li> </ul>	<ul style="list-style-type: none"> <li>Emails and meetings</li> <li>Training programmes</li> <li>Performance appraisal reviews</li> <li>Grievance redressal mechanism</li> </ul>	<ul style="list-style-type: none"> <li>Board meetings</li> <li>General meetings</li> <li>Annual reports</li> <li>Regular business interactions</li> </ul>	<ul style="list-style-type: none"> <li>Regular business interactions</li> </ul>
Key Concerns and Expectations	<ul style="list-style-type: none"> <li>Adhere to compliance requirements and law</li> <li>Payment of taxes</li> </ul>	<ul style="list-style-type: none"> <li>Career growth and employee benefits</li> <li>Occupational health and safety</li> </ul>	<ul style="list-style-type: none"> <li>Sustainable financial returns and market share</li> <li>Risk management</li> <li>Good corporate governance</li> </ul>	<ul style="list-style-type: none"> <li>Product quality and pricing</li> <li>Post-sales support</li> </ul>
Our Approach	<ul style="list-style-type: none"> <li>Compliance with all regulatory requirements</li> <li>Payment of fees, taxes and royalties</li> <li>Adopting renewable energy</li> </ul>	<ul style="list-style-type: none"> <li>Timely salary payments</li> <li>Ensuring safe working environment</li> <li>Skill improvement trainings</li> </ul>	<ul style="list-style-type: none"> <li>Continuous monitoring and improvement of performance</li> <li>Increase focus on cost optimisation and value-added products</li> <li>Be a sustainable organisation</li> </ul>	<ul style="list-style-type: none"> <li>Ensuring quality of products</li> <li>Timely delivery</li> <li>Better pricing</li> <li>Product certifications</li> <li>Openness to feedback</li> </ul>

Contract Labourers	Analysts and Rating Agencies	Communities	Supply Chain Partners	Future Generation
Get livelihood and support in business activities	Assess the credit risk through ratings and help investors make informed decisions about investing in Company	Neighbourhoods or local governance where we operate and make an economic, social, or environmental impact through our operation	Provide essential raw materials and services needed for business operations	Inherit the result of the actions and decisions made by organisation
Continuous	Annually, and as and when required	Continuous	Continuous	Continuous
<ul style="list-style-type: none"> <li>Grievance redressal mechanisms</li> <li>Meetings</li> </ul>	<ul style="list-style-type: none"> <li>Emails</li> <li>Annual reports</li> <li>Conference or virtual meetings</li> </ul>	<ul style="list-style-type: none"> <li>CSR meetings</li> <li>Interaction with local governance and people</li> </ul>	<ul style="list-style-type: none"> <li>Emails</li> <li>Meetings</li> <li>Stakeholder engagement surveys</li> </ul>	<ul style="list-style-type: none"> <li>Social media</li> <li>Job interview interactions</li> </ul>
<ul style="list-style-type: none"> <li>Safe working environment</li> <li>Timely and fair payments</li> </ul>	<ul style="list-style-type: none"> <li>Risk management, including mitigation measures</li> <li>Timely disclosures</li> <li>Law compliance</li> </ul>	<ul style="list-style-type: none"> <li>Livelihood training programmes</li> <li>Employment opportunities</li> <li>Safe environment</li> </ul>	<ul style="list-style-type: none"> <li>Timely payment</li> <li>Good deals or pricing</li> <li>Continuity of orders</li> </ul>	<ul style="list-style-type: none"> <li>Protect environment</li> <li>Transparency in communication</li> <li>Be a responsible organisation</li> </ul>
<ul style="list-style-type: none"> <li>Timely salary payments</li> <li>Ensuring safe and healthy working environment</li> </ul>	<ul style="list-style-type: none"> <li>Maintain effective communication channels and disclose relevant information</li> </ul>	<ul style="list-style-type: none"> <li>Community infrastructure development initiatives</li> <li>Skill development programmes</li> <li>Educating the local people</li> </ul>	<ul style="list-style-type: none"> <li>Robust Procurement Policy</li> <li>Keeping ethics and transparency</li> <li>Follow CEL values and be in line with our vision</li> <li>Doing risk assessment for suppliers</li> </ul>	<ul style="list-style-type: none"> <li>Adopting cleaner manufacturing methods</li> <li>Disclosing ESG parameters</li> </ul>

# Materiality Assessment

A topic is material if it can substantively affect the organisation’s ability to create value in the short, medium, or long term. During the reporting period, we carried out materiality assessment in accordance with the GRI standards, global ESG risk factors and sector analysis. Based on these, we have identified and prioritised 10 topics as material to us. These topics will be examined on a regular basis, taking into consideration the expectations of stakeholders, our policies, and our business objectives. We have developed a comprehensive roadmap, which captures our sustainability aspiration - short-term, medium-term and long-term goals and targets on environmental, social, and governance parameters.

The matrix is prepared based on analysis of the responses received from the key stakeholders on the focus areas of environment, social and governance domain. These focus areas were rated depending on the importance to our business. Weightage and scores were given to business aspects and stakeholder responses to arrive at the matrix.



## These topics form part of our ESG roadmap and are linked to our strategic focus areas:

- SF1** Customer-Centric
- SF2** Sustainability
- SF3** Maintain Leadership Position
- SF4** New Market Segment

Details of these can be read in the Strategic Overview section of this Report

Material Topics	GRI Topics	GRI Indicators	SDG Alignment	Reference In IR	Strategic Focus Area
<b>Occupational Health and Safety</b>	Occupational Health and Safety	403			<b>SF2</b> <b>SF3</b>
	<b>Labour and Employee Engagement</b>	Employment	401		
Labour/ Management Relations		402			
Training and Education		404			
<b>Customer Centricity</b>	Customer Health and Safety	416			<b>SF1</b> <b>SF2</b> <b>SF3</b> <b>SF4</b>
<b>Supply Chain Management</b>	Supplier Environmental Assessment	308			
	Supplier Social Assessment	414			

Material Topics	GRI Topics	GRI Indicators	SDG Alignment	Reference In IR	Strategic Focus Area
<b>Waste Management</b>	Waste	306	  		SF2  SF4
<b>Water Management</b>	Water and Effluents	303	 		
<b>Energy Management</b>	Energy Emissions	302 305	   		
<b>Risk Management</b>	-	-		Strategic Overview section	
<b>Community Development</b>	Local Communities	413	       		SF3  SF2
<b>Corporate Governance and Compliance</b>	Environmental Compliance	307		MDAR section of Statutory reporting and	SF2
	Socio-economic Compliance	419			SF3 SF4

### Linking KPIs to the Material Topics

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

Above study on materiality and KPIs have helped us set our direction right, have proper milestones, cognisance of resource allocation and stakeholder inclusivity in our long-term growth.

# Creating and Preserving Value



# Financial Capital

## Key Highlights of FY22

↑ **₹2,098** crores (71.6% YoY)  
Revenue

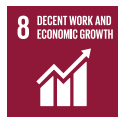
↑ **15%**  
Return on Net Worth

↑ **8.8%** (298 bps YoY)  
PAT Margin

↑ **13.6%** (261 bps YoY)  
EBITDA Margin

**₹84.28**  
EPS

### Contribution to SDGs



### Interlinkage with Other Capitals



### Key Focus Areas

- Revenue growth generation through expansion in value-added products
- Better product mix and cost optimisation to drive margins
- Prudent capital allocation and a healthy balance sheet

Financial capital is the backbone of an organisation, and it plays an important role in achieving sustainable growth for the company. We continuously focus on building a robust financial capital structure, while judiciously deploying financial resources and assuring capital availability for long-term growth. We also ensure to maintain an optimal capital structure in our business to strengthen the balance sheet, and create long-term value for our shareholders.

### Shareholder Value Creation

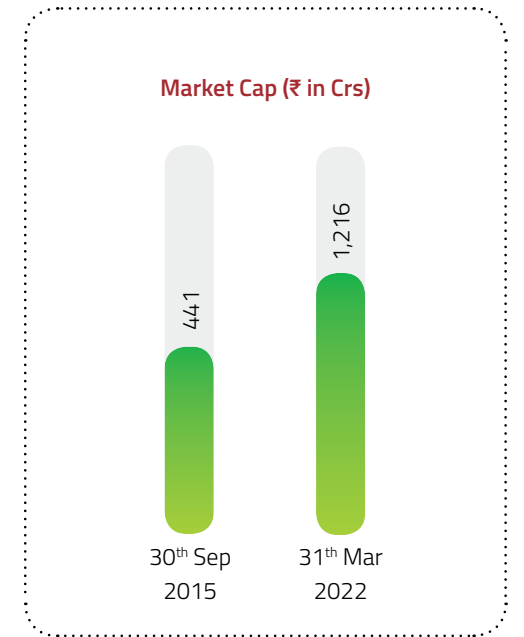
Maximising shareholder value is our core philosophy. This philosophy is reflected in the market capitalisation of CEL, which has increased from ₹441 Crs on 30<sup>th</sup> September, 2015, to ₹1,216 crores as on 31<sup>st</sup> March, 2022.

The Company always recognised the support and faith that our shareholders have shown by investing their money and backing our Company's growth narrative. And, this has always rewarded the Company's shareholders' unwavering support, as we worked hard to maintain a solid average dividend of 74% over the past five years.

### Economic Value Creation

Economic value creation is divided into two parts, Economic Value Generated (EVG) and Economic Value Distributed (EVD). EVG represents Company's revenue, whereas EVD represents the Company costs in the form of payments to internal and external stakeholders.

Economic Value Created is calculated in monetary terms after deducting EVD from EVG, which represents the Company's profitability and is a measure of the Economic Value Created for shareholders and stakeholders.



Particulars	FY22	FY21
Revenues	2,098	1,223
Other income	20	22
<b>Direct economic value generated (A)</b>	<b>2,118</b>	<b>1,245</b>
Operating costs	1,755	1,047
Employee benefits	115	101
Payment to providers of capital	1	2
Payments to Government	61	22
Community investments	2	2
<b>Economic value distributed (B)</b>	<b>1,934</b>	<b>1,174</b>
<b>Economic value retained (A-B)</b>	<b>184</b>	<b>71</b>

#### Notes:

- Revenue generated includes revenue from operations.
- Operating cost includes cost of materials consumed, purchase of stock in trade, changes in inventories of finished goods, work in progress and stock in trade and operating expenses excluding CSR expenses
- Payment to provider of capital include finance costs
- Payment to government includes rate & taxes, current tax, excess/short provision of tax relating to earlier years, and deferred tax
- Community investments include CSR expenses.



## Revenue Growth

Revenue growth is one of the key focus areas of our Company. Our efforts towards growing our top line is reflected in the increase of 71.6% in revenues to ₹2,098 crores in FY22 as against ₹1,223 crores in FY21.

The growth was primarily driven by an increase in the volume to 70,843 MT in FY22 from 55,399 MT in FY21. Nylon Filament Yarn (NFY) benefitted from healthy festive season demand, and zero-COVID-19 tolerance policy of China. In the Nylon Tyre Cord Fabric (NTCF), strong replacement demand in the truck and bus segment along with export demand traction, supported revenue growth. With infrastructure investments, the OTR segment also performed better.

## Capital Expenditure

During the year, our Company incurred capex of ₹86 crores, out of which the major portion was spent towards dipping capacity installation at Pune plant and expansion of Nylon Tyre Cord Fabric (NTCF) plant in Bharuch. This capex will significantly increase the capacity at both the plants resulting into increased scale of operations. All the capex was funded through internal accruals.

To achieve the vision of becoming a leading and dependable company in the tyre reinforcement and man-made textile yarn industries, we plan to allocate large portion of the capex towards capacity expansion of value-added products such as Nylon Tyre Cord Fabric (NTCF) and Polyester Tyre Cord Fabric (PTCF) in the future.

## Margin Improvement and Cost Optimisation

Our Company reported EBITDA margin of 13.6% in FY22 compared to 10.9% in FY21, an increase of 276 bps, which was achieved due to favourable product mix and operating leverage.

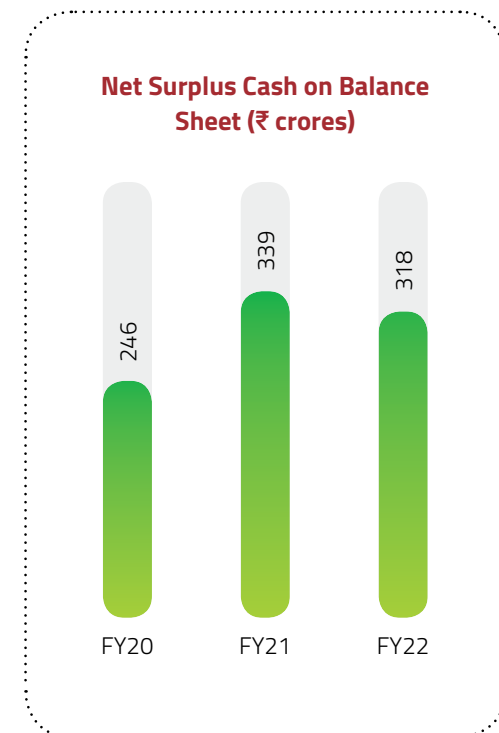
We undertook various initiatives to reduce the cost and increase the profitability. In textile industry, power & fuel cost form a large part of the operating cost and our Company plans to reduce this cost by installing hybrid power project (Wind and Solar) under group captive norms.

## Strong Balance Sheet

Our financial strength is validated by our strong balance sheet, which showcases increasing net worth, zero-net debt and healthy working capital.

Net worth for FY22 stood at ₹1,255 crores, an increase of ₹166 crores from the previous fiscal year.

Strong revenue and improved margins lead to high amount free cash flow generation, which stood at ₹55 Crs reflecting robust liquidity and would be used towards expansion projects.



# Manufactured Capital

## Interlinkage with Other Capitals



## Contribution to SDGs



## Highlights of FY22

**₹1,251 Crores**  
Net Asset Value

**78,000 tonnes/annum**  
Manufacturing Capacity (Synthetic Yarn)

**25%**  
Nylon Filament Yarn

**2**  
Total Manufacturing Facilities

**₹1,352 Crores**  
Worth of Raw Material Procured for Manufacturing

**23%**  
Nylon Tyre Fabric Cord

Our manufactured capital forms the core of our business operations, which includes our manufacturing plants at Pune (Maharashtra) and Bharuch (Gujarat), our equipment, and fixed assets that enable us to manufacture products and provide services.

Our operations span across Nylon Filament Yarn, Nylon Tyre Cord Fabric, Nylon Chips of Industrial and Textile Grade, and Nylon Industrial Yarn. The state-of-the-art technologies at our plants help in enhancing the product quality and achieving operational excellence.

We continue to focus on delivering high-quality products with our commitment to sustainable business practices. A robust infrastructure at our plants helps us to effectively manufacture, store and distribute our products.

Our synthetic yarn capacity is 78,000 tonnes/annum.

Sales of Nylon Synthetic Yarn (in MT)	
FY22	70,843
FY21	55,399
FY20	64,045

## Operational Excellence

Our technological advances contributes towards attaining operational excellence and profitable growth. We have adopted Integrated Management Systems (IMS) at our plants to optimally use our manufactured capital. This includes certifications like ISO 9001:2015 (Quality Management System), ISO 14001:2015 (Environment Management System), ISO 50001:2018 (Energy Management System) and ISO 45001:2018 (Occupational Health and Safety Management System).

## Depolymerisation: not a wasted opportunity!

Our technological advances and innovative approaches help us achieve optimum utilisation of resources. The waste from Nylon-6 production was generated on a large scale due to the increased plant production capacity. To convert this waste into lactam and chips, we have installed depolymerisation units with extruders at our Pune plant, which added value to our manufactured capital.

This process enables us to recycle the Nylon-6 waste through depolymerisation process. In this process, the raw material caprolactam is taken back to produce the green polymer chips. Presently, around 220 MT/month caprolactam is produced from Nylon-6 waste to produce green polymer chips.

The huge demand for green polymer in the global market has resulted in 100% export of our green polymer.



Green Polymer Chips

## Expansion for dipping of fabric at Pune plant

The Company has a dipping facility at its Bharuch plant and the fabric produced at the Pune plant was sent to the Bharuch plant for the dipping process. The transportation thereon, led to increased cost and emission. To address this issue, we are expanding the dipping facility for fabric at our Pune plant.

The dipping process for tyre-cord fabric is done for imparting an adhesive coating on the surface of the cord. The process also enables change in the desired physical properties of the fabric required for manufacturing of tyre. For this, the cord is exposed to the temperature near its melting point, and then stretched. Dipped fabric process represents mix products in the series of Nylon Polymer Chips/Yarn/Tyre Cord Yarn/Fabrics, which neither involve any chemical change nor release of new products. The dipping process operates at a speed of 60 meters per minute.

The effluent generated is treated through our own ETP, maintaining zero-water discharge. The solid waste generated during the process is disposed to common hazardous waste treatment storage disposal facility. The process uses Regasified Liquefied Natural Gas (RLNG) instead of Furnace Oil (FO) or Light Diesel Oil (LDO). Thus, lowering carbon emission.



Dipping facility

## Paddle Dryer: A big step towards reducing disposal cost and waste to landfill

The paddle dryer installed at our Pune plant plays a vital role in drying the wet ETP sludge. Before installation of the paddle dryer, the wet ETP sludge contained high moisture and was spongy in nature. This led to high disposal quantity, of approximately 970 tonnes/annum.

Installation of the paddle dryer has helped us reduce the moisture content in the sludge from 75-80% to less than 5%. This has resulted in drastic reduction in the disposal quantity as well as the disposal cost incurred. To prevent the odor generated during the operation, we modified the scrubber system with a provision of additional treated water nozzle.



Paddle Dryer

# Human Capital

## Nurturing Our People

### Highlights of FY22



### Contribution to SDGs



### Interlinkage with Other Capitals



The driving force of our business, our people, are at the center of everything that we do. As we strive for excellence, we continue to focus on our human capital to ensure smooth functioning of the business. Ensuring health and safety of our employees will inspire them in long-run resulting in overall business growth. We have undertaken numerous initiatives to enforce our commitment towards the well-being of our employees. Through such initiatives, we aim to attract, develop and retain our employees.

We are constantly hiring skilled workforce. In FY22, our total employee turnover rate was 7.9%.



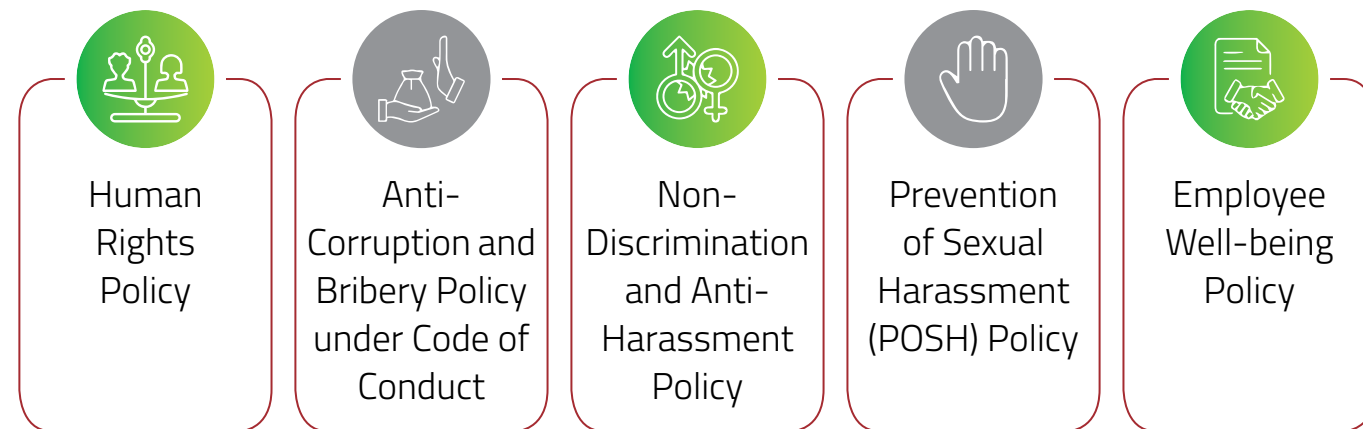
Total Employee Hire		Number of New Recruits	Total Age Group-wise
<30	Male	19	23
	Female	4	
30-50	Male	34	36
	Female	2	
>50	Male	1	1
	Female	0	
Total Gender-wise		Male: 54	60
		Female: 6	
Grand Total		120	120

Employee Turnover		Number of Employees	Total Age Group-wise
<30	Male	16	19
	Female	3	
30-50	Male	16	18
	Female	2	
>50	Male	15	15
	Female	0	
Total Gender-wise		Male: 47	52
		Female: 5	

Workforce Diversity									
		Total Employees and Workers				Differently-abled Employees and Workers			
Sr No.	Particular	Male		Female		Male		Female	
		No.	%	No.	%	No.	%	No.	%
<b>EMPLOYEES (Staff and Management)</b>									
1	Permanent	428	97.05	13	2.95	1	0.23	0	0
2	Other than Permanent	20	86.96	3	13.04	0	0	0	0
3	Total employees	448	96.55	16	3.45	1	0.22	0	0
<b>WORKERS</b>									
1	Permanent	1,168	100	0	0	2	0.17	0	0
2	Other than Permanent	549	99.46	3	0.54	0	0	0	0
3	Total workers	1,717	99.83	3	0.17	2	0.12	0	0

Our premises are designed to support differently-abled employees as well. To safeguard our workflow and employee acquisition alongside retention practices, we follow a practice of providing a minimum notice period of one month.

We have developed following HR policies that instill a performance-oriented work culture and ensure a safe and secure workplace for our employees:



## Employee Wellbeing

We recognise the importance of a positive and healthy work environment that promotes employee wellbeing. We have developed an Employee Well-being Policy which focuses on promoting dignity at work, creating a stress-free work environment, encouraging employee fitness, and providing them with healthcare facilities. We have covered 100% of our employees with accident insurance and maternity benefits, while 95% of our employees are covered by health insurance benefits. 100% of our female employees are eligible for parental leave. None of the employees availed maternity benefits during the FY22.

Category	Percentage of employees (Staff and Management) covered by:						
	Total (A)	Health Insurance		Accident Insurance		Maternity Benefits	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)
<b>Male</b>	448	428	95.45	448	100	0	0
<b>Female</b>	16	13	81.25	16	100	13	81.25
<b>Total</b>	464	441	95.04	464	100	13	2.80

We also extend health benefits to families of our employees and residents of nearby villages. It includes organising health camps for routine eye checkup, cancer diagnosis and more.

We endeavour to create an environment that can foster employee engagement through effective communication, skill development trainings, rewards and recognition. Throughout the year, we conducted various activities to boost employee morale, increase productivity, promote teamwork, and enhance employee skills. We acknowledge our employees and their contribution to the Company. We celebrate their dedication and extend our gratitude to exceptionally well-performing employees on special occasions.

### Honouring outstanding employees

As part of our employee engagement, we reward our exceptionally well-performing employees for their active engagement in multiple activities carried out in the Company. They are also acknowledged based on their performance during the year, and compliance to the Company regulations.

The employee is awarded as 'Employee of the Year' and was invited as the Chief Guest during our Independence Day and Republic Day ceremonies.



## Details of Retirement Benefits

Our defined benefit plans for employees includes gratuity, Provident Fund contribution by the employee and employer, and ESI. The gratuity plan is governed by the Payment of Gratuity Act, 1972. As specified in the Act, all employees who have completed five years of service are entitled to the specific benefit. The benefits provided are dependent on the employee's duration of service and salary at the age of retirement. Our Board of Trustees is responsible for administration regarding the plan assets and outlining the investment strategy. We ensure to provide adequate benefits to our employees as per the annual review.

The provident fund contribution is given to the trusts administered by the organization, with an appropriate contribution by the employee and employer.

Benefits	Details of retirement benefits, for current FY and previous FY					
	FY22 Current Financial Year			FY21 Previous Financial Year		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
PF	95.04	71.69	Y	93.23	71.74	Y
Gratuity	95.04	67.90	Y	93.23	68.60	Y
ESI	0.86	0.35	Y	4.97	0.35	Y

## Employee Engagement Activities:

Suggestion Scheme Award



Attendance Award



Safety Celebrations & Competition



Fire Day Celebration & Competition



Tree Plantation on the day of Joining & on Retirement



Garba Celebration



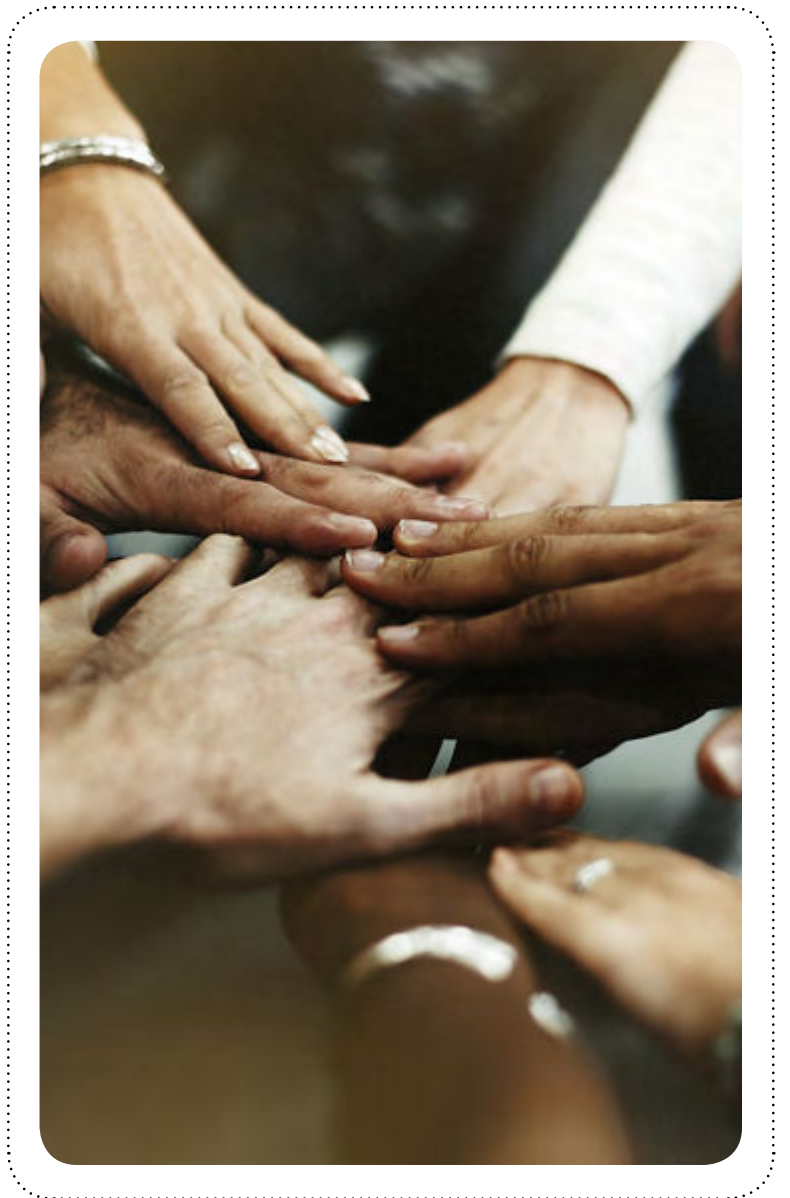
Other than the above mentioned organisational activities, we also have various initiatives to promote employee engagement at our colony. Some of the activities include cricket tournament, volleyball tournament, indoor games and sports day, festival celebration, and more.

### Human Rights

We have always conducted our business with the highest level of respect and dignity. We remain compliant with all applicable laws and regulations as per the Factories Act, 1948 on human rights. We have developed a Human Rights Policy to respect, protect and implement the rights of our people. We prohibit all forms of child labour, forced or trafficked labour, discrimination, and harassment. During the reporting period, there were no incidents reported on violation involving rights of indigenous people. As a Company, we respect and uphold the rights of our workers, and there are no operations and suppliers that are at a risk of freedom of association or collective bargaining. At Pune Unit, permanent workers and unionised contract labours are covered under the collective bargaining agreement.

### Inclusion and Diversity

We ensure our recruitment process is diverse and inclusive in nature, promoting unbiased equal opportunity irrespective of age, religion, gender, race, or nationality of people. We support local hiring and take measures to enhance their skills, talent, and knowledge to help them achieve their full potential. During the reporting period, there were no cases of discrimination reported.



Sl. No.	Parameter	FY22	FY21	FY20
<b>1. Permanent Employees</b>				
i.	Local	280	265	272
ii.	Non-local	161	148	145
<b>2. Temporary Employees</b>				
i.	Local	17	18	14
ii.	Non-local	6	4	3

Board Diversity			
Gender	<30	30-50	>50
Male	0	0	4
Female	0	0	2

Average Hours of Training per Year Per Employee		
Sr. No	Permanent Employees FY22	Hours per Employee
1	Management	1.92
2	Worker & Trainees	0
3	Permanent Female Employees	1.67

There is no difference in entry-level remuneration between men and women recruited for the same work profile.

## Learning and Development

Our dynamic skill upgradation initiatives are structured to provide our employees with wide range of courses to encourage consistent growth. Even during the tough times of the pandemic, we continued promoting employee engagement through e-learning programmes on Gyanodaya Virtual Campus and various video conferences. 78% of our total employees received regular performance and career development reviews. In the FY22, following hours of training were provided per year per employee:



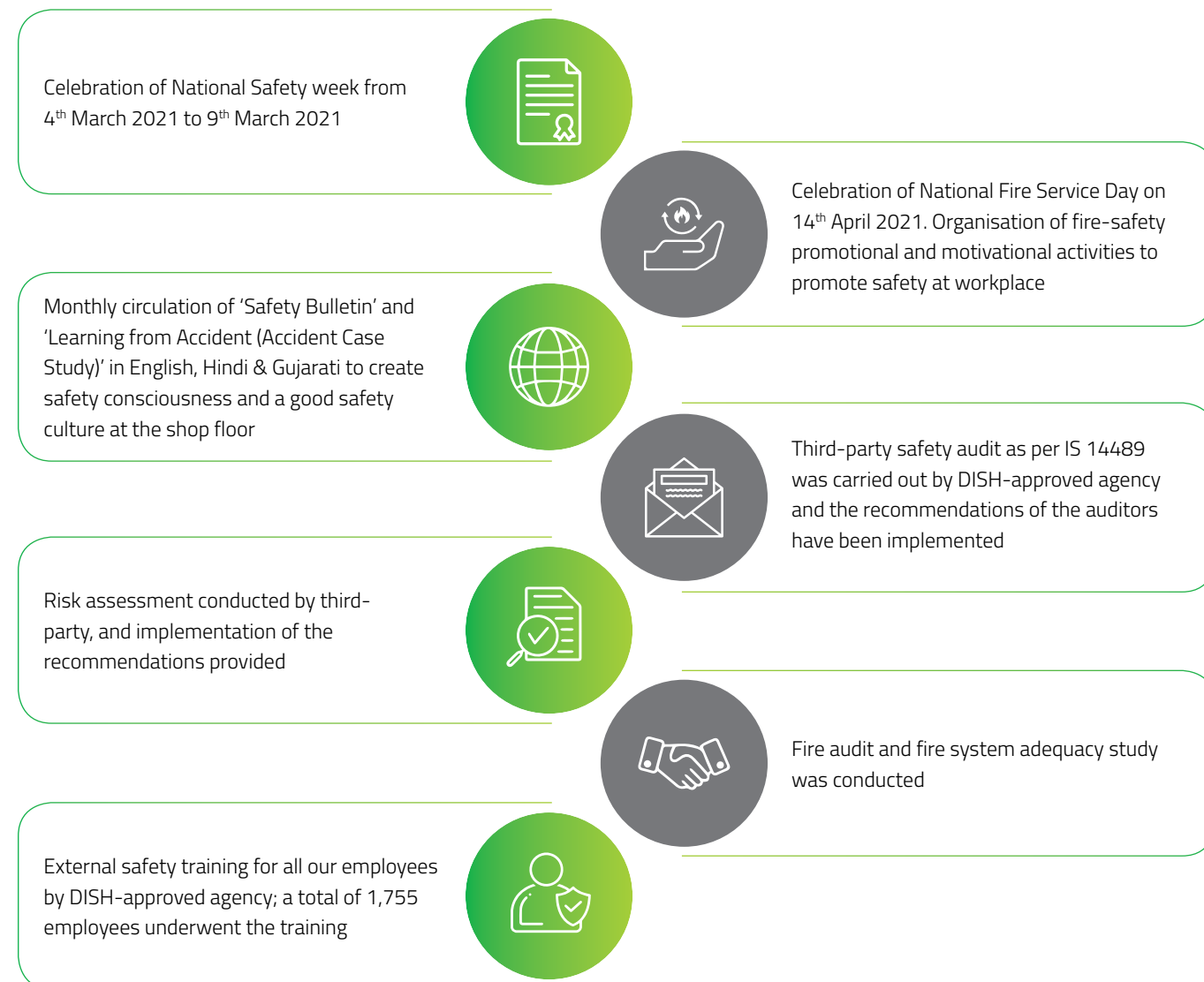
Gender	Skill Upgradation Training					
	FY22			FY21		
	Total Number of Employees	Number of Employees Covered	Percentage of Employees Covered	Total Number of Employees	Number of Employees Covered	Percentage of Employees Covered
<b>Employees (Permanent)</b>						
Male	428	197	46.02%	401	170	42.39%
Female	13	2	15%	12	1	8.33%
<b>Total</b>	<b>441</b>	<b>199</b>	<b>45%</b>	<b>413</b>	<b>171</b>	<b>41.40%</b>
<b>Workers (Permanent)</b>						
Male	1,168	0	0	1,243	698	56%
Female	0	0	0	0	0	0%
<b>Total</b>	<b>1,168</b>	<b>0</b>	<b>0</b>	<b>1243</b>	<b>698</b>	<b>56%</b>

Percentage coverage by training and awareness programmes on any of the Principles during the financial year			
Segment	Total number of training and awareness programmes held	Topics/Principles covered under the training and its impact	% of people in respective category covered by the awareness programmes
<b>Board of Directors</b>	4	<ul style="list-style-type: none"> <li>🔄 Updates on business model, strategic aspects</li> <li>🔄 Updates on business performance</li> <li>🔄 Updates on Risk Management framework</li> <li>🔄 Updates on Internal Financial Control</li> <li>🔄 Impact of Government policies on the business of the Company</li> <li>🔄 Capital budgeting</li> </ul>	91.66
<b>Key Managerial Personnel</b>	4	<ul style="list-style-type: none"> <li>🔄 Statutory Auditors presentation on change in laws relating to the Company accounts</li> <li>🔄 Product offerings, quality, price trend in raw material and finished products</li> <li>🔄 Discussion on Environment, Health and Safety matters</li> <li>🔄 Changes in business environment and the industry</li> <li>🔄 Key regulatory developments &amp; statutory compliances</li> </ul>	100

## Health and Safety

Health and safety of our employees are amongst our top priorities, and we ensure a safe and healthy workspace for our employees. Our health and safety management system is certified with ISO 45001:2018 which covers all our manufacturing sites including contractors, visitors, and other stakeholders.

### Safety highlights of the reporting period:



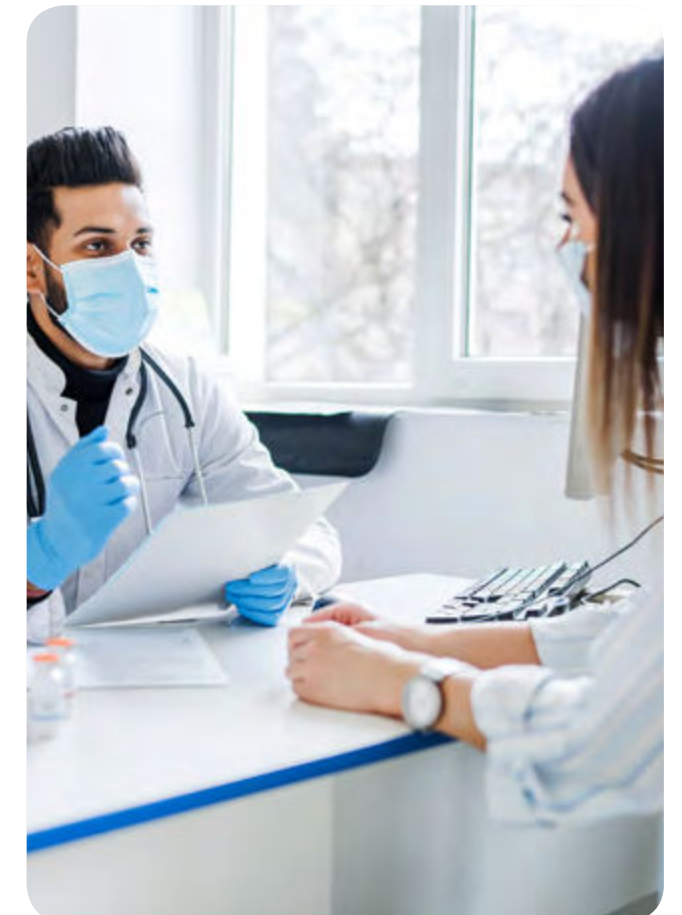
Keeping safety precautions as our priority, the past few years were the most challenging. COVID-19 brought a sudden and unexpected impact across the globe, and existing risk management plans fell short of tackling the crisis. We managed to overcome the pandemic by keeping the health and safety concerns of our employees as our top-most priority.

## Impacts foreseen due to COVID-19 pandemic:

1. Difficulties in the identification, isolation, and treatment of suspected or infected employees and families of colony residents
2. Overburden on the Occupational Health Committee (OHC) and medical team
3. Shortage of manpower to operate manufacturing and supporting services
4. Disruption in the supply chain
5. Unnecessary apprehensions amongst the employee masses
6. Waste disposal generated from OHC and the isolated employees in colonies as well
7. Affected shops, recreations centres and day to day activities of family members of colony residents

### Safety Initiatives at CEL

- Root Cause Analysis (RCA) and online incident investigation
- Internal and inter-departmental safety audit as well as by third party
- Emergency planning & preparedness
- Implementation of Permit to Work System (PTW), Lock-out & Tag-out (LOTO) and Daily Toolbox Talk (DTT)
- Reporting safety observations, near-miss and unsafe conditions through online portal
- Employee participation and motivation for safety, such as – Safety Suggestions Scheme, Bimonthly Safety Campaigns, celebration of National Safety Week, Road Safety Week, National Fire Service Day, No Tobacco Day and Chemical Safety Day
- Safety promotional activities like circulation of monthly safety bulletin, accident case study and safety leaflets in the local language
- Ensuring visitor safety (visitor guidance video, guidebook and ensuring availability and use of PPEs)
- Safety integrated annual performance appraisal system
- Setting up several Safety Committees like – Apex Safety Committee, Plant Sub Safety Committee



## Suraksha Initiative

Our IT team has generated an in-house portal named 'SURAKSHA'. It ensures smooth and ease of reporting near-miss, unsafe conditions, unsafe actions, safety observations and environmental issues observed during plant round/site visit, or any unsafe things observed during daily activities, including reporting of accidents. The portal is easily accessible by all users to track the actions and its status online along with a summary report of the department.

## Safety Trainings

We have a robust Safety Committee that ensures effective implementation of Occupational Health and Safety (OHS) management system, safety trainings, and safety awareness programmes for our employees. Our Departmental Safety Committee oversees the safety at the departmental level and our Central Safety Committee is responsible for making decisions related to OHS. The Central Committee is headed by the Chairperson. Equal number of worker representation is maintained in the Committee and frequency of meeting is once in every three months.

As part of the training and awareness initiatives, we circulate safety manual, health guide, fire manual and general 'Do's and Don'ts' to all our employees, workers, and visitors inside the Company premises. The safety manual, named 'Occupational Health Prevention Guide', is circulated across all levels of

employees and workers, in English, Hindi, and Gujarati Language.

We actively engage with our employees on safety-related matters to understand their concerns and incorporate any suggestions regarding the same. Our employees and workers are involved in Hazard Identification and Risk Assessment (HIRA), Job Safety Analysis (JSA) and Hazard and Operability Analysis (HAZOP) initiative. Apart from this, workers are involved in accident investigation and Root Cause Analysis, Safety Committee, contests and competitions, and development of risk management plan.

We believe the safety trainings are a crucial component of a safe and healthy work environment. These trainings help our employees recognise potential hazards and take preventive measures. The following training sessions are conducted for our employees to ensure that safety is integrated at each level.

The following mentioned training sessions are conducted for our employees to ensure that safety is integrated at each level:

### Safety, Health and Environment (SHE) training

SHE trainings like emergency management, reporting incidents, JCC and safety observations

### EHS training

Daily EHS training to all employees including contractors, tool-box talk in workplace area

### Identification of unsafe act

Training on identification of unsafe act, unsafe conditions and near miss incidents on-the-Job training is provided whenever required

### First-aid training

The first-aid training is given by factory medical officer or male nurse on every Thursday and Friday, related to safety process

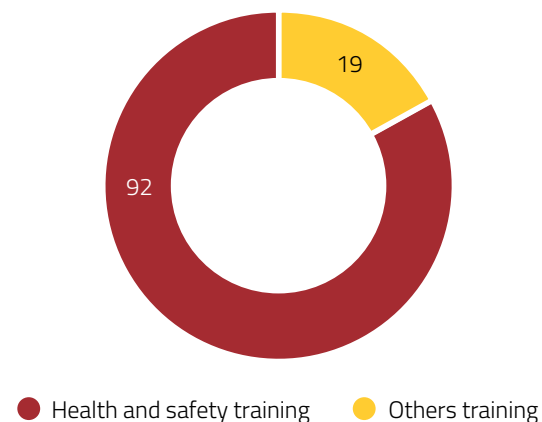
### Expert trainings

Specialised safety training during National Safe Work (NSW) and Campaign month by various experts, daily safety and fire fighting training, monthly commando training

We believe that safety trainings are a crucial component of a safe and healthy work environment. These trainings help our employees recognise potential hazard and take preventive measures.

During the reporting period, we conducted a total of 111 training programmes. Our training hours for safety over the last three years are as follows:

Number of Trainings Conducted During FY22



## Occupational Health and Safety

Our safety culture is not only limited to our employees but also extends to our visitors, customers, service providers, vendors, suppliers, and those residing in proximity to the Company's operations. We have an Occupational Health and Safety Management System (OHSMS) that helps us consistently identify and control our health and safety risks. The OHSMS covers all our employees, workers, temporary workers, and outside third-party contractors. The OHSMS is audited internally on a regular basis and is assured by an external party.

### Our Health and Safety Board Oversight:

#### Board of Directors

CEL OHS Council

Initiates planning and policy making

CEL OHS Management Team

Strategic management and implementation of OHS initiatives

CEL OHS Team

Involvement of business unit



All process related hazards are identified in a HIRA sheet. We conduct periodic health checkups for 100% of our employees and contractual labourers on a regular basis. To identify work-related health impact, we conduct monthly monitoring of noise level, illumination test, dust, and fumes. Audiometry test is conducted for employees working in high noise areas. Personal Protective Equipment (PPE) is made available to all employees and workers to check the adequacy of health hazard control measures. We take appropriate measures to minimise the risk by providing regular training, displaying of caution boards at various locations and periodic medical checkups.

Hygiene and sanitation are essential to prevent the spread of diseases and infections. We constituted Water, Sanitation and Hygiene (WASH) Committee to ensure availability of safe drinking water, good sanitation practices and promote personal hygiene at workplace.

**During the reporting period, the recorded work-related injuries are as follows:**

Work-related Injuries						
Sr. No.	Particulars	Category	Units	Total for FY22	Total for FY21	Total for FY20
1	Recordable Work-related injuries	Employees	Number	0	0	1
		On-roll Workers	Number	0	2	4
		Contract Employees	Number	4	1	1
2	Fatalities	Employees	Number	0	0	0
		Workers	Number	0	0	0
		Contract Employees	Number	0	2	0
3	LTI	Employees	Number	0	0	4
		Workers	Number	0	2	2
		Contract Employees	Number	4	1	0
4	Occupational Diseases	-	Number	0	0	0
5	Injury Rate	Employees	Rate	0	0	4.41
		Workers	Rate	0	3.74	2.89
		Contract Employees	Rate	2.84	1.54	1.03

Work-related Injuries						
Sr. No.	Particulars	Category	Units	Total for FY22	Total for FY21	Total for FY20
6	Fatality Rate	Employees	Rate	0	0	0
		Workers	Rate	0	0	0
		Contract Employees	Rate	0	3.07	0
7	LTIFR	Employees and Workers	Rate	0	0.56	1.13
		Contract Employees	Rate	0.97	0.35	0.24
8	Occupational Diseases Rate	-	Rate	0	0	0
9	Overall Total Frequency Rate	Employees	Rate	0.46	0.46	0.71
10	Overall Total Severity Rate	Employees	Rate	3.70	9.27	17.75
11	Frequency Severity Index	Employees	Rate	0.04	0.07	0.11
12	Total Manhours Worked	Employees and Workers	Hours	45,18,898	35,98,570	44,11,300

Recordable work-related ill health			
Category	Total for FY22	Total for FY21	Total for FY20
Employees	0	0	0
Workers	0	0	0

## Safety Risk Assessment

As a responsible organisation, we take all necessary measures to identify and assess risk using the following risk assessment tools:

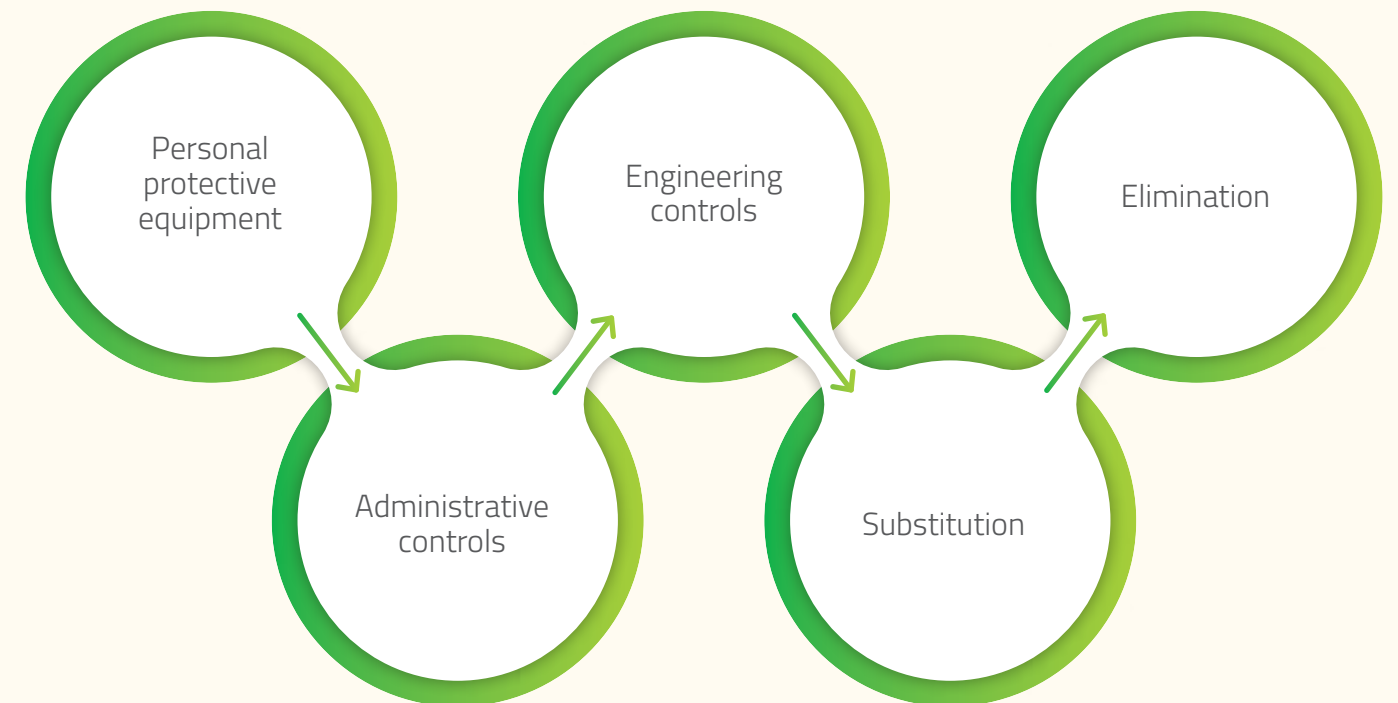


To identify work-related hazards at site, we regularly conduct worksite inspections, risk identification studies like safety audits, job safety analysis, and Hazard identification and risk assessment (HIRA). We also conduct daily safety sampling to find out unsafe conditions and acts at sites. The main types of work-related hazards that were identified include chemical handling hazard, noise hazard, mechanical hazard, ergonomics hazard and electrical hazard.

All work activities including routine and non-routine are identified in the HIRA sheet and on the basis of risk rating, adequate control measures are implemented. We have a step-wise process to identify risk:



We follow a 5-step approach of hierarchy to minimise or eliminate any identified hazard:



The approach is evaluated through a quarterly review by the leadership team, regular monitoring by the safety committees, feedback or suggestion of applied method and utilisation of online safety monitoring system.

Additionally, we have also implemented safety engineering controls like guards and enclosures in moving parts, interlocks, and emergency switches, wherever required. Acoustic barriers and sound absorbers are also installed in sound-generating machines, vacuum dust collector, fume extraction system in spinning, mechanical exhaust in hot areas like caprolactam charging, and ATY. Fall arresters are incorporated in all areas where work is done at a higher level, such as chimneys, loading and unloading area, process area, boilers and HTM. 100% of our plants and offices have been assessed by a third-party on working conditions and health and safety practices.

Based on identified risks at our plant, we have undertaken appropriate corrective actions such as:

- i. Fall from height was identified in many areas for which a fall protection system has been provided
- ii. An incident of failure of the hoist was recorded in IY caprolactam charging post, and this has been countered by providing a cage and door interlocked with a hoist motor
- iii. Slippery surface due to process oil mist was observed at the NFY spinning process, hence anti-skid plates were provided on all stairs to prevent mishaps. We aim to empower our workforce and continue to invest in upskilling our people while ensuring their safety and wellbeing

# Intellectual Capital

As a manufacturing organisation, we strive to enhance our processes and systems and excel in what we do. Intellectual capital refers to our intangible assets, which includes our research and innovation capabilities, information systems, product developments and process innovations.

## Contribution to SDGs



## Interlinkage with other



## Inhouse Innovation and Development at CEL

### Focus Areas



Process innovations for improving product quality and reducing material consumption



Adopt increasing levels of digitisation



Develop new products to meet market's emerging needs



## Certifications

Our greige yarns have been assessed and certified to conform to Global Recycled Standard (GRS) – version 4. The Recycled Content certification that we achieved from SCS Global services, demonstrates our commitment to conserving natural resources, supports our sustainability goals and helps us meet the required customer specifications. In addition to these, our Nylon Filament Yarn has also received certifications from GRS, OEKO TEX® Standard 100 and REACH. Our Nylon Tyre Cord Fabric is certified by REACH. Moreover, all our laboratories are accredited by National Accreditation Board for Testing and Calibration Laboratories (NABL).



## Product Diversity and Innovation

Through our inhouse re-engineering, we converted one of the idle polyesters POY machine into High Tenacity Nylon Yarn (HTY) machine for technical textiles. Subsequent products were well-received in the market.

We will increase our capacity of draw texturing to add value to POY as draw textured yarns are more durable, strong, resilient, and lightweight, making it highly suitable for many textile applications. We plan on diversifying our product portfolio by entering the polyester tyre cord segment. New product development will further promote the growth of innovative and future-ready products in the market.

We identified that the existing spares of imported pneumatic rolls can be used as nozzles and retaining rings in locally developed rolls. The development of indigenous spares for import substitutes such as the 'O' ring, pneumatic roll shaft, pneumatic roll shell, aluminum disc for pneumatic roll and plasma coating of pneumatic roll shell, have enabled innovative cost savings.

We have modified our Fully Drawn Yarn machine to produce high tenacity yarn for technical textiles applications like defense fabric and industrial fabric. We have also converted one step Highly Oriented Yarn machine to double throughput by adding one more winder in each position to produce mono as well as Multifilament yarn.



HOY Machines - Double throughput

## Business Dashboard – An IT-enabled Data Management System



The business Key Performance Indicator (KPI) and other important business metrics were earlier shared with the Management team through manual intervention. We recognised a need for a system that could help us in implementing a review mechanism.

Through integration of Information Technology in our processes, we developed an automated business dashboard. The dashboard helps in detailed data analysis and showcases trends of production and sales unit through comprehensive data capturing and monitoring.

The dashboard is updated on a daily basis with an easy access to all the relevant internal stakeholders. This has minimised potential errors by establishing technological processes and building trust in the data. This has also helped in decision-making across the organisation.



Snapshot of the Dashboard

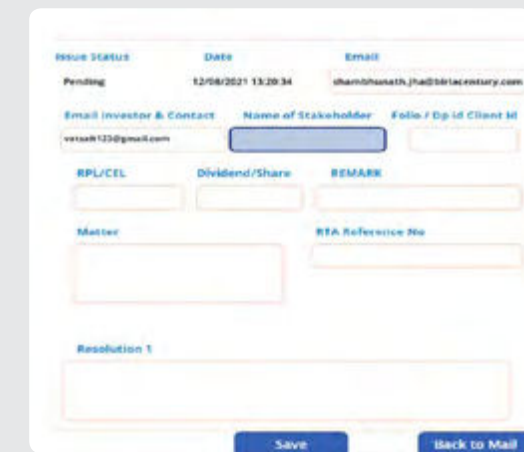
## Shareholder Grievance Redressal

A responsible business is about responding to the needs of its shareholders to ensure a high-level of trust and commitment. The shareholder grievance redressal was earlier conducted through e-mail and was difficult to track and manage. We have now developed a flow base application to track issues and queries raised by our shareholders.

### Outcomes achieved:

- Better mechanism for shareholder relationship management
- Improved mechanism for tracking grievance and resolutions
- Improved corporate governance.

We endeavour to continuously enhance our product quality and add value to our customers. Our growth is accelerated by innovation in our processes, systems, and operations which will be advantageous to all our stakeholders in the long-term.



# Natural Capital

## Environmental Performance Highlights of FY22

**Zero** Effluent Discharge  
At all plants

**2.63** tCO<sub>2</sub>/MT  
Specific GHG emissions (scope-1 and scope-2)

**62.56%**  
Waste recycled

**32%**  
Energy contribution from renewable sources

**24.49** GJ/MT  
Energy intensity

### Contribution to SDGs



As manufacturers of NFY and NTCF, we are cognizant of our business' impact on natural resources and the value we create for our stakeholders using these resources. We recognise that nature is a shared resource, and it is imperative that we act responsibly in order to achieve our goal of effective resource usage.

We have implemented the Environment Management System (EMS) ISO 14001:2015 and have a robust Environment Management Plan, which is reviewed twice annually to track its effectiveness. The EMS covers key environmental parameters such as emissions, effluent management, ambient air quality, waste and energy efficiency. A system to strictly monitor effluent treatment, stack emissions and ambient air quality is in place at our plants to ensure that these are within the stipulated parameters set out by the State Pollution Control Board. Furthermore, we undertake sample checking at quarterly intervals by the Government approved laboratory. For the scope of reporting on environmental aspects, we have disclosed details of our manufacturing plants at Bharuch and Pune. We focus on communicating and sharing how the individual and collective performance of diverse capitals supports our strategy, growth, and value creation as a responsible Company.

The following sections outline our approach for addressing each of our material environmental issue and respective environmental performance for FY22.

### Interlinkage with Other Capitals



## Material Management

Material management refers to the sourcing, procurement, storage, and utilisation of direct and indirect materials in a manufacturing process. Our key raw materials are caprolactam and nylon chips whose consumption for the reporting period amounted to 68,845 MT. The total materials used for manufacturing our primary products include, non-renewable materials.

Our material consumption in Metric Tonnes (MT) is displayed in the table below:

	Caprolactam (MT)	Nylon Chips (MT)
<b>Total</b>	36,069	32,776

We are conscious of the need of using alternative raw materials that limit the usage of virgin materials and hence reduce our environmental impact in terms of energy consumption, pollution, and waste disposal.

In the Pune plant, the recycled material depolactum accounts for 2,439 MT of input material.

At CEL, recyclable nylon waste is converted to caprolactam, our basic raw material. It is then used to make Nylon-6 chips, also known as green chips for our internal consumption and exports.

We have an eco-friendly range of products made from recycled yarn and polymer waste, generated during production. These products have the same purity and performance characteristics as virgin quality nylon. In FY22, 3.3% recycled input materials were used to manufacture CEL's primary products and services.

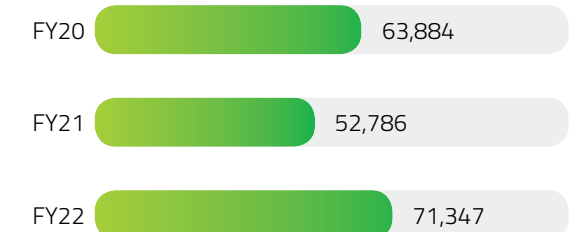
Our non-renewable material consumption trend across both plants is as shown in the graph.



### Reclaimed Packaging Material

Our Nylon POY is packaged in wooden pellets, top PVC punch plates and PVC adaptors, which are collected back through our contractor for the purpose of reusing.

### Total Materials used at CEL (MT)



# Energy Management

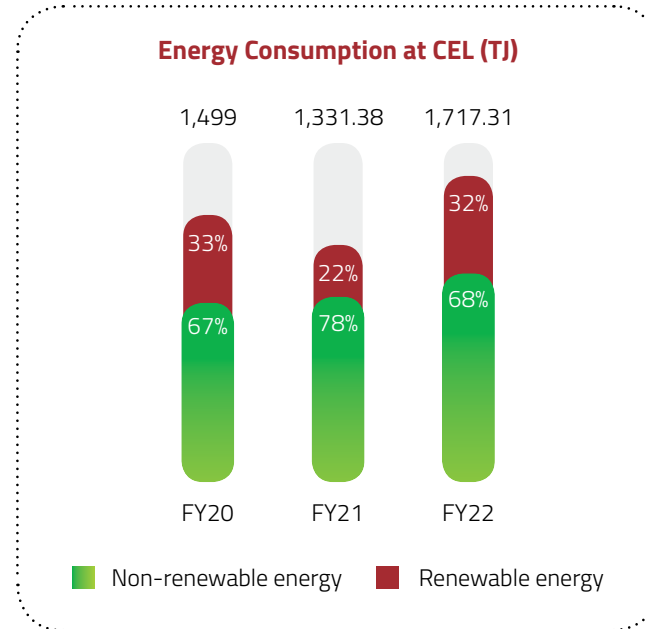
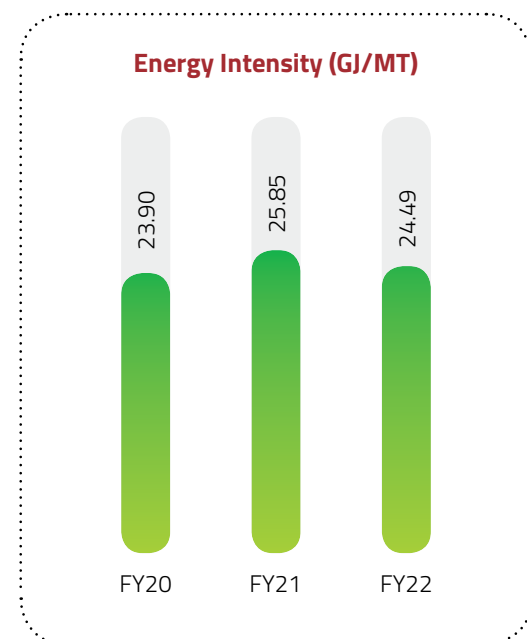
## Energy Consumption

At CEL, we meet our energy demands through both renewable and non-renewable sources. The steam that we purchase from, is generated using renewable energy. Our renewable energy sources are solar, wind and biomass (briquette) and our non-renewable energy sources are purchased electricity, LNG, LDO, and HSD. We have set up an Energy Conservation Cell, which monitors the effectiveness and efficiency of the energy-saving projects.

We have considered our total fuel consumption from renewable and non-renewable sources, electricity, heating, cooling, and steam purchased for consumption and self-generated energy. Our total energy consumption stood at 1,717.31 TJ for the reporting period, of which 32% was renewable energy – solar and biomass.

## Energy Intensity

Our energy intensity per tonne of production in FY22 is 24.49 GJ/MT as shown in the graph below:



## Reduction of Energy Consumption

We focus on efficient energy utilisation through process improvements and investments in new technologies. Under the energy saving programme for FY22, we initiated six projects at Bharuch, of which four are completed and two are under progress. We invested ₹305 lacs and saved 4,827 kW/day of energy which resulted in annual savings of ₹127.6 lacs. At Pune, we saved around 1,225 tonnes of steam, 17,500 kg of FO through fuel saving initiatives and 15,344 GJ of energy through electricity saving initiatives during the reporting period.

In FY22, the investments in energy conservation equipment have resulted in saving of 797.84 TJ, which is equivalent to 1,19,497.19 tonnes of GHG emissions (Scopes 1 & 2).

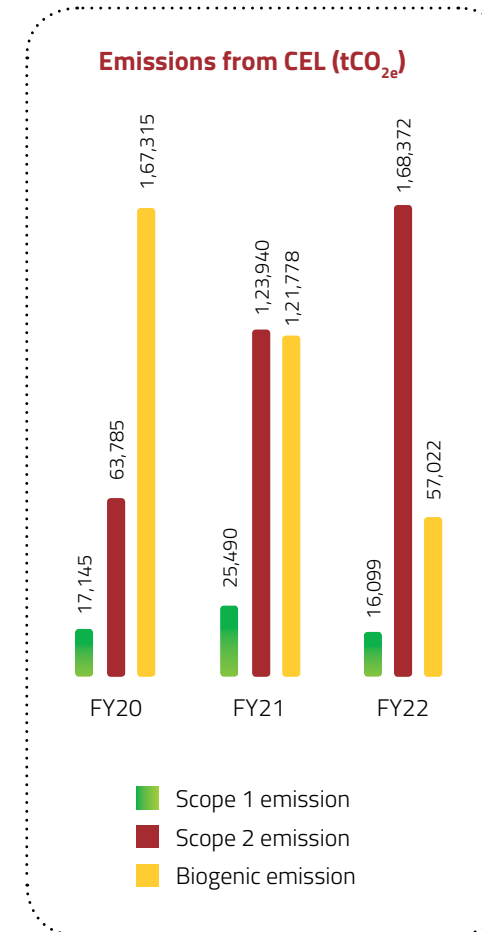
## Emissions

We have also invested in renewable energy generation equipment, such as a briquette-based boiler for steam generation, thus lowering our carbon emissions. We strictly monitor the stack emissions and ambient air quality and ensure that the values are within the stipulated parameters set by State Pollution Control Board (SPCB).

In FY22, our total scope 1 emissions across both the locations stood at 16,099 tCO<sub>2e</sub> primarily from fuel combustion during manufacturing processes. Our Scope 2 emissions of 1,68,372 tCO<sub>2e</sub> come from the

purchased electricity consumed during the reporting period. Our biogenic emissions from both the plants are 57,022 tCO<sub>2e</sub>.

Our Scope 1 and Scope 2 emissions are given in the graph below:



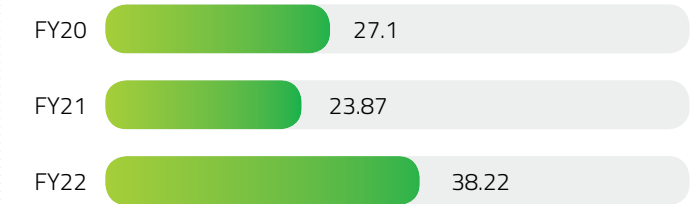
Further, our Scope 3 emissions at Bharuch plant are from employee commute and employee business travel which amounted to 147 tCO<sub>2e</sub> in FY22. Our specific Scope 3 emissions at Pune amounted to 2.88 tCO<sub>2</sub>/MT.

## Reduction of GHG Emissions

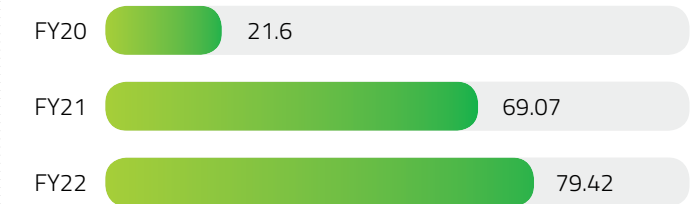
We have set particular energy consumption and GHG emission reduction targets to drive continual improvement in energy and emissions-related performance. We reduced 1,519 (tCO<sub>2e</sub>) of GHG emissions through the electricity and fuel saving initiatives at our Pune plant.

## Stack Emissions

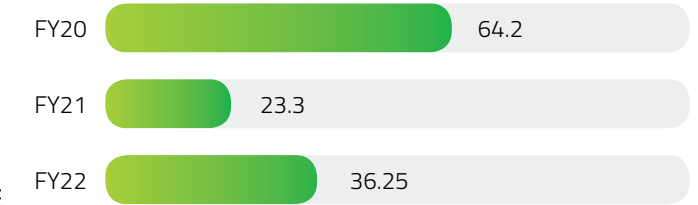
### Suspended Particulate Matter (MT)



### SOx (MT)



### NOx (MT)



## Emission reduction in Dipping unit



We are in the process of starting, a dipping facility at Pune for NTCF that imparts an adhesive coating on the cord surface and stretches it at high temperatures to achieve the desired properties required for making tyre. This dipped fabric represents mix products in the series of our Nylon Polymer products which does not involve any chemical change to the material nor release any new by-products. The water consumption at the unit is just 2kL/day with final net zero-discharge because of our ETP. We will be able to save on transportation and packaging cost. We will be able to achieve emission reduction at this unit by using RLNG gas instead of FO/LDO and ceasing of transportation.

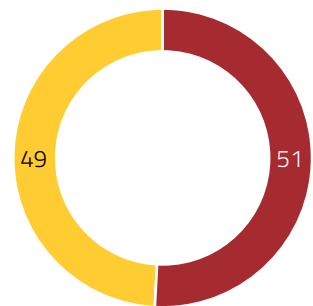
Refrigerants with Ozone Depleting Substance (ODS) have been replaced with non-ODS refrigerants at both our plants, resulting in no emissions from ODS. We could reduce SO<sub>2</sub> emissions by 110 tonnes per annum after switching to Light Diesel Oil from heavier fuel oil in FY19.

## Water Management

Water conservation is crucial for a variety of reasons, including greater competition for clean water due to diminishing water tables, dwindling clean water sources, and rising demands from both industrial and residential growth. All of this translates to higher prices for this natural resource. During the mechanical processes of spinning and weaving, water consumed is very small as compared to textile wet processing operations, where water is used extensively. Through the production of dope-dyed yarns, i.e., coloration at spinning stage itself, we have been able to save water and reduce dyeing related, pollution.

Our main source of water is municipal water supply at the Pune plant and ground water at Bharuch plant. Our total water consumption across both plants is 8.97 lacs liters during FY22.

Water Consumption (KL) (In%)

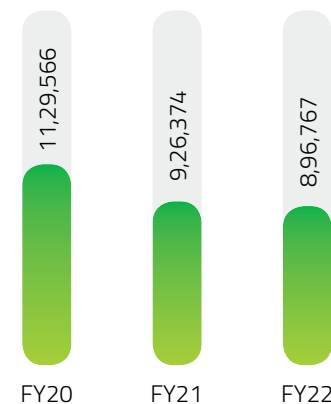


- Ground water
- Municipal water supply

We have reduced our specific water consumption across both units by 20.61% from FY20.



Water Consumption (KL)



## Process improvement water treatment



ETP Paddle dryer with dry sludge

We have a fully equipped and functional effluent treatment plant to treat wastewater along with a tertiary treatment facility to make the water suitable for reuse and reduce our need for freshwater withdrawal. This also helps us in maintaining zero-waste water discharge. 80% of treated water is used in the cooling tower and 20% is used in gardening.

### Addition of Paddle Dryer:

- Sludge from the ETP has high-moisture content causing higher disposal quantity and cost.
- After installing Paddle dryer to the ETP, the moisture content in sludge reduced to less than 5%. Thus, quantity of waste disposal reduced significantly.
- The water recovered during the paddle drying process gets recycled and reused in the manufacturing process. Thus, our overall freshwater withdrawal is reduced.

## Biodiversity Management

As a manufacturing organisation, we are aware of our responsibility towards biodiversity conservation and ecosystem restoration. We ensure a healthy environment through sustained growth of our natural surroundings. There is a constant threat to our biodiversity due to increasing population, rising demand for land and resources, increasing degradation and exploitation caused by overutilisation. This demands attention to maintain a balance in the ecosystem, and a need to preserve our existing biodiversity.

Our manufacturing operations are well within permissible limits, and do not pose any threat or environmental damage to the biodiversity around our manufacturing locations.

One of our manufacturing plants is located outside a protected area but does not have any significant negative impact on the biodiversity surrounding it. Our manufacturing activities are not closely linked or directly dependent on the biodiversity regions around our plants at Pune and Bharuch. To the best of our knowledge, there are no IUCN Red List species and National Conservation List species that are affected by any of our operations across both locations. We conduct plantation activities, and green belt development, in which we currently have 54% of total land under the green belt, which includes trees, shrubs, and herbs.

The theme for 2021 World Environment Day celebrations at Pune plant was 'Ecosystem Restoration.' We conducted a tree plantation drive of fruit trees inside the factory premises as part of our celebration. We planted 1,754 trees in Pune and 500 trees in Bharuch during the reporting period.



## Waste Management

We make every effort to reuse and recycle the waste generated by our operations at every stage. We endeavour to reduce the waste generation by adopting reduce, reuse, and recycle approach. The waste is disposed in compliance with all the necessary regulatory requirements of the State Pollution Control Board. We take extreme care in handling hazardous waste and observe all safety rules for its treatment and disposal, thereby adhering to our objective of sustainable operations.

The bio-medical waste generated at Bharuch plant is segregated according to guidelines and sent to a bio-medical waste incineration facility in Surat. Waste from the dipping unit was being sent to a common incineration facility. During the reporting period, an agreement was signed with Ultratech Ltd for co-processing this waste as fuel in their kiln furnace, thus indirectly reducing emissions and ash generation from

incineration. The non-hazardous waste like plastic, liners, bags, drums are given to registered recyclers and insulation waste is sent to a secured landfill.

During the reporting period, 2,690.12 MT of hazardous waste and 10,078 MT of non-hazardous waste was generated across both our plants.

### Initiatives for reducing waste disposed

- 🔄 Old paper tubes and packing materials are reused.
- 🔄 Nylon waste generated is recycled for conversion to Caprolactam which is used for making Nylon-6 chips for further internal consumption and exports (Recycling is > 10%).
- 🔄 The paddle dryer installed dries ETP sludge and reduces final disposal waste quantity by about 80% to 85%. Remaining green waste then gets converted into manure for use of gardening in our plant premises.

The total waste generated at both our plants are as follows:

Waste Generation				
Sr. No.	Waste Category	FY22	FY21	FY20
1	Non-Hazardous Waste	10,078	3,947	5,029
2	Hazardous Waste	2,690.12	2,202.92	2,819.33
	<b>Total</b>	<b>12,768.12</b>	<b>6,149.92</b>	<b>7,848.33</b>

The table below displays the various disposal methods followed in CEL:

Waste Disposal in CEL (MT)				
Sr. No.	Waste Disposal Method	FY22	FY21	FY20
1	Ash reused for brick manufacturing	5,464	3,947	5,029
2	Incineration	0.05	213	183.32
3	Pre-Processing	276	68.40	0
4	To authorised Recycler	2,209.09	1,730.34	1,975.90
5	Co-processing	37.63	25.38	0
6	Landfill	4,780.75	165.09	659.42
7	Recycling	0	0	0
	<b>Total</b>	<b>12,767.51</b>	<b>6,149.21</b>	<b>7,847.64</b>

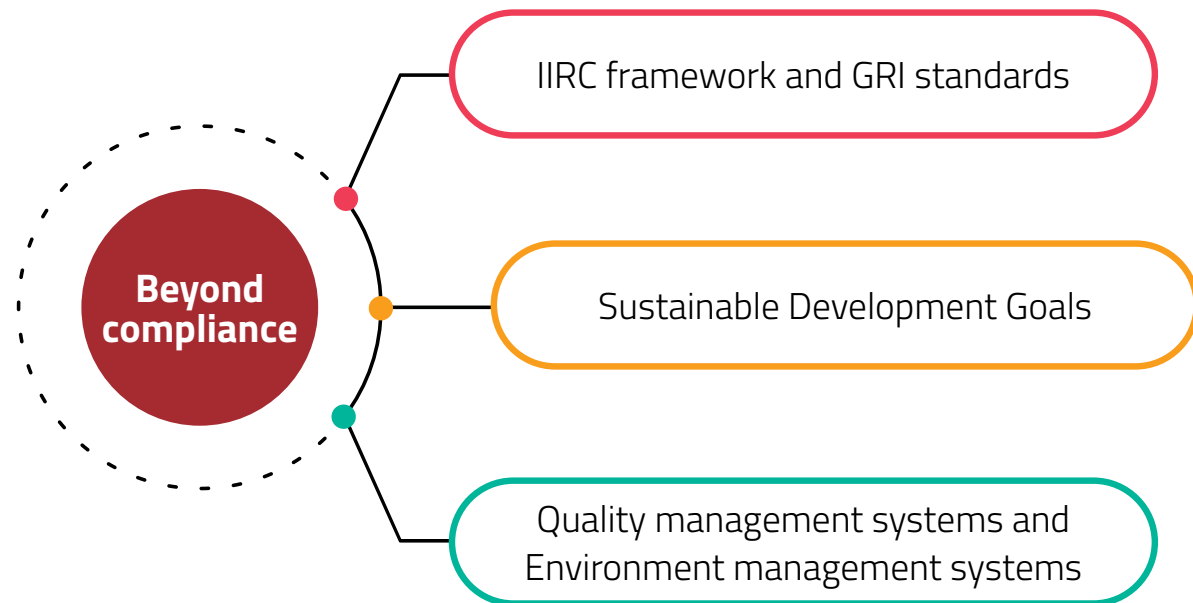
### Environmental impact assessments of projects undertaken by the entity based on applicable laws in the current financial year

Sr. no	Name and brief details of project	EIA notification no.	Date	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/No)	Relevant web link
1	Expansion for adding of new dipping process and change in the disposal quantity of distillation residue from 200MT/A to 300 MT/A	SEIAA - EC-0000002200	18.03.2020	Yes	No	On MPCB web portal



## Environmental Regulatory Compliance

During the reporting period, there has been no case of non-compliance with environmental laws and regulations. The Company uses state-of-the-art technology to manufacture products that meet stringent quality standards. Both our plants are ISO 9001:2015-recognised. We have an Environmental Management System that fulfills the requirements of ISO 14001: 2015 that has been externally audited and approved.



### Better preparedness for future business and regulatory risks

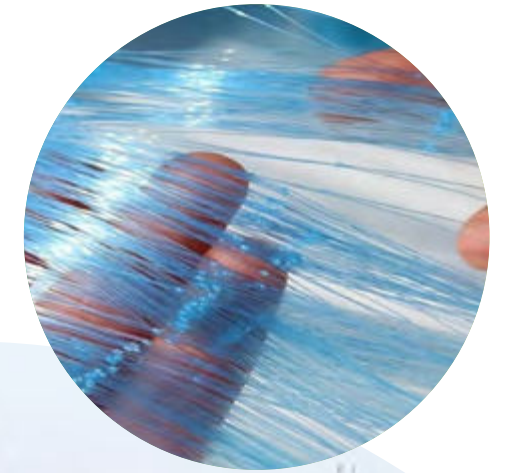
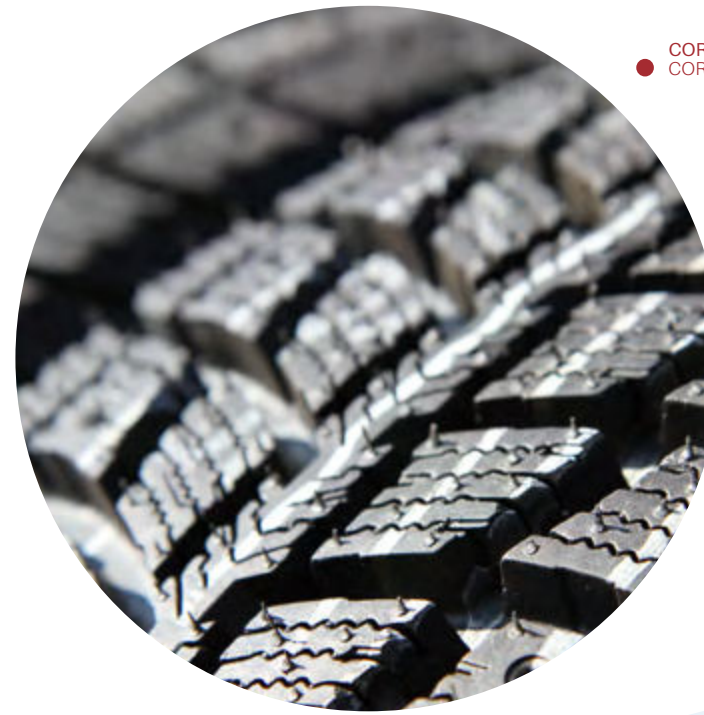
A worldwide paradigm shift towards cleaner and greener processes is underway. We realise that we can no longer afford to remain a mute spectator if we want to emerge as a significant player in the global market. Thus, we have adopted a systematic approach that includes continuous improvement process to increase energy efficiency, cutting costs for fuel and electricity and incorporating cleaner manufacturing processes. We believe that it can be a triple win for the customer, suppliers, and the environment.

We have been granted authorisation to use the Öeko-Tex Standard 100 mark for our nylon yarn and the polyamide chips made by depolymerisation of 100% reused polyamide yarn in raw white. This is a certification scheme for sustainable textile production which limits the use of

certain chemicals. Greige yarns manufactured at Century Enka, Pune is certified by the Global Recycled Standard.

We currently have a total of 2,209 suppliers, of which 199 were added during the reporting period. We have incorporated ESG aspects in vendor registration protocols. We are in a process of developing action plan to address any significant actual and potential negative environmental impacts identified in our supply chain.

As manufacturers of Nylon Filament Yarn and Nylon Tyre Cord Fabric (NTCF), we acknowledge that manufacturing of synthetic fibers is an energy-intensive process and produces various byproducts, including volatile organic compounds, solvents and heavy metals, that can potentially pollute air or water sources. Hence, we promote education and awareness at all levels in a manner designed to increase the level of cognisance of all aspects of the environment and its relevance, importance, care, and management.



# Social and Relationship Capital

## Key Highlights of FY22

**2,209**

Total suppliers engaged

**518**

Total customers

**100%**

Customer complaints received and resolved

**₹188 lacs**

CSR expenditure on various initiatives

**71**

Critical suppliers engaged

**~53,258**

CSR beneficiaries

**100%**

Supplier registration based on environmental and safety parameters

## Contribution to SDGs



## Interlinkage with Other Capitals



## Community initiatives and their impacts

We have incorporated a holistic approach in our engagement with the community. Community development is as important to our Company as our business operations and continuity. Ensuring overall development of communities around us will help in maintaining and building relations with people and promoting sustainability within our communities. We focus on the development of our local communities, which includes the neighboring villages.

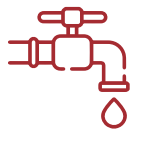
## Focus areas



Education



Healthcare



Access to water



Disaster management



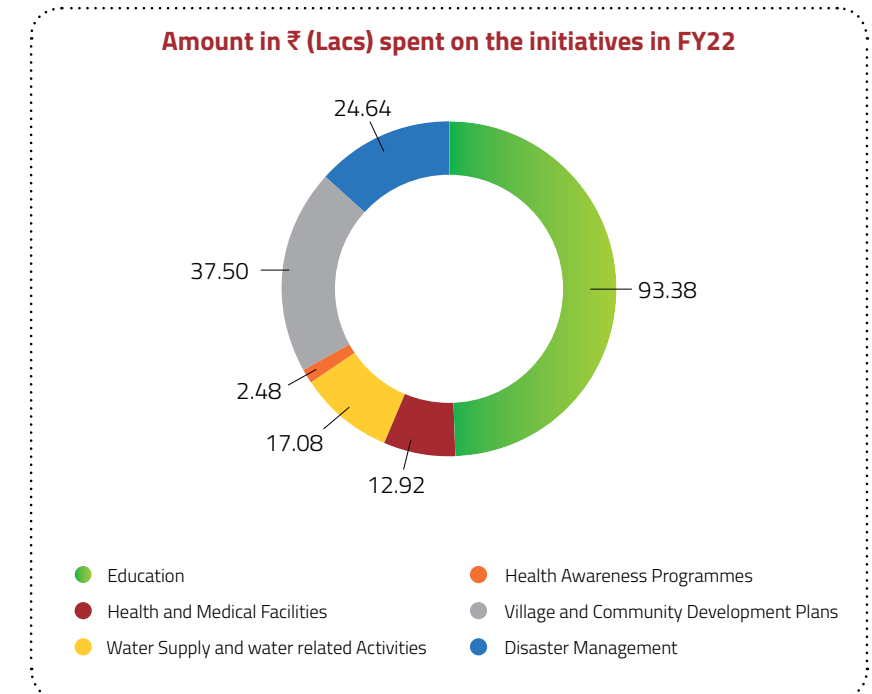
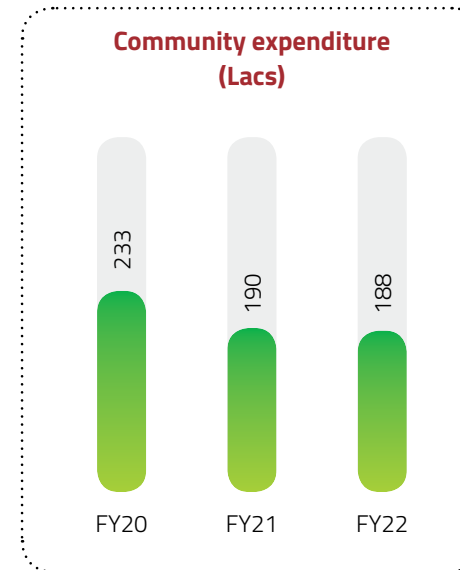
Rural infrastructure development



**Our beneficiaries through our CSR projects are given below:**

Sl. No.	CSR Project	Beneficiaris from CSR projects
1	Vocational training	<b>100 students</b>
2	Poshanvahini	<b>500 children</b>
3	Distribution of school uniform & stationery	<b>352 students</b>
4	Computer lab & interactive e-board fees	<b>302 students</b>
5	Siksashathi	<b>36 schools</b>
6	Furniture for staffroom & classroom	<b>280 students</b>
7	Construction of classroom	<b>200 students</b>
8	Infrastructure development of school	<b>500 students</b>
9	Laptops in school	<b>2 staff members</b>
10	Eye checkup camps	<b>892 villagers</b>
11	Blood donation camps	<b>64 units of blood</b>
12	Renovation of CHC, Umalla	<b>150 patients/day</b>
13	Construction of overhead tank in a village	<b>2,000 villagers</b>
14	Drinking water & RO facility at Umalla village	<b>10,000 villagers</b>
15	Provided water cooler & RO system	<b>250 nos./day</b>
16	Construction of room in charitable trust hospital	<b>200 patients</b>
17	Medical aid to nearby areas & villages	<b>700 patients</b>
18	Provide oxygen cylinders	<b>2,000 patients</b>
19	Provide oxygen concentrators	<b>500 patients</b>
20	Food kit distribution	<b>3,000 food kits</b>
21	Contribution for establishment of quarantine centres	<b>1,000 villagers</b>
22	Aids to flood affected people	<b>40 families</b>
23	Providing street lights	<b>3,100 villagers</b>
24	Street light poles in various nearby villages	<b>17,000 villagers</b>
25	Construction of protection wall and drainage line with hume pipe	<b>90 villagers</b>
26	Providing RCC benches	<b>10,000 villagers</b>

We have contributed towards the development of children, infrastructure, and the society across various regions. We have also conducted one major project categorised under the aspirational district, in Narmada, Gujarat. The project expenditure for the same was ₹16.85 lacs.



## Education

**~2,272 children**

Total beneficiaries

**₹93.38 Lacs**

Total expenditure

### Poshanvahini Project

The initiative was undertaken to strengthen 50 anganwadi centers (rural childcare centers) of the Narmada district. An additional helper was allotted to overcome the shortage.

Before construction

During construction

Facilitated the infrastructural development of a school at Kaliyapura Village, Bamalla Gram Panchayat. Assisted in electrical work, installation of a Reverse Osmosis (RO) system and replacing of old windows.

- 🌱 Shikshasathi project facilitated the provision of 45 teachers across 36 schools in the Narmada district. Through this project, we were able to bridge the gap by providing education to approximately 1,000 children.
- 🌱 Construction of a school classroom in collaboration with Manav Seva Trust in Chanderiya village.

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## Healthcare

~150 patients/day  
Total beneficiaries

₹15.40 Lacs  
Total expenditure

### Eye check-up camps



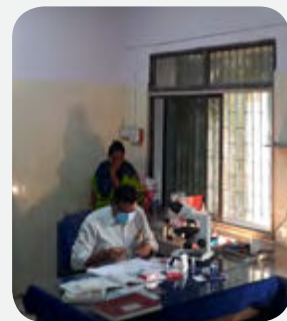
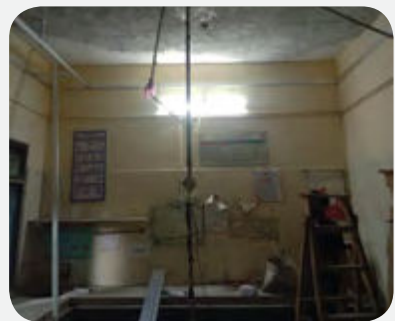
We organised three eye check-up camps across Umalla, Asha and Aamletha villages. People across 35 nearby villages visited the camp and availed the health-care services. There was a provision for eye check-ups, operations for 66 cataract patients out of 163 identified, and distribution of spectacles to 633 people.

### Blood donation camp



We set up a blood donation camp at Rajashree Polyfil and successfully collected 64 units of plasma.

### Renovation



We undertook renovation at Umalla Community Health Centre (CHC) which entailed furnishing, painting, civil work, and electrical fittings.

We extended our help in construction of a room in a hospital, which was supported by a charitable trust at Sewa Rural, Jhagadia.

## Access to water

~12,250  
Total beneficiaries

₹17.08 Lacs  
Total expenditure

- Provided support in constructing an overhead tank with a capacity of 20,000 liters at Kaliyapura village. The tank provides a supply of water for approximately 2000 people per day.
- Installation of two RO systems with a capacity of 50 liters each, and two water coolers with a capacity of 120 liters each, in Rajpardi and Raisingpura villages. This has helped provide clean drinking water to 250 people daily.
- Provided an RO plant with a building construction with 4000 liters capacity. This has benefitted around 10,000 people of Umalla village.

## Disaster management

~6,540  
Total beneficiaries

₹24.64 Lacs  
Total expenditure



- Supplied 74 oxygen cylinders to nearby CHC in Umalla and Primary Health Centre (PHC) in Panetha, benefitting 2,000 patients.
- Provided 5 oxygen concentrators in CHC Umalla, PHC Panetha, PHC Jeshpor, PHC Rajpardi and Avidha, benefitting 500 people per year
- Provided a COVID-19 isolation ward in Bamalla with 5 beds, 10 mattresses, and 10 pillows and pillow covers each, benefitting 1,000 people

### Safety and emergency management:

- We extend our support to the employees of the Gujarat Mineral Development Corporation (GMDC) at Jhagadia, Gujarat; the Gujarat Electricity Board (GEB), Rajpipla; Nuclear Power Station (NPS), Kakrapart; and ITI and nearby schools by providing safety and firefighting training. The trainings are provided by our health and safety team and also include topics of emergency management.
- Furthermore, we have supported fire calls in nearby villages and Gujarat Industrial Development Corporation (GIDC) Ankleshwar.



## Rural infrastructure development

~30,190

Total beneficiaries

₹37.50 Lacs

Total expenditure



- Provided streetlights and fittings in Bamalla (70), Kaliyapura (25) and Mahuvada (25). Furthermore, also provided 2.5sq. mm of service wire and MCB 16A DP with box fitting.
- Provided a 10-meter ladder pole with a 150-foot high mask tower. The initiative has benefitted around 15,000 villagers. Number of ladder poles is as follows:

Mahuvad-1	Dabal-1	Mahudikhnach-1
Vali ghaban-1	Khalak Company-1	Khalak-1
Vala-1	Kesharva -1	Vali-1
Vaghpura-5	Umalla-1	Raysingpura-2

- Supported in construction of protection wall and drainage in Raisingpura village, benefitting approximately 90 villagers.
- Distribution of 346 RCC benches in nearby villages which benefitted approximately 10,000 villagers.

## Industrial Training Institute (ITI) for skill development:

We have initiated a programme to educate and create job opportunities for local tribal people through structured skill development at Bamalla in Jhagadia taluka, Bharuch. Established in 2015, Rajashree ITI is managed by Cenka Samajh Kalyan Sanstha.

The Institute is spanned over 7400 m<sup>2</sup>, equipped with a playground and open green spaces. It is equipped with adequate facilities to conduct online classes, with experienced faculty. In August 2019, I.T.I. was accredited with the National Council of Vocational Training (NCVT).



We introduced the 'Sewing Technology' course in the Institute with an aim to enhance the skills of female candidates. This provides an opportunity for women of the tribal community to earn revenue and support themselves and their families.

The Institute offers infrastructure as per the guidelines of the Government of India - Ministry of Skill Development and

Entrepreneurship (MSDE), New Delhi norms. We have guest lecturers from Rajashree Polyfil visiting the Institute to provide guidance and expertise to the students. At the Institute, we extend support to trainees belonging to Scheduled Caste and Scheduled Tribes (subject to state Government norms).

## Support during COVID-19

As several lives were at stake during the pandemic, we took all the necessary steps to ensure adequate support to the neighbouring hospitals in the times of crisis. Our goal was to provide support to people affected by COVID-19 and ensure timely medical facilities and monetary support wherever necessary.

## We were successful in providing:

70 oxygen cylinders to a nearby CHC COVID-care hospital

5 Oxygen concentrators to nearby PHC and CHC

5 beds, 10 mattresses with pillows, bed sheets and pillow cover for a COVID isolation ward at Bamalla Gram Panchayat

## Community Engagement Process

We have a well-define process for identifying key stakeholder groups for various community initiatives, as follows:



Conducting surveys in villages



Understanding requirements raised by the village sarpanch



Considering requests by local authorities, NGOs, and other social institutions



Identifying activities to be conducted



Allocation of budget for the project



Project implementation

We had previously conducted a survey to identify and measure the impacts of our initiatives on stakeholders and we aim to continue doing so in future.

Stakeholder groups identified and interacted with during the reporting period are:

Stakeholder Group	Whether identified as Vulnerable & Marginalised Group (Yes/No)	Modes of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement	Purpose and scope of engagement including key topics and concerns raised during such engagement
Nearby Villages	No	Meeting	As & when required	CSR activities
Village Sarpanch	No	Meeting	As & when required	CSR activities
Local Authorities	No	Meeting/Email/Other	As & when required	CSR activities
NGO & Social Institution	No	Meeting/Email/Other	As & when required	CSR activities

## CSR Committee and CSR Policy

In accordance with the Companies Act, 2013 we have implemented CSR Policy with the aim of developing communities. We have undertaken various initiatives in the fields of health, education, livelihood, infrastructure, environment protection, and disaster management related initiatives for our community. We have also incorporated a holistic approach in our CSR strategy by undertaking projects directly, or through a charitable trust, NGO, Local Government authorities and civil societies based on the requirement of the project.

We have structured our strategy to prioritise villages in the immediate vicinity of the plant locations as Direct Influence Zone (DIZ). However, we have a provision for expansion of our programmes as Indirect Influence Zone (IIZ).

Our CSR Policy has specified guidelines to deal with the unspent amount and surplus funds arising from CSR initiatives. A well-defined monitoring mechanism assists in timely follow ups for monitoring all CSR projects by the CSR Committee and the Board.



## Customer Relationship

We uphold our relationship with our valuable stakeholders – our customers. Driving our operations towards achieving strong relations with our customers remains our top-most priority. We have implemented a customer grievance redressal to understand specific customer requirements. Our continuous efforts in ensuring customer centricity in our processes are supported by structured mechanisms, policies, and guidelines. Customers can avail the information regarding our products on the Company’s website.

Our customers are aware of sustainability and its importance, and to meet their expectations, we shall be ensuring a circular model in handling our material. We are targeting to ensure 100% recycling of our materials, which in turn shall reduce our carbon emissions.

We maintain a consistent interaction with our customers through internal meetings, once a month meeting with our counter parts, technical department meetings and once a year meeting at the promoter level. We are glad to declare that we have not faced any incidents of non-compliance with regards to the health and safety of our product.

As a responsible organisation, we are accountable for our customers’ safety and awareness. We ensure that our products are adequately labelled to provide our customers with all the relevant information. This provides our customers an opportunity to make an informed decision while purchasing our products. Our entire labelling process is automated to minimise the risk associated with manual labelling processes. During the reporting period, our Company did not receive any concerns regarding the product information and labelling.

We believe that safeguarding the customer privacy can help us gain and maintain their trust in the long-term and increase our brand and market value. We have developed a Privacy Policy, which provides information regarding use of customer’s data, and security that is maintained across our website. During the reporting period, we have not received complaints for breaches of customer privacy. We have not received any complaints or concerns pertaining to non-compliance in our marketing endeavors.

Based on inputs from our customers on cost reduction methods for our Company, we look forward to forging partnerships with other organisations to increase efficiency and product delivery.

## Responsible Supply Chain

Our supply chain is consistently innovating to implement sustainable practices driven by our ambition. Our supplier types mainly include vendors for chemical, fuels, packaging material, and OEM (engineering). We currently have a total of 2,209 suppliers of which 199 were added during the reporting period. Our supplier registration is based on environmental and safety parameters, covering all our suppliers. 100% of our new suppliers were screened during the reporting period based on the environmental and health and safety parameters. We have incorporated ESG aspects in vendor registration protocols. We are undertaking the recycling of plastic as a process innovation in our supply chain. Our vendor assessment takes place bi-annually, including performance parameters based on delivery, quality and support in times of mishap.

Our support extends towards our local suppliers to minimise the carbon footprint in our sourcing practices. We successfully procured 24% and 58% of materials from our local suppliers, Pune and Bharuch sites, respectively, during the reporting period.

All our suppliers are covered under our vendor registration

Supplier Code of Conduct. We have incorporated certain aspects of sustainability during our vendor registration to encourage suppliers towards our initiative of a responsible supply chain. Supplier system audits are also undertaken, and we require our suppliers to be certified to ISO or any other relevant certifications. An IETC process is followed by the Company. We also conduct an evaluation of approved suppliers to ensure that they are in line with our product processes and services catering to internal requirements and customer needs. We are in the process of developing an action plan to address any significant actual and potential negative environmental impacts identified in our supply chain.

Our operations and suppliers are free from any significant risk for incidents of child labour. We also prohibit forced or compulsory labour of any form across our operations and our supply chain.

Our marketing activities and communication are completely transparent to ensure that our customers are aware of their choice of product and its impact across the supply chain, on the environment and on the customer as well.



# Awards and Recognition

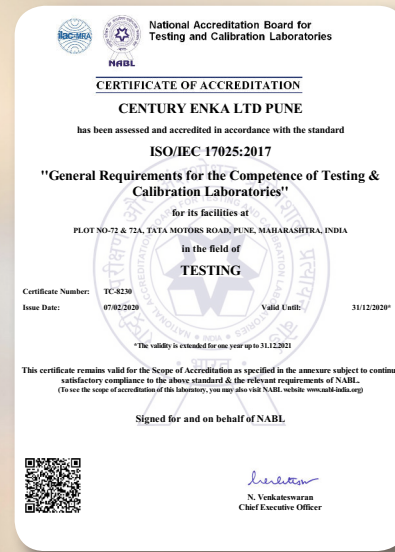
We are proud to announce that during the reporting period, our Company received the following certifications:



ISO50001: 2018 EnMS-Certified



ISO 9001:2015, ISO 14001: 2015 & ISO 45001:2018-certified



Century Enka Limited Pune has been assessed and accredited in accordance with the standard ISO/IEC 17025:2017 in the field of testing



Our Quality Management System has been audited and found to be in accordance with the requirement of IETF 16949-First Edition



Century Enka Limited Pune Greige yarns has been inspected and assessed in accordance with Global Recycled Standard



Century Enka Limited is granted authorisation according to STANDARD 100 by OEKO-TEX to use the STANDARD 100 by OEKO-TEX mark



# Annexure

## GRI Content Index

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	103-3	Evaluation of the management approach	Natural Capital – Environmental Compliance	78
GRI 307: Environmental Compliance	307-1	Non-compliance with environmental laws and regulation	Natural Capital – Environmental Compliance	78
<b>GRI 401: Employment</b>				
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundaries	Human capital	50-57
	103-2	The management approach and its components	Human capital	50-57
	103-3	Evaluation of the management approach	Human capital	50-57
GRI 401: Employment	401-1	New employee hires and employee turnover	Human capital	51
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employee	Human capital	52, 53
	401-3	Parental leave	Human capital	52
<b>GRI 402: Labour/Management Relations</b>				
GRI 402: Labour/Management Relations	402-1	Minimum notice periods regarding operational changes	Human capital	52

GRI Standard	Disclosure	Reference Section	Page Number	Omission
<b>GRI 403: Occupational health and safety</b>				
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its boundaries	Human Capital – Health and Safety	58-65
	103-2	The management approach and its components	Human Capital – Health and Safety	58-65
	103-3	Evaluation of the management approach	Human Capital – Health and Safety	58-65
GRI 403: Occupational Health and Safety	403-1	Occupational health and safety management system	Human Capital – Health and Safety	61-63
	403-2	Hazard identification, risk assessment, and incident investigation	Human Capital – Health and Safety	64-65
	403-3	Occupational health services	Human Capital – Health and Safety	61-63
	403-4	Worker participation, consultation, and communication on occupational health and safety	Human Capital – Health and Safety	61-63
	403-5	Worker training on occupational health and safety	Human Capital – Health and Safety	59-61
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	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Human Capital – Health and Safety	58-65
	403-8	Workers covered by an occupational health and safety	Human Capital – Health and Safety	61-62
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GRI Standard	Disclosure	Reference Section	Page Number	Omission
<b>GRI 404: Training and Education</b>				
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundaries	Human Capital – Learning and Development	56-57
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	103-3	Evaluation of the management approach	Human Capital – Learning and Development	56-57
GRI 404: Training and Education	404-1	Average hours of training per year per employee	Human Capital – Learning and Development	56
	404-2	Programmes for upgrading employee skills and transition assistance programmes	Human Capital – Learning and Development	56-57
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<b>GRI 405: Diversity and Equal Opportunity</b>				
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundaries	Human Capital – Inclusion and Diversity	55-56
	103-2	The management approach and its components	Human Capital – Inclusion and Diversity	55-56
	103-3	Evaluation of the management approach	Human Capital – Inclusion and Diversity	55-56
GRI 405: Diversity and Equal Opportunity	405-1	Diversity of governance bodies and employees	Human Capital – Inclusion and Diversity	55-56
	405-2	Ratio of basic salary and remuneration of women to men	Human Capital – Inclusion and Diversity	55-56
<b>GRI 406: Non-discrimination</b>				
GRI 406: Non-discrimination	406-1	Incidents of discrimination and corrective actions taken	Human Capital – Inclusion and Diversity	55-56

GRI Standard	Disclosure	Reference Section	Page Number	Omission
<b>GRI 407: Freedom of Association and Collective Bargaining</b>				
GRI 407: Freedom of Association and Collective Bargaining	407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Human Capital – Human Rights	55
<b>GRI 408: Child Labour</b>				
GRI 408: Child Labour	408-1	Operations and suppliers at significant risk for incidents of child labour	Social and Relationship Capital – Responsible supply chain	89
<b>GRI 409: Forced or Compulsory Labour</b>				
GRI 409: Forced or Compulsory Labour	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labour	Social and Relationship Capital – Responsible supply chain	89
<b>GRI 411: Rights of Indigenous Peoples</b>				
GRI 411: Rights of Indigenous Peoples	411-1	Incidents of violations involving rights of indigenous peoples	Human Capital – Human Rights	55
<b>GRI 413: Local Communities</b>				
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundaries	Social and Relationship Capital – Community initiatives and their impacts	81
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	103-3	Evaluation of the management approach	Social and Relationship Capital – Community initiatives and their impacts	81-89
GRI 413: Local Communities	413-1	Operations with local community engagement, impact assessments, and development programmes	Social and Relationship Capital – Community initiatives and their impacts	81-89
	413-2	Operations with significant actual and potential negative impacts on local communities	-	Information unavailable

GRI Standard	Disclosure	Reference Section	Page Number	Omission
<b>GRI 416: Customer Health and Safety</b>				
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundaries	Social and relationship capital – Customer relationship	88
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GRI 416: Customer Health and Safety	416-2	Incidents of non-compliance concerning the health and safety impacts of products and service	Social and relationship capital – Customer relationship	88
<b>GRI 417: Marketing and Labeling</b>				
GRI 417: Marketing and Labeling	417-1	Requirements for product and service information and labeling	Social and relationship capital – Customer relationship	88
	417-2	Incidents of non-compliance concerning product and service information and labeling	Social and relationship capital - Customer relationship	88
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<b>GRI 418: Customer Privacy</b>				
GRI 418: Customer Privacy	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Social and relationship capital - Customer relationship	88
<b>GRI 419: Socioeconomic Compliance</b>				
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# Contribution to United Nation's Sustainable Development Goals

	UN Sustainable Development Goal	Report Section	GRI Material Aspect	GRI Indicator	Page No.
	<b>Good Health and Well-being</b> – Ensure healthy lives and promote well-being for all at all ages	Human Capital, Social and Relationship Capital	GRI 401: Employment	401-1, 401-2, 401-3	52-53
			GRI 403: Occupational Health and Safety	403-1, 403-2, 403-3, 403-4, 403-5, 403-6, 403-7, 403-8, 403-9, 403-10	61-63
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	<b>Quality Education</b> – Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all	Human Capital, Social and Relationship Capital	GRI 404: Training and Education	404-1	56-57
			GRI 413: Local Communities	413-1	80-88
	<b>Gender Equality</b> – Achieve gender equality and empower all women and girls	Human Capital, Social and Relationship Capital	GRI 401: Employment	401-1, 401-2, 401-3	52-53
			GRI 405: Diversity and Equal Opportunity	405-1, 405-2	55-56
			GRI 413: Local Communities	413-1	80-88
	<b>Clean Water and Sanitation</b> – Ensure availability and sustainable management of water and sanitation for all	Natural Capital, Social and Relationship Capital	GRI 303: Water	303-1, 303-2, 303-3, 303-4, 303-5	74-75
			GRI 413: Local Communities	413-1	80-88
	<b>Affordable and Clean Energy</b> – Ensure access to affordable, reliable, sustainable and modern energy for all	Natural Capital	GRI 302: Energy	302-1, 302-3, 302-4	72-73

	<b>Decent Work and Economic Growth</b> – Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all	Financial Capital, Manufactured Capital, Human Capital, Social and Relationship Capital	GRI 102: Governance Strategy	102-15, 102-18	28,10
			GRI 201: Economic Performance	201-1, 201-3	44-46
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			GRI 401: Employment	401-1, 401-2, 401-3	52-53
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			GRI 405: Diversity and Equal Opportunity	405-1, 405-2	55-56
			GRI 406: Non-discrimination	406-1	55-56
			GRI 407: Freedom of Association and Collective Bargaining	407-1	55-56
			GRI 408: Child Labour	408-1	50-52
			GRI 409: Forced or Compulsory Labour	409-1	50-52
	<b>Industry, Innovation and Infrastructure</b> – Build resilient infrastructure, promote sustainable industrialisation and foster innovation	Manufactured Capital, Intellectual Capital, Social and Relationship Capital	GRI 413: Local Communities	413-1	80-88
			GRI 416: Customer Health and Safety	416-2	88, 61-62
	<b>Reduced Inequalities</b> – Reduce inequality within and among countries	Human Capital, Social and Relationship Capital	GRI 413: Local Communities	413-1	80-88
			GRI 405: Diversity and Equal Opportunity	405-1, 405-2	55-56

	<b>Responsible Production and Consumption</b> – Ensure sustainable consumption and production patterns	Manufactured Capital, Intellectual Capital, Natural Capital, Social and Relationship Capital	GRI 301: Materials	301-1, 301-2, 301-3	71
			GRI 303: Water	303-1, 303-2, 303-3, 303-4, 303-5	74-75
			GRI 413: Local Communities	413-1	80-88
			GRI 305: Emissions	305-1, 305-2, 305-3, 305-4, 305-5, 305-7	72-73
	<b>Climate Action</b> – Take urgent actions to combat climate change and its impacts	Natural Capital	GRI 306: Effluents and Waste	306-1, 306-2, 306-3	76-77
			GRI 307: Environmental Compliance	307-1	78
			GRI 301: Materials	301-2, 301-3	71
	<b>Life on Land</b> – Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss	Natural Capital	GRI 304: Biodiversity	304-1, 304-2, 304-3, 304-4	75-76

## Employee Engagement



## Glossary of Abbreviations

ASFI	Association of Synthetic Fibre Industry
CEL	Century Enka Limited
CHC	Community Health Centre
DIZ	Direct Influence Zone
EMS	Environment Management System
ESG	Environmental, Social and Governance
ETP	Effluent Treatment Plant
EVD	Economic Value Distributed
EVG	Economic Value Generated
FDY	Fully Drawn Yarn
FMEA	Failure Mode and Effect Analysis
FO	Furnace Oil
GEB	Gujarat Electricity Board
GRI	Global Reporting Initiative
HAZOP	Hazard And Operability Analysis
HCV	Heavy Commercial Vehicles
HIRA	Hazard Identification and Risk Assessment
HTY	High Tenacity Yarn
IIRC	International Integrated Reporting Council
IIZ	Indirect Influence Zone

ITTA	Indian Technical Textile Association
JSA	Job Safety Analysis
KPI	Key Performance Indicators
LDO	Light Diesel Oil
LCV	Light Commercial Vehicles
LOTO	Lock-Out & Tag-Out
LTIFR	Lost Time Injury Frequency Rate
LTISR	Lost Time Injury Severity Rate
MCCIA	Mahratta Chamber of Commerce Industries and Agriculture
MMF	Manmade Fibers
MSDE	Ministry Of Skill Development and Entrepreneurship
NABL	National Accreditation Board for Testing and Calibration Laboratories
NFY	Nylon Filament Yarn
NPS	Nuclear Power Station
NSW	National Safe Work
NTCF	Nylon Tyre Cord Fabric
ODS	Ozone Depleting Substance
OHC	Occupational Health Committee

## CORPORATE INFORMATION

### BOARD OF DIRECTORS

**Mrs. Rajashree Birla**  
Chairperson - Non-Executive

**Mr. S. K. Jain**  
Independent Director

**Mr. K. S. Thar**  
Independent Director

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

**Mr. Devajyoti N. Bhattacharya**  
Non-Independent Director

**Mr. Suresh Sodani**  
Managing Director

### KEY MANAGERIAL PERSONNEL

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

**Mr. Rahul Dubey**  
Company Secretary

### AUDITORS

**M/s. Khimji Kunverji & Co LLP.**

### REGISTERED OFFICE

Plot No. 72 & 72-A, MIDC,  
Bhosari, Pune - 411 026  
Tel. No. 020-66127304  
Fax No. 020-27120113

### SURAT OFFICE

D-519,523 International Trade Center  
Ring Road, Majura Gate, Surat - 395 002  
Tel.No. 0261-2465032 / 33 / 39

### FACTORIES

Bhosari, Pune - 411 026, Maharashtra  
Tel. No. 020-66127300  
Fax No. 020-27120113

Rajashree Polyfil, Rajashree Nagar,  
Post: Umalla 393120, District: Bharuch, Gujarat  
Tel. No. 02640-308555  
Fax No. 02640-308510

Raigad Processors (Not in Production)  
Plot No. C-61, Part-A, MIDC Area,  
Mahad 402 309, District: Raigad, Maharashtra  
Tel. No. 02145-232136

Konkan Synthetic Fibres (Not in Production)  
Plot No. C-61, Part-B, MIDC Area,  
Mahad 402 309, District: Raigad, Maharashtra  
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 Financial Year ended 31<sup>st</sup> March 2022

To  
The Members,

The Directors present the 56<sup>th</sup> Annual Report together with audited financial statements of the Company for the financial year ended 31<sup>st</sup> March 2022 ('Period under review').

### FINANCIAL HIGHLIGHTS

₹/Lacs

Particulars	FY 22	FY21
Net Revenue from Operations	2,09,783	1,22,280
Profit before Depreciation, Finance Cost, Exceptional Items and Tax	28,492	14,237
<b>Add/(Less):</b>		
Depreciation	(3,962)	(4,088)
Finance Cost	(124)	(155)
Exceptional Item (Note 1)	-	(819)
Taxation (Net)	(5,990)	(2,083)
<b>Net Profit</b>	<b>18,416</b>	<b>7,092</b>

Note 1: Exceptional item in FY21, represents impairment provision on some polyester spinning machines at Bharuch Plant.

### DIVIDEND

Based on the performance of the Company, the Board of Directors recommended dividend at the rate of 100% (i.e., ₹10 per equity share of ₹10/- each) for the period under review (Previous year dividend at the rate of 80% i.e., ₹8 per equity share of ₹10/- each). In terms of the amendment made under the Income Tax Act, 1961, by the Finance Act, 2020, dividend paid or distributed by the Company shall be taxable in the hands of shareholders at applicable rates of tax and the Company shall withhold tax at source appropriately.

### UNPAID/ UNCLAIMED DIVIDEND

Equity shares in respect of which dividend remained unpaid/unclaimed for a period of seven consecutive years shall be transferred to the Investor Education and Protection Fund ('IEPF') Authority within the timeline laid down by the Ministry of Corporate Affairs ('MCA'), Government of India. The dividend of above-mentioned equity shares shall also be transferred to IEPF Authority. However, shareholders can claim equity shares and dividend from IEPF Authority.

The Company has already been transferred equity shares along with dividend for the financial year ended 31<sup>st</sup> March 2014 to the IEPF Authority. For the financial year ended 31<sup>st</sup> March 2015, the dividend and equity shares shall be transferred to the IEPF Authority, after the Annual General Meeting, within the timeline laid down under the Companies Act, 2013 and rules made thereunder ('the Act').

### DIVIDEND DISTRIBUTION POLICY

In terms of provisions of Regulation 43A of the Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements)

Regulations, 2015, ('Listing Regulations'), the Company has formulated a Dividend Distribution Policy.

To protect the interest of shareholders, the Board of Directors recommended dividend for the financial year based on criteria specified in Dividend Distribution Policy of the Company.

The said policy is hosted on the website of the Company and can be accessed at [https://www.centuryenka.com/investor-relations/index.html#parentHorizontalTab6|ChildVerticalTab\\_211](https://www.centuryenka.com/investor-relations/index.html#parentHorizontalTab6|ChildVerticalTab_211)

### TRANSFER TO GENERAL RESERVES

The Board of Directors of the Company has decided not to transfer any amount to the General Reserves, for the financial year ended 31<sup>st</sup> March 2022.

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

#### Course of Business-

Net revenue from operations is higher at ₹2,09,783 lacs compared to ₹1,22,280 lacs mainly on account of higher volumes in both the products, Nylon Filament Yarn (NFY) and Nylon Tyre Cord Fabric (NTCF) and higher realization. Consequently, the profit before interest, depreciation, and tax (PBIDT) is also higher at ₹28,492 lacs compared to ₹14,237 lacs in last year. The net profit increased by 159.67 % from ₹7,092 lacs to ₹18,416 lacs.

### EXCISE DUTY DEMAND

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

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

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

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

### DIRECTORS' REPORT (Contd.)

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

### EXPANSION AND MODERNISATION

Projects for modernizing the plants and augmenting the tyre reinforcement material, draw texturized and mother yarn capacity are progressing well. Orders for all the long delivery items are placed. Commissioning of these projects is expected in FY23 & FY24 in phased manner.

### CHANGE IN THE NATURE OF BUSINESS

During the period under review, there was no change in the nature of business of the Company.

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

During the period under review, the Company did not have any subsidiaries, associates, and joint venture company.

### ENVIRONMENT

This comprises risks associated with environmental pollution through the discharge of waste and emissions, which may cause damage to the local ecology and environment. During the year, consumption of water, fuel and resources was within prescribed State Pollution Control Board (SPCB) limit. Generation and treatment of wastewater, hazardous waste and gaseous emission was within SPCB norms. The Company has well-organized Environment Management System certified for ISO 14001:2015 standard. Both the plant sites of the Company are environment compliant in terms of environment regulations. The details about Environment, Health & Safety (EHS) have been provided elsewhere in the report.

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

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

### MANAGEMENT DISCUSSION AND ANALYSIS REPORT

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

### CORPORATE GOVERNANCE

The Board of Directors reaffirmed their continued commitment towards good corporate governance practices. Corporate Governance principles form an integral part of the core values of the Company. The Company has complied with the provisions relating to corporate

governance. The Corporate Governance Report for the period under review, as stipulated under regulation 34 of the Listing Regulations, is presented in a separate section, and forms an integral part of the Annual Report.

### POLICY ON DIRECTORS' APPOINTMENT

Policy on Directors' appointment is to follow the criteria as laid down under the Act and Listing Regulations. Emphasis has been given to people from diverse fields or/and professions.

### POLICY ON REMUNERATION

Guiding policy on remuneration of Directors, Key Managerial Personnel and employees of the Company is that:

- Remuneration to unionized workmen is based on the periodical settlement with the workmen union.
- Remuneration to key managerial personnel, senior executives, managers, staff, and workmen (non-unionized) 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 shareholder's resolutions pursuant to the provisions of the Act and Rules framed thereunder, circulars and guidelines issued by the Central Government and other authorities from time to time.

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

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

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

### DECLARATION OF INDEPENDENCE BY THE INDEPENDENT DIRECTORS

Necessary declarations have been obtained from Independent Directors that they meet the criteria of independence as prescribed under Section 149(6) of the Act and Regulation 16(1)(b) & Regulation



## DIRECTORS' REPORT (Contd.)

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

**DIRECTORS' RESPONSIBILITY STATEMENT**

The audited financial statements for the period under review are in conformity with the requirements of the Act and the applicable Accounting Standards. The financial statements reflect fairly the form and substance of transactions carried out during the period under review and reasonably present the Company's financial condition and results of operations.

Pursuant to Section 134(3)(c) read with Section 134(5) of the Act, the Board of Directors, to the best of its knowledge and ability confirm that:

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

**DIRECTORS AND KEY MANAGERIAL PERSONNEL****Appointment/Re-appointment of Directors & Key Managerial Personnel**

In accordance with the provisions of section 152 and other applicable provisions, if any, of the Act read with the Companies (Appointment & Qualification of Directors) Rules, 2014, and the Articles of Association of the Company, Mr. Devajyoti Nirmal Bhattacharya (DIN: 00868751),

Director of the Company, is liable to retire by rotation at the ensuing Annual General Meeting (AGM) and, being eligible, has offered himself for re-appointment. Brief profile of Mr. Devajyoti Nirmal Bhattacharya forms part of the notice convening the 56<sup>th</sup> AGM to be held on 18<sup>th</sup> August 2022. The Board recommended his re-appointment.

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

**Key Managerial Personnel**

Following are the Key Managerial Personnel of the Company:

Mr. Suresh Sodani – Managing Director (MD)

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

Mr. Rahul Dubey – Company Secretary (CS)

**Meetings of Board of Directors**

During the period under review, 5 (five) Board meetings were held. The details thereof are furnished in the Corporate Governance Report. The intervening gap between the meetings was within the period prescribed under the Act and the Listing Regulations.

During the period under review, a meeting of the Independent Directors was held on 12<sup>th</sup> March 2022.

**Details of Committees of Directors**

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

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

The composition of aforesaid committees, number of meetings held of each Committee, during the period under review, and meetings attended by each member of the Committee are provided in Corporate Governance Report, and forms an integral part of the Annual Report.

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

**PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES**

There are no transactions with related parties which require disclosure under Section 134(3)(h) of the Act read with Rule 8 (2) of the Companies (Accounts) Rules, 2014.

**LOANS, INVESTMENTS AND GUARANTEES BY THE COMPANY**

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

## DIRECTORS' REPORT (Contd.)

**INTERNAL FINANCIAL CONTROLS**

The Company has put in place adequate internal control systems that are commensurate with the size of its operations. Internal control systems and procedures are periodically reviewed to keep pace with the Company's operations. The Internal Auditor monitors and evaluates the efficacy and adequacy of internal control system in the Company, its compliance with operating systems, accounting procedures and policies at all locations of the Company. Based on the report of internal auditors, the process owners undertake corrective action in their respective areas and thereby strengthen the controls. Significant audit observations and corrective actions thereon are presented to the Audit Committee of the Board.

**PUBLIC DEPOSITS**

The Company has not accepted any deposits from the public during the financial year ended 31<sup>st</sup> March 2022 and there are no outstanding deposits in terms of the Companies (Acceptance of Deposits) Rules, 2014.

**COMPLIANCE OF SECRETARIAL STANDARDS**

The Company is in compliance with the Secretarial Standards issued by the Institute of Company Secretaries of India and notified by the Ministry of Corporate Affairs of India.

**RISK MANAGEMENT**

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

The Risk Management Policy is available on the website of the Company and can be accessed at [https://www.centuryenka.com/investor-relations/index.html#parentHorizontalTab6|ChildVerticalTab\\_211](https://www.centuryenka.com/investor-relations/index.html#parentHorizontalTab6|ChildVerticalTab_211)

**VIGIL MECHANISM/WHISTLE BLOWER POLICY**

The Company promotes ethical behaviour in all its business activities and has put in place a mechanism for reporting illegal and unethical behaviours. The Company has a Vigil Mechanism/Whistle Blower Policy under which employees are free to report any actual or potential violation of our code, policies or laws. During the year under review, no employee was denied access to the Audit Committee.

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

The policy on Vigil Mechanism/Whistle Blower is available on the website of the Company and can be accessed at [https://www.centuryenka.com/investor-relations/index.html#parentHorizontalTab6|ChildVerticalTab\\_211](https://www.centuryenka.com/investor-relations/index.html#parentHorizontalTab6|ChildVerticalTab_211).

**PREVENTION OF SEXUAL HARASSMENT OF WOMEN AT WORKPLACE**

The Company has zero tolerance for sexual harassment at workplace and has adopted a Policy on prevention, prohibition and redressal of sexual harassment at workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules made thereunder for prevention and redressal of complaints of sexual harassment at workplace.

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

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

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

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

**CORPORATE SOCIAL RESPONSIBILITY**

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

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

The CSR Policy of the Company is available on its website and can be accessed at [https://www.centuryenka.com/investor-relations/index.html#parentHorizontalTab6|Child%20Vertical%20Tab\\_211|ChildVerticalTab\\_215](https://www.centuryenka.com/investor-relations/index.html#parentHorizontalTab6|Child%20Vertical%20Tab_211|ChildVerticalTab_215)

The Chief Financial Officer has given a certificate to the Board that the funds so disbursed have been utilised for the purposes and in the manner as approved by the Board.

DIRECTORS' REPORT (Contd.)

**ANALYSIS OF REMUNERATION**

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

**PARTICULARS OF EMPLOYEES**

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

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

**AUDITORS**

**Statutory Auditors**

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

**Cost Auditors**

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

On 28<sup>th</sup> July 2021, the Company has received a communication from a family member regarding sad demise of Mr. M. R. Dudani, the proprietor of M/s. M. R. Dudani & Co., Cost Accountants (erstwhile Cost Auditor of the Company).

On 30<sup>th</sup> July 2021, the Board, on the recommendation of the Audit Committee, has appointed M/s Dhananjay V. Joshi & Associates, Cost Accountants as a Cost Auditor of the Company for the financial year 2020-21 and 2021-22, at a remuneration as mentioned in the Notice convening the AGM for financial year 2021-22, for auditing the cost records of Nylon and Polyester products of the Company as covered under the aforesaid laws.

Further, the Board of the Company in its meeting held on 11<sup>th</sup> May 2022 has re-appointed M/s Dhananjay V. Joshi & Associates, Cost Accountants, as a Cost Auditor of the Company for the financial year 2022-23 at a remuneration as mentioned in the Notice convening the AGM for auditing the cost records of Nylon and Polyester products of the Company as covered under the aforesaid laws.

Pursuant to Section 148(3) of the Act read with Rule 14 of Companies (Cost Records and Audit) Rules 2014, the remuneration payable to the Cost Auditor is required to be ratified by the members of the Company and accordingly, a resolution seeking the ratification for the remuneration payable to M/s Dhananjay V. Joshi & Associates, Cost Accountants for the financial 2020-21, 2021-22 and 2022-23 are included in the Notice convening the 56<sup>th</sup> AGM to be held on 18<sup>th</sup> August 2022.

The Company maintained the the cost records as specified by the Central Government under Section 148(1) of the Act.

The cost audit report given by M/s Dhananjay V. Joshi & Associates, Cost Accountants, Cost Auditor for the financial year 2020-21 was filed with the Ministry of Corporate Affairs on 13<sup>th</sup> October 2021.

**Secretarial Auditor**

Pursuant to the provisions of Section 204 of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s. Sanjay Sangani & Co., Company Secretaries in practice (CP No.-3847), to undertake the Secretarial Audit of the Company for the financial year ending 31<sup>st</sup> March 2022. The Secretarial Audit Report for the period under review is annexed herewith as Annexure-V and forming part of the report. There are no qualifications or observations or adverse remarks or disclaimer in the Secretarial Audit Report for the period under review which calls for any explanation or comments from the Board of Directors.

Further, M/s. Sanjay Sangani & Co., Company Secretaries in practice (CP No.-3847), have been re-appointed to undertake the Secretarial Audit of the Company for the financial year ending 31<sup>st</sup> March 2023.

The Secretarial Compliance Report for the period under review, in relation to compliance of all applicable SEBI Regulations/circulars/guidelines issued thereunder, pursuant to requirement of regulation 24A of the Listing Regulations, is available on the website of the Company and can be accessed at [https://www.centuryenka.com/investor-relations/index.html#parentHorizontalTab6|Child%20%20Vertical%20Tab\\_211|ChildVerticalTab\\_216](https://www.centuryenka.com/investor-relations/index.html#parentHorizontalTab6|Child%20%20Vertical%20Tab_211|ChildVerticalTab_216)

**REPORTING OF FRAUDS BY AUDITORS**

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

**ANNUAL RETURN**

Pursuant to Section 134(3)(a) and Section 92 of the Act read with Rule 12(1) of the Companies (Management and Administration)

DIRECTORS' REPORT (Contd.)

Rules, 2014, the Annual Return of the Company as on 31<sup>st</sup> March 2022 in Form MGT-7 is available on the website of the Company and can be accessed at [https://www.centuryenka.com/investor-relations/index.html#parentHorizontalTab6|Child%20%20Vertical%20Tab\\_211|ChildVerticalTab\\_212](https://www.centuryenka.com/investor-relations/index.html#parentHorizontalTab6|Child%20%20Vertical%20Tab_211|ChildVerticalTab_212)

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

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

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

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

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

Pursuant to SEBI Circular SEBI/HO/CFD/CMD-2/P/CIR/2021/562 dated 10<sup>th</sup> May 2021 filing of BRSR shall be mandatory for the top 1000 listed companies (by market capitalization) with effect from the financial year 2022-2023 and shall replace the existing BRR. Filing of BRSR is voluntary for the financial year 2021-22. BRSR ensures that stakeholders shall have access to effective compliance and communication through standardized disclosure. The Company has voluntarily provided Integrated Report along with BRSR in place of BRR for financial year 2021-22 and forms an integral part of the Annual Report. This report is prepared in alignment with the Integrated Reporting (IR) Framework laid down by the International Integrated Reporting Council (IIRC) and aims at presenting the value creation approach for our stakeholders.

**GENERAL DISCLOSURES**

During the period under review,

- the Company has not issued any shares with differential voting rights.
- there was no revision in the financial statements.
- the Company has not issued any sweat equity shares.
- the Company has not made any application under Insolvency and Bankruptcy Code, 2016. Further, there is no proceeding pending under the said code as at the end of the financial year.
- the Company has not undergone any one-time settlement with any banks or financial institutions and therefore the disclosure in this regard is not applicable.
- the Company is not having any Employee Stock Option Scheme under Section 62(1) of the Act and SEBI (Share Based Employee Benefits) Regulations, 2014.

**ACKNOWLEDGEMENT**

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

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

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

<b>S.K. Jain</b> Director DIN: 02843676	<b>Suresh Sodani</b> Managing Director DIN: 08789604
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Place: Pune  
Date: 11<sup>th</sup> May 2022

## ANNEXURE TO THE DIRECTORS' REPORT

ANNEXURE -I

Information on Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo pursuant to Section 134(3) (m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014

### (A) CONSERVATION OF ENERGY

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

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

Sr. No.	Steps Taken	Impact (Annualised Savings)
<b>A</b>	<b>Electricity</b>	<b>KWH (Lacs)</b>
a	Reduction of compressed air consumption	3.50
b	Energy saving of CRC chilled water pumps by optimization of chilled water supply header pressure by trimming of impeller & taking the loop on Auto.	3.52
c	Installation of VFD for IY CC Air washer no.1,4,7 supply fan to run at lower speed	4.32
d	Motor instead of pneumatic drive in Spg1 touch roll of winder (48 pos.).	1.89
e	Reduction of power in IY AHU Fans by replacing high efficiency fans	3.67
<b>B</b>	<b>Steam</b>	<b>Tonnes</b>
a	Automation of dryers in Poly area	1,050
b	Utilization of one vacuum system in place of 2 nos vacuum system by interconnecting dryer	700
c	Evaporation No.3: To increase DM water temperature from 75°C to 85°C.	525
d	Saving on steam consumption after stoppage of FO usage in the plant.	644

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

Nil

(iii) Capital investments on energy conservation equipment's during the financial year 2021-22 was ₹282.46 lacs (previous year ₹185 lacs).

### (B) TECHNOLOGY ABSORPTION 2021-22

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

1. Winding machine 10B- New PLC control system installed with ethernet communication & ring topology.
2. Cloud based CC TV monitoring system in factory.
3. Centralized control & monitoring system for textile winding machine on MODBUS TCP/IP.
4. EC Fan AHU system for cable Corder Hall Airconditioning.
5. Cable Coder area Airwasher - PLC based system installed for control & monitoring.
6. Boiler no.1- PLC based control system installed in place of electrical contractor logic.

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

1. Close monitoring & control of production parameters.
2. To improve reliability and reduction in downtime.
3. Energy saving & better control of production hall conditions.

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

Nil

#### (iv) Expenditure on Research and Development (R&D):

Particulars	2021-22	2020-21
1. Capital	See Note Below	
2. Revenue	71	104
3. Total	71	104

**Note:** The Company has spent amount of ₹651 lacs during the financial year 2021-22 (previous year Nil) as Normal Capital Expenditure although it is also used for R & D activities.

### (C) FOREIGN EXCHANGE EARNING AND OUTGO

Total foreign exchange used ₹88,264 lacs (Previous year ₹36,619 lacs) and earned ₹8,669 lacs (Previous year ₹3,539 lacs)

## ANNEXURE TO THE DIRECTORS' REPORT

ANNEXURE -II

### ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES (FORMING PART OF THE BOARD'S REPORT) FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH 2022

#### 1. BRIEF OUTLINE ON CSR POLICY OF THE COMPANY:

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

#### 2. COMPOSITION OF CSR COMMITTEE:

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

3. The composition of CSR Committee, CSR Policy and CSR projects approved by the Board of Directors are disclosed on the website of the Company:

[https://www.centuryenka.com/investor-relations/index.html#parentHorizontalTab6|Child%20Vertical%20Tab\\_211|ChildVerticalTab\\_215](https://www.centuryenka.com/investor-relations/index.html#parentHorizontalTab6|Child%20Vertical%20Tab_211|ChildVerticalTab_215)

4. Details of impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable, (attach the report) - Not Applicable

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any -

Sr. No.	Financial Year	Amount available for set-off from preceding financial years (₹)	Amount required to be set-off for the financial year, if any (₹)
1	2021-22	Nil	-----
	Total	Nil	-----

6. Average net profit of the Company as per section 135(5) - ₹9380 lacs

7. (a) Two percent of average net profit of the company as per section 135(5) - ₹188 lacs

(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years - Nil

(c) Amount required to be set off for the financial year, if any - Nil

(d) Total CSR obligation for the financial year (7a+7b- 7c) - ₹188 lacs

8. (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year 2021-22 (₹/lacs)	Amount Unspent (₹/lacs)				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
188	Nil				

(b) Details of CSR amount spent against ongoing projects for the financial year: NA

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
Sr. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/ No)	Location of the project		Project duration	Amount allocated for the project (₹)	Amount spent in the current financial year (₹)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (₹)	Mode of Implementation - Direct (Yes/ No)	Mode of Implementation - Through Implementing Agency	
				State	District						Name	CSR Registration number
1							Nil					
Total							Nil					

## ANNEXURE TO THE DIRECTORS' REPORT

ANNEXURE -II

(c) Details of CSR amount spent against other than ongoing projects for the financial year:

(1) Sr. No.	(2) Name of the Project	(3) Item from the list of activities in schedule VII to the Act	(4) Local area (Yes/No)	(5) Location of the project		(6) Amount spent for the project (₹/lacs)	(7) Mode of implementation-Direct (Yes/No)	(8) Mode of implementation - Through implementing agency	
				State	District			Name	CSR Registration No.
<b>1.</b>	<b>a) Vocational Training</b>								
	i) Cost of Teaching Staff (75%)	(ii)	Yes	Gujarat	Bharuch	16.87	No	Cenka Samaj Kalyan Sanstha	CSR00005188
	ii) Workshop consumables	(ii)	Yes	Gujarat	Bharuch	2.05	No	Cenka Samaj Kalyan Sanstha	CSR00005188
	<b>b) For Promotion of School Education:</b>								
	i) Engagement of Posanvahini (Volunteers) for Anganwadi	(ii)	Yes	Gujarat	Narmada	11.72	Yes	--	--
	ii) Distribution of School Stationery & Uniforms to students	(ii)	Yes	Maharashtra	Thane & Pune	10.00	Yes	--	--
	iii) Computer Lab & Interactive Boards	(ii)	Yes	Maharashtra	Thane	7.89	Yes	--	--
	iv) Engagement of Volunteers for Shiksha Sathi project	(ii)	Yes	Gujarat	Narmada	5.13	Yes	--	--
	v) Upgradation of School Infrastructure								
	➤ Furniture for Staff Room & Classroom	(ii)	Yes	Maharashtra	Thane	7.11	Yes	--	--
	➤ Financial Support for construction of classroom	(ii)	Yes	Gujarat	Bharuch	15.54	Yes	--	--
	➤ Support in improving school infrastructure	(ii)	Yes	Gujarat	Bharuch	16.25	No	Cenka Samaj Kalyan Sanstha	CSR00005188
	➤ Providing Laptops in school	(ii)	Yes	Maharashtra	Mahad	0.83	No	Cenka Samaj Kalyan Sanstha	CSR00005188

## ANNEXURE TO THE DIRECTORS' REPORT

ANNEXURE -II

(1) Sr. No.	(2) Name of the Project	(3) Item from the list of activities in schedule VII to the Act	(4) Local area (Yes/No)	(5) Location of the project		(6) Amount spent for the project (₹/lacs)	(7) Mode of implementation-Direct (Yes/No)	(8) Mode of implementation - Through implementing agency	
				State	District			Name	CSR Registration No.
<b>2</b>	<b>Health Care, Medical facility &amp; drinking water</b>								
	Eye Check-up & Treatment, Gynecology camps and renovation at CHC, Umalla	(i)	Yes	Gujarat	Bharuch	3.69	Yes	--	--
	Financial support in construction of Over Head tank in a village	(i)	Yes	Gujarat	Bharuch	5.00	Yes	--	--
	Drinking water & RO facility at Umalla Village	(i)	Yes	Gujarat	Bharuch	11.35	Yes	--	--
	Drinking water facility (R.O & Water cooler) in a village	(i)	Yes	Gujarat	Bharuch	0.73	Yes	--	--
	Support in Construction of Room in a Hospital	(i)	Yes	Gujarat	Bharuch	10.00	No	Seva Rural Trust	CSR00002749
	Medical aid to nearby areas & villages	(i)	Yes	Maharashtra	Pune	1.70	Yes	--	--
<b>3</b>	<b>Disaster Management</b>								
	Medical equipments, Oxygen cylinders etc. (COVID-19)	(xii)	Yes	Gujarat	Bharuch	3.90	Yes	--	--
	Food kit distribution. (COVID-19)	(xii)	Yes	Maharashtra	Pune	5.74	Yes	--	--
	Contribution for providing life saving equipments.	(xii)	Yes	Maharashtra	Pune	10.00	No	MCCIA	CSR00005065
	Contribution for upgrading health facilities.	(xii)	Yes	Maharashtra	Pune	2.50	No	Vidarbha Relief Society	CSR00007633
	Contribution for establishing quarantine centre & other facilities.	(xii)	Yes	Gujarat	Bharuch	0.23	Yes	--	--

## ANNEXURE TO THE DIRECTORS' REPORT

ANNEXURE - II

(1) Sr. No.	(2) Name of the Project	(3) Item from the list of activities in schedule VII to the Act	(4) Local area (Yes/No)	(5) Location of the project		(6) Amount spent for the project (₹/lacs)	(7) Mode of implementation-Direct (Yes/No)	(8) Mode of implementation - Through implementing agency	
				State	District			Name	CSR Registration No.
	Aids to Flood affected people.	(xii)	Yes	Maharashtra	Mahad	2.28	Yes	--	--
<b>4</b>	<b>Rural Infrastructure Development other than for the purpose of Health / Education / Sustainable Livelihood</b>								
	Street light in villages	(x)	Yes	Gujarat	Bharuch	2.28	Yes	--	--
	Street light poles in nearby villages.	(x)	Yes	Gujarat	Bharuch	13.69	Yes	--	--
	Roads/ Protection wall and other activities as per local needs.	(x)	Yes	Gujarat	Bharuch	21.52	Yes	--	--
	<b>Total</b>					<b>188.00</b>			

(d) Amount spent in administrative overheads - Nil

(e) Amount spent on impact assessment, if applicable - Not Applicable

(f) Total amount spent for the financial year (8b+8c+8d+8e) - ₹188 lacs

(g) Excess amount for set off, if any -

Sr. No.	Particulars	Amount (₹) lacs
(i)	Two percent of average net profit of the Company as per section 135(5)	188
(ii)	Total amount spent for the financial year	188
(iii)	Excess amount spent for the financial year [(ii)-(i)]	--
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	--
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	--

9. (a) Details of Unspent CSR amount for the preceding three financial years:

Sr. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135 (6) (₹)	Amount spent in the reporting Financial Year (₹)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any			Amount remaining to be spent in succeeding financial years (₹)
				Name of the Fund	Amount (₹)	Date of transfer	
1.	2020-21			Nil			
2.	2019-20			Nil			
3.	2018-19			Nil			
	Total			Nil			

## ANNEXURE TO THE DIRECTORS' REPORT

ANNEXURE - II

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s): Not Applicable

(1) Sr. No.	(2) Project ID	(3) Name of the Project	(4) Financial Year in which the project was commenced	(5) Project duration	(6) Total amount allocated for the project (₹)	(7) Amount spent on the project in the reporting Financial Year (₹)	(8) Cumulative amount spent at the end of reporting Financial Year (₹)	(9) Status of the project Completed /Ongoing
1.							Nil	
	Total						Nil	

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details) - Not Applicable

(a) Date of creation or acquisition of the capital asset(s): None

(b) Amount of CSR spent for creation or acquisition of capital asset: Nil

(c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.: Not Applicable

(d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset): Not Applicable

11. Specify the reason(s), if the company has failed to spend two percent of the average net profit as per section 135(5): Not Applicable

For and on behalf of the Board of Directors

**S. K. Jain**  
Chairman CSR Committee  
DIN: 02843676

**Suresh Sodani**  
Managing Director  
DIN: 08789604

Place: Pune  
Date: 11<sup>th</sup> May 2022

## ANNEXURE TO THE DIRECTORS' REPORT

(Annexure -III)

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

i. The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the financial year 2021-22, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2021-22 are as under:

Sr. No.	Name of Director / KMP	Designation	2021-22 (₹/ Lacs)			2020-21 (₹/ Lacs)		
			Remuneration* of Director / KMP for financial year	% increase in Remuneration in the Financial Year	Ratio of remuneration of each Director to median remuneration of employees	Remuneration* of Director / KMP for financial year	% increase in Remuneration in the Financial Year	Ratio of remuneration of each Director to median remuneration of employees
1	Mrs. Rajashree Birla	Chairperson	8.50	47.83	1.91	5.75	2.68	1.49
2	Mr. B. S. Mehta	Independent Director (ceased w.e.f 14-08-2020)	NA	NA	NA	4.35	**	1.13
3	Mr. S. K. Jain	Independent Director	9.33	35.22	2.10	6.90	8.66	1.79
4	Mr. K.S. Thar	Independent Director	9.65	39.86	2.17	6.90	2.99	1.79
5	Mrs. Krupa Rajen Gandhi	Independent Director (appointed w.e.f. 14.08.2020)	9.73	***	2.19	4.20	**	1.09
6	Mr. Devajyoti Bhattacharya	Non Independent Director (appointed w.e.f. 12.10.2020)	8.65	***	1.94	2.64	**	0.68
7	Mr. Suresh Sodani	Managing Director (appointed w.e.f. 01.09.2020)	252.50	***	56.74	91.87	**	23.80
8	Mrs. Usha Sangwan	Independent Director (ceased w.e.f. 16.05.2020)	NA	NA	NA	0.62	**	0.16
9	Mr. O. R. Chitlange	Managing Director (ceased w.e.f. 01.09.2020)	NA	NA	NA	181.19	**	46.94
10	Mr. K. G. Ladsaria	Chief Financial Officer	146.29	15.34	32.87	126.84	16.62	32.86
11	Mr. Rahul Dubey	Company Secretary (appointed w.e.f 18.08.2020)	43.54	***	9.78	22.29	**	5.77
12	Mr. C. B. Gagrani	Company Secretary (ceased w.e.f 18.08.2020)	NA	NA	NA	20.59	**	5.33

\* Directors Remuneration is including sitting fees.

\*\* Remuneration for part of the year.

\*\*\* Not Comparable as remuneration for last year was for the part of the year.

- ii. The median remuneration of employees of the Company for the financial year was ₹4.45 Lacs (Previous Year ₹3.86 Lacs)
- iii. During the financial year, there was a increase of 15.11 % in the median remuneration of employees (Previous Year decrease of 5.54%).
- iv. Number of permanent employees on the rolls of the Company as on 31<sup>st</sup> March 2022 was 1595 Nos. and as on 31<sup>st</sup> March 2021 was 1591 Nos.
- v. Average percentage increase made in the salaries of employees other than the managerial personnel in the financial year 2021-22 and 2020-21 was 9.98 % and 9.10% respectively and the managerial remuneration for the financial year 2021-22 and 2020-21 was decreased by 7.53% and 25.82% respectively.
- vi. It is hereby affirmed that the remuneration paid is as per the Remuneration Philosophy / Policy of the Company

## ANNEXURE TO THE DIRECTORS' REPORT

(Annexure -IV)

### STATEMENT CONTAINING INFORMATION AS PER SECTION 197(12) READ WITH THE RULES 5(2) AND 5(3) OF COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014 AND FORMING PART OF DIRECTORS' REPORT FOR THE YEAR ENDED, 31ST MARCH 2022

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

- (a) Employed throughout the financial year and was in receipt of remuneration for the year in aggregate of not less than ₹1,02,00,000
- Mr. Suresh Sodani, Managing Director, ₹252.50 Lacs Contractual, I.C.W.A, C.A, 30,01-09-2020, 55, Grasim Chemical Division, Vilayat, Nil.
  - Mr. K. G. Ladsaria, Chief Financial Officer, ₹146.29 Lacs Non-Contractual, B. Com, A.C.A., 28, 01-12-2016, 51, Hindalco Industries Limited, Nil.
- (b) Employed for a part of the financial year and was in receipt of remuneration at a rate in aggregate not less than ₹8,50,000/- per month.
- Nil
- (c) Employed throughout the financial year or part thereof, was in receipt of remuneration in the year which, in the aggregate or at a rate which in the aggregate was in excess of that drawn by the Whole time Director and holds by himself or along with his spouse and dependent children, not less than 2% of the equity shares of the company.
- Nil

#### NOTES:

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

For and on behalf of the Board of Directors

S. K. Jain  
Director

DIN: 02843676

Suresh Sodani  
Managing Director

DIN: 08789604

Place: Pune  
Date: 11<sup>th</sup> May 2022

## ANNEXURE TO THE DIRECTORS' REPORT

(Annexure -V)

### SECRETARIAL AUDIT REPORT

#### FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH, 2022

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,

#### The Members of Century Enka Limited

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Century Enka Limited (hereinafter called 'the Company') for the financial year ended 31<sup>st</sup> March 2022. 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 31<sup>st</sup> March 2022, 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 31<sup>st</sup> March 2022 according to the provisions of:

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

Employee Benefits) Regulations, 2014 (upto 12<sup>th</sup> August 2021) / The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 (w.e.f. 13<sup>th</sup> August 2021); (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 (upto 15<sup>th</sup> August 2021) / The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 (w.e.f. 16<sup>th</sup> August 2021); (Not Applicable to the Company during the Audit Period)
  - f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; (Not Applicable to the Company during the Audit Period)
  - g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (upto 10<sup>th</sup> June 2021) / The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 (w.e.f. 11<sup>th</sup> June 2021); (Not Applicable to the Company during the Audit Period); and
  - h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; (Not Applicable to the Company during the Audit Period)
- 6) The management of the Company has informed that there is no industry specific law which is applicable to the Company.
- We have also examined compliance with the applicable clauses/ regulations of the following:
- a) Secretarial Standards with respect to Meetings of Board of Directors (SS-1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India;
  - b) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 {'SEBI (LODR) Regulations, 2015'}

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

We further report that

According to National Stock Exchange of India Limited (NSE) and BSE Limited (BSE), there was non-compliance of Regulation 17(1) of the SEBI (LODR) Regulations, 2015, by the Company during the period from 3<sup>rd</sup> October 2019 to 4<sup>th</sup> February 2020, as the composition of the Board of Directors of the Company was reduced from 6 Directors to 5 Directors due to demise of a Non-Independent & Non-Executive

## ANNEXURE TO THE DIRECTORS' REPORT

(Annexure -V)

Director on 3<sup>rd</sup> July 2019 and new Director was appointed with effect from 5<sup>th</sup> February 2020. Each Stock Exchange (NSE and BSE) had imposed fine of ₹6,25,000/- plus 18% GST thereon, pursuant to SEBI Circular No. SEBI/HO/CFD/ CIR/P/ 2018/77 dated 3<sup>rd</sup> May 2018. The Company had paid the fine, without prejudice to right to challenge the imposition of fine, in order to avoid consequences on trading of the Company's shares on the stock exchanges i.e. moving of the scrip to Z category. The Company had contested the imposition of fine on the ground that SEBI (LODR) Regulations, 2015 does not specify the time limit within which composition of the Board is to be complied with in case of demise/ retirement/ resignation of a Director and therefore, the Company followed the Standard Operating Procedure (SOP) as provided in SEBI Circular dated 3<sup>rd</sup> May 2018. SEBI upheld the fines levied by NSE and BSE.

The Company filed an appeal before the Securities Appellate Tribunal (SAT) on 9<sup>th</sup> August 2021, challenging Orders of NSE, BSE and SEBI.

SAT, vide its Order dated 25<sup>th</sup> March 2022, has allowed the appeal made by the Company and quashed the impugned Orders passed by NSE, BSE and SEBI. Now, the Company has submitted refund application to both the Stock Exchanges and is expecting refund of the fines levied by NSE and BSE.

We further report that

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

Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance and in one case shorter notice was given and in this regard the provisions of Section 173 (3) of the Act were complied with, and a system exists for seeking and obtaining further information

and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

As per the minutes of the meetings duly recorded and signed by the 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 following events/actions were having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.:

1. The Company has passed a Special Resolution at the Annual General Meeting held on 13<sup>th</sup> August 2021, for adoption of the new set of Articles of Association of the Company, in order to align the same with the provisions of the Companies Act, 2013.

#### For Sanjay Sangani & Co.

Company Secretaries  
Peer Review Certificate No. : 1689/2022

#### Sanjay H. Sangani

Proprietor  
M. No. : FCS 4090  
C.P. No. : 3847  
UDIN : F004090D000299385  
Mumbai, 11<sup>th</sup> May 2022

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





# ANNEXURE TO THE DIRECTORS' REPORT

(Annexure -V)

## Annexure 'A'

To,

### The Members of Century Enka Limited

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

- 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.
- 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.
- We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
- Wherever required, we have obtained the Management Representation about the compliance of laws, rules and regulations and happening of events, etc.
- 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.
- The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

### For Sanjay Sangani & Co.

Company Secretaries

Peer Review Certificate No. : 1689/2022

### Sanjay H. Sangani

Proprietor

M. No. : FCS 4090

C.P. No. : 3847

UDIN : F004090D000299385

Mumbai, 11<sup>th</sup> May 2022

# MANAGEMENT DISCUSSION AND ANALYSIS REPORT

## 1. OVERALL REVIEW

The year 2021-22 began with the second wave of COVID-19 leading to partial lockdowns and restricted mobility. Impact on economy, however, was not as severe as first wave. As the cases subsided, robust pick-up in economy started from Q2 FY22. A healthy demand environment led to higher capacity utilization across most sectors. This coupled with improved profitability and stronger Balance sheet for most companies, led to an uptick in private capex investments. However, sudden spurt in global growth aggravated the supply-chain disruptions. Low interest rates and easy liquidity resulted in high inflation. As per various estimates, India's real GDP is estimated to have grown at around 8 percent in 2021-22.

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

### Industry Status

Within the synthetic yarn segment of the textile industry, the Company produces Nylon Tyre Cord Fabric (NTCF) and Nylon Filament Yarn (NFY).

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

In FY22, demand for Commercial Vehicle (CV) picked-up, production of CV's saw a growth of 19%. Production of tractors also maintained a healthy pace a marginal de-growth over last year's record volumes. On the other side, sales of two wheelers remained depressed even in FY22 and saw a de-growth of 11%.

The Indian Tyre Industry witnessed good demand for tyres. The production of tyres for Medium and Heavy Commercial Vehicles (MHCV) and Light Commercial Vehicles (LCV) registered a growth of 21% and 23%, respectively in first nine months of the year. Tyre production saw growth in all the categories during FY22. In addition to good OEM demand, tyre demand was supported by the record exports of tyres, restriction on tyre imports, Anti-dumping duty on import of truck and bus radial tyres from China and good replacement demand. Tyres exports for FY22 were higher by 50% as compared to FY21.

Nylon Filament Yarn (NFY) is mainly used in sarees, dupattas, dress materials and ethnic wears. NFY of high tenacity is used in varied technical application including fishnets, ropes, twines, luggage, innerwear, athleisure, etc.

NFY in India has witnessed strong traction in recent years. It is a preferred yarn for ethnic dress materials and sarees having zari due to superior comfort, stretch, softness, touch, and easy dyeing. With increase in affordability and setting up of new technically advanced machinery, NFY is gaining fast acceptance in body-hugging apparels, work wear and active & functional wear. The

industry, however, is dominated by small un-organised players with weak financials and with players who opportunistically switch between nylon and polyester. The industry suffers from low margins because of intense competition amongst domestic players and competition from imports. Dependence on imports and volatility in raw material prices also impacts the margins.

After lifting of COVID related restrictions, robust demand for garments emerged. Industry witnessed record-breaking demand during marriage and festive season. Lower imports due to shipping disturbances and revival in local demand in China also helped demand for NFY in India.

### Company Performance

FY22 was the record year for the Company. The Company achieved highest ever production, sales, and operating results. Sales volumes at 70,843 MT for FY22 registered a growth of 28% over last year. Earnings before interest, depreciation, and tax (EBIDTA) at ₹285 Crs. in FY22, registered a growth of over 100%.

Higher tyre production resulted in good demand for NTCF in FY22. Supply chain disruptions and higher demand led to lower imports from China which also supported demand for NTCF. The Company enjoys good standing with almost all the reputed tyre companies in India. The Company benchmarks its products with the best international counterparts and improves its products continuously. The Company is also working with the customers to develop products for import substitution and increasing its share in value-added products. These initiatives will help the Company in improving margins and maintaining its market share.

Demand for NFY used in apparels and high tenacity NFY used in technical textiles remained considerably satisfactory. An engaging festive and wedding season post lifting of restrictions and supply chain disruptions leading to lower imports were the primary drivers of good demand and better margins in NFY.

With proactive planning to manage supply chain disruptions and support & dedication of all its employees, the Company achieved credible operating performance even in these difficult times.

The Company's key raw material (Caprolactam) prices remained at elevated levels of over \$2,000/MT. The Company, however, was able to pass on the increase in raw material cost to its customers.

### Company Outlook

The conflict between Russia and Ukraine and other geo-political issues has resulted in increased crude and gas prices. This coupled with Central Banks action to increase interest rates and reduce liquidity in system to control inflation will impact the near-term demand and growth.

The Company is incurring significant Capex to increase NTCF capacity, diversify in Polyester Tyre Cord Fabric (PTCF), increasing capacities of value-added products, modernizing the

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

plant and augmenting capacities. Simultaneously, production from old and inefficient machines has been rationalized.

Once the immediate headwinds subsides, based on the initiatives underway, the Company is optimistic of medium term outlook.

**3. SAFETY, HEALTH, ENVIRONMENT & SUSTAINABILITY**

**Safety**

The Company believes that 'Life is precious, and we should care for it'. Therefore, the Company takes care of its impact on the safety of its employees, visitors, customers, vendors, those residing in proximity to our Company's operations and plants & equipments. The Company has adopted safety as a culture by adopting structured approach, through leadership involvement. People at all levels, whether employees, contractors, service providers, suppliers or the community, have been involved to bring those changes, which shows safety as one of the top priorities. The Company was awarded for "Innovation in Responding to COVID", organized by Health, Safety & Environment Strategy Summit & Award 2022 Conceptualized by INVENTICON. The key highlights of safety features adopted during the year are as follows:

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

**Health**

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

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

The Company emphasises on cleanliness, personal hygiene

and good housekeeping. Mechanized means of control are used such as dust extraction, fume exhaust system and noise absorbers.

In times of the COVID-19 pandemic, employee and all associated were proactively vaccinated. Besides, the Company achieved benchmarked production with focused training on COVID-19 appropriate behavior.

Occupational Health and Safety Management System of the Company's Pune and Bharuch sites are certified ISO 45001:2018. MITR (Making Individuals and Team Resilient) Project provided and encouraged mental health education to all staff members at both the location. Further, the Company have plans to cover all employee in due course.

**ENVIRONMENT AND SUSTAINABILITY**

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

1. Installation of rainwater harvesting recharge wells, to recharge rainwater into ground.
2. Usage of renewable source of energy like Biofuel in Boilers & Thermic Fluid Heaters for steam and heat production in line with the Company's endeavours toward energy conservation.
3. Installation of Solar Power Generation System of 100 KW.
4. Provision of Waste Heat Recovery System and VAM (Vapour Absorption Machine) for resources conservation.
5. Usage of High Calorific Hazardous Waste as fuel by Co-processors.
6. Installation of Zero Liquid Discharge (ZLD) unit for treatment of process wastewater for in-house green belt development and sewage water in cooling tower makeup.
7. Replacement of ODS by non ODS refrigerants.
8. Celebration of World Environment Day in presence of Forest Department Officials.
9. Review & tracking of of Pollution Prevention & Control system like stacks, ETP (Effluent Treatment Plant), STP (Sewage Treatment Plant) and ambient air by third party.

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

10. Assessment of third-party water Audit and Hydrogeological impact.
11. NTCF products fulfills the requirements of Annex XVII and XIV of the European Chemicals Regulation REACH (registration, evaluation, authorization and restriction of chemicals) & ECHA SVHC (European Chemical Agency - Substances of Very High Concern).
12. Nylon Textile product is OEKO - TEX S-100 Certified Product and fulfills Requirements of Annex XVII and XIV of the European Chemicals Regulation REACH & ECHA SVHC.

The Company is incurring CAPEX on ZLD plat to conserve water and investing in 10.5 MW wind-solar hybrid Group Captive Scheme for its Bharuch Plant.

**4. HUMAN RESOURCE AND INDUSTRIAL RELATIONS**

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

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

**The key initiatives in these pursuit are:**

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

**5. INTERNAL CONTROL SYSTEM AND ITS ADEQUACY**

The Company has in place adequate internal financial control systems, commensurate with the size, scale, and complexity of its operations. Internal control systems, comprising of policies and procedures, are designed to ensure adherence of the Company's policies, safeguarding of its assets, optimal utilisation of resources, prevention & detection of frauds, accuracy & completeness of accounting records, timely preparation of reliable financial information and compliances. During the year, such controls were tested and no reportable material weakness in the operations was observed. The internal auditor monitors

and evaluates the efficacy and adequacy of internal control systems in the Company. The Audit Committee takes due cognizance of the observations made by the auditors and gives their suggestions for improvement. The suggestions of the Audit Committee are also considered for further strengthening of the control systems.

**6. INFORMATION TECHNOLOGY**

The Company is contently leveraging technology for the business, to improve productivity, operational efficiency and in better decision-making. The cyber security and data privacy continue to remain the Company's focus area and make necessary investments to secure its systems and information assets. It remained focussed on all three aspects i.e., People, Process and Technology, in every effort to secure the organisation. Adequate cloud-based secure internet access, identity and data protection solutions were deployed to enable secure working of employees from anywhere. This was a substantial enabler that helped the Company when the COVID-19 crisis struck, and employees were asked to work-from-home. Access of all business application using MFA (Multi Factor Authentication) helped to ensure authorised access. Deployment of collaborative solutions allowed seamless operations with internal and external stakeholders.

The Company increased coverage of modern workplace solutions based on cloud. The investments made over the years to modernise the Company's digital environment paid good dividends, during these tough times.

**7. FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE**

**I. Highlights**

	₹/Lacs	
	2021-22	2020-21
Net Revenue from Operations	2,09,783	1,22,280
Profit before Depreciation, Financial Cost, Exceptional Items and Tax	28,492	14,237
Depreciation	3,962	4,088
Finance Cost	124	155
Exceptional Item	-	819
Taxation (Net)	5,990	2,083
Net Profit after Tax	18,416	7,092
Earnings Per Share (₹)	84.28	32.46
Cash Earnings Per Share (₹)	100.66	52.80

**a. Net Revenue from Operations**

Net revenue for the year was higher by 71.56%. Sales in terms of volume (MT) was higher by about 27.88%. Higher revenue for the year reflects higher volumes in both NTFY and NTCF and higher realizations.

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

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

PBIDT is higher on account of better margins over raw material cost.

**c. Finance Cost**

Finance cost is lower due to lower borrowings.

**II. Key Financial Ratios**

Ratio	2021-22	2020-21	Explanation for change
Debtors Turnover Ratio	8.83	6.32	Better Management of debtors
Inventory Turnover Ratio	9.38	6.48	Higher sales
Interest Coverage Ratio	229.8	91.9	Higher PBIDT and lower debt in current year
Operating Profit Margin (On PBIT excl. income on investments)	11.32%	6.36%	Better margin
Net Profit Margin	8.85%	5.84%	Better operating margins earned during current year.

**III. Return on Net Worth**

Return on Net Worth	15.74%	6.71%	Higher profit earned in current year.
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**8. CORPORATE SOCIAL RESPONSIBILITY (CSR)**

The Company is actively contributing to the social and economic development of the communities in which it operates. The primary focus under CSR is on education & skill development, rural infrastructure, health care and disaster management.

**1. Education and Skill Development**

**a. Vocational Training**

The Company continued to provide financial support to meet part of the cost of workshop consumables and teaching staff for a Vocational Training Institute situated in vicinity of its Bharuch site.

**b. Poshanvahini Project**

The company continued its collaboration in "Poshanvahini" a project launched by Collector, Narmada, an aspirational district declared by Govt. of Gujarat. This project focuses on strengthening the Anganwadi centre by engaging atleast one assistant at each centre. The Company sponsored 50 assistants, benefiting almost 500 children.

**c. Shiksha Sathi Project**

The Company participated in the 'Shiksha Sathi' project (Teaching Companion) launched by the Collector of Narmada District. The Company sponsored 45 teachers for primary schools of tribal area to combat their scarcity. This initiative benefited around 1000 students.

**d. Educational Material and School Uniform**

- Distributed educational material viz. text & notebooks, stationery, school bags, diaries & uniforms to 302 students in a school at Shahad, Dist. Thane, Maharashtra.
- Distributed stationery and school bags to 50 needy children, at its Pune site.
- Supported computer lab and interactive board fees for 302 students.

**e. School Infrastructure**

- Facilitated renovation of a school situated in Bamalla Gram Panchayat by providing R.O. Plant, electrical fittings & fixtures and windows replacement, benefitting around 500 children.
- Provided financial support for construction of classrooms in under-construction school situated in a tribal area near its Bharuch site.
- Sponsored 1519, Library Books useful for Std I to Std XII, benefitting around 3434 students, and 70 sets of table & chairs for Sr. KG & Std I, benefitting around 280 students, to a school located at Sahad, Maharashtra,
- Provided two laptops to school situated in Mahad, Maharashtra for administration purpose.

**2. Healthcare and Medical Programmes**

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

Organized 3 eye check-up and cataract operation camps in Umalla, Asha and Amletha village covering about villagers of nearby 35 villages situated in tribal area near the Company's Bharuch site. Over 892 persons eyes were checked, 63 free cataract operations were carried, and 633 spectacles were distributed free of cost.

**b. Blood Donation Camp**

To cater the scarcity of blood, the Company organized blood donation camps in the premises of its Bharuch site in association with Red Cross Society, Rajpipla-Narmada Dist. wherein the Company's employees donated 64 units of blood.

A Blood Donation Camp was also organized in the premises of its Pune site in association with Aditya Birla Memorial Hospital, Pune, wherein the Company's Employees donated 68 units of Blood.

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

**c. Renovation of Health Care Centre**

Sponsored renovation of a Community Health Centre (CHC), Umalla, Bharuch which extends health care facility to around 10,000 villagers of nearby areas.

**d. Construction of Room in a Hospital**

Provided financial support to SEWA Rural Hospital for construction of a room to provide medical facility in the tribal areas near the Bharuch site.

**e. Drinking Water Facility**

- Provided financial aid for construction of an overhead water tank of 20,000-liter capacity in Kaliyapura village. 2,000 families were benefited from this initiative in the vicinity of its Bharuch site.
- Sponsored R.O. plant with water cooler in Rajpardi gram panchayat, benefitting 250 villagers/commuters/school children per day near its Bharuch site.
- Provided financial assistance for setting up of R.O. Plant of 4,000 liters/day capacity in Umalla village, benefitting around 10,000 population with filtered drinking water.

**f. Medical Aid**

- Distributed mask, skin care soaps etc. to 300 beggars for a healthy living near its Pune plant.
- Donated air-conditioner and free medicines to homeopathic dispensary situated near its Pune site.

**3. Rural Infrastructure**

**a. High Mask Tower & Street Light**

Provided 15 high mask light tower and 120 streetlights in

various villages in the vicinity of its Bharuch site. More than 17,000 villagers are benefited from this initiative.

**b. Protection Wall & Drainage Line Construction**

Supported in construction of protection wall and drainage line in a village adjacent to its Bharuch site benefitting 35 families during the rainy season.

**c. RCC Benches**

Distributed 346 RCC Benches in 49 villages around its Bharuch site, benefitting around 10,000 villagers and commuters.

**4. Disaster Management**

During the COVID, the Company has been supportive and succored to the community at large, both at Pune & Bharuch site.

- Helped around 2,000 villagers through 74 oxygen cylinders to the local CHC.
- Benefitting around 500 villagers through 5 Oxygen Concentrators machines to nearby Public Health Centre (PHCs) & Community Health Centre (CHC).
- Provided financial assistance for establishing isolation ward for Covid-19 patients at Bamalla village near Bharuch site.
- Provided financial support for purchase of lifesaving equipment in a hospital, upgrading health facilities through trusts, near its Pune site.
- Distributed food kits and other daily essentials to the needy people affected due to second wave of Covid-19 and Flood in Maharashtra.

# CORPORATE GOVERNANCE REPORT

Corporate Governance refers to a set of laws, regulations and good practices that enables an organisation to perform its business efficiently and ethically to generate long-term wealth and create value for all its stakeholders. The essence of Corporate Governance lies in promoting and maintaining integrity, transparency and accountability across all business practices. Good Corporate Governance emerges from the application of the best and sound management practices and compliance with the laws coupled with adherence to the highest standards of transparency and business ethics.

## A. 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 is derived from the four pillars of Trusteeship, i.e., transparency, adequate disclosure, fairness to all and independent monitoring & supervision. The strong internal control systems & procedures, risk assessment & mitigation procedures and observance of code of conduct by the Company's directors & employees are conducive in achieving good Corporate Governance practices in the Company.

The Company is committed to always adopt best governance practices and its adherence in true spirit. The Company's aims are fostering and sustaining a culture that demonstrates highest standard of ethical and responsible business conduct.

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

## B. BOARD OF DIRECTORS

### Composition, category of directors and other relevant details

The Company has a balanced and diverse Board, which includes independent professionals who possess requisite qualification, experience, and expertise in their respective functional areas, which enable them to discharge their responsibilities. None of the Director is a director on the Board of more than 10 public limited companies or in more than 7 listed companies and in case he/she is serving as a Whole-Time Director/ Managing Director in any listed company, does not hold the position of Independent Director in more than three listed companies. Further, none of the Director is a member of more than 10 committees or chairperson of more than 5 committees, across all public companies in which he/ she is a director. For determination of limit of the Board Committees, chairpersonship & membership of the Audit Committee and Stakeholders' Relationship Committee has been considered as per Regulation 26(1)(b) of the Listing Regulations.

As on 31<sup>st</sup> March 2022, the Board comprises of six Directors out of these, one is Managing Director and five are Non-Executive Directors including two women Directors. Out of six Directors, three Directors are Independent Directors including one independent woman director. The Managing Director is entrusted with substantial powers of management of the affairs of the Company. The Chairperson of the Company is a Non-Executive, Non-Independent Director and not related to Managing Director pursuant to definition of the term "relative" defined under the Act. The total strength of independent directors comprises half of the total strength of the Board. The Non-Executive Directors having considerable experience in their respective fields of industry, management & finance. The brief profile of the Directors on the Board is available on the Company's website and can be accessed at <https://www.centuryenka.com/about-us/overview.html>.

The composition of the Board of Directors of the Company including their shareholding as on 31<sup>st</sup> March 2022 and the outside directorships and committee positions held by them as on 31<sup>st</sup> March 2022 are as under:

Name of the Director	Category of Directors	No. of shares held in the Company	No. of outside* Director-ships in Public Limited Companies**	No. of outside* Committee position(s) held ***		Name of other Listed Companies in which the Director holds directorship	Category of Directorship in other Listed Companies
				Member	Chairman		
Mrs. Rajashree Birla (00022995)	Non-Executive and Promoter	26,080	5	-	-	1. Grasim Industries Limited 2. Hindalco Industries Limited 3. Ultratech Cement Limited 4. Century Textiles and Industries Limited 5. Pilani Investment & Industries Corporation Limited	Non-Executive-Non-Independent Non-Executive- Non-Independent Non-Executive- Non-Independent Non-Executive-Non-Independent Non-Executive- Non-Independent
Mr. S. K. Jain (02843676)	Non-Executive & Independent	125	1	1	-	Century Textiles and Industries Limited	Non-Executive-Independent
Mr. K. S. Thar (00390137)	Non-Executive & Independent	-	-	-	-	-	-
Mrs. Krupa R. Gandhi (00294629)	Non-Executive & Independent	-	-	-	-	-	-

## CORPORATE GOVERNANCE REPORT (Contd.)

Name of the Director	Category of Directors	No. of shares held in the Company	No. of outside* Director-ships in Public Limited Companies**	No. of outside* Committee position(s) held ***		Name of other Listed Companies in which the Director holds directorship	Category of Directorship in other Listed Companies
				Member	Chairman		
Mr. Devajyoti N. Bhattacharya (00868751)	Non-Executive & Non-Independent	-	6	-	-	T.V. Today Network Limited	Non-Executive- Non-Independent
Mr. Suresh Sodani (08789604)	Executive - Managing Director	-	-	-	-	-	-

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

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

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

### Number of Board Meetings and attendance

During the financial year 2021-22, the Board met five times. The details of Board meetings and attendance of Directors at the Board Meetings and in the last Annual General Meeting (AGM) are as under:

Name of Director	Attendance at Board Meeting held on					Attendance %	Attended AGM held on 13.08.2021
	18.05.2021	10.08.2021	31.08.2021	26.10.2021	03.02.2022		
Mrs. Rajashree Birla	✓	✓	✓	Leave of Absence	✓	80	✓
Mr. S. K. Jain	✓	✓	✓	✓	Leave of Absence	80	✓
Mr. K.S. Thar	✓	✓	✓	✓	✓	100	✓
Mrs. Krupa R. Gandhi	✓	✓	✓	✓	✓	100	✓
Mr. Devajyoti N. Bhattacharya	✓	✓	Leave of Absence	✓	✓	80	✓
Mr. Suresh Sodani	✓	✓	✓	✓	✓	100	✓

### Inter se relationship between directors

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

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

The Company recognises the benefits of having a diverse Board and has identified the below mentioned skills, expertise, competencies in the context of its man-made fibre business:

Core Skills, Expertise, Attributes and Competencies	Corporate Governance	Industry Experience or Knowledge	Finance & Taxation	Strategic Leadership	Legal and Compliance	Risk Management	Sustainability	Social Impact/ Philanthropy
	✓	✓	✓	✓	✓	✓	✓	✓

The core skill / expertise / attributes / competencies that are available with respective directors:

Skills/Expertise/ Attributes/ Competencies	Mrs. Rajashree Birla	Mr. S. K. Jain	Mr. K. S. Thar	Mrs. Krupa R. Gandhi	Mr. Devajyoti N. Bhattacharya	Mr. Suresh Sodani
Corporate Governance	✓	✓	✓	✓	✓	✓
Industry experience or knowledge	✓	-	-	-	✓	✓

CORPORATE GOVERNANCE REPORT (Contd.)

Skills/Expertise/ Attributes/ Competencies	Mrs. Rajashree Birla	Mr. S. K. Jain	Mr. K. S. Thar	Mrs. Krupa R. Gandhi	Mr. Devajyoti N. Bhattacharya	Mr. Suresh Sodani
Finance & Taxation	-	-	✓	✓	✓	✓
Strategic Leadership	✓	-	-	✓	✓	✓
Legal and Compliance	-	✓	-	-	-	✓
Risk Management	-	✓	-	-	✓	✓
Sustainability	✓	-	-	-	-	✓
Social Impact/ Philanthropy	✓	-	-	-	-	-

**Appointment and Tenure of Directors**

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

**Directors' interest in the Company**

Whenever, the Company enters into contracts with companies in which a Director of the Company is interested as director or member, the management will ensure that such contracts are in the ordinary course of business and at arm's length basis. Directors regularly make full disclosures to the Board regarding the nature of their interest in the companies in which they are directors or members. Full particulars of contracts, in which directors are directly or indirectly concerned or interested, are entered in the Register of Contracts maintained under section 189 of the Act and the same is placed in the next Board Meeting for the noting of the Directors.

**Directors and Officers insurance**

Pursuant to Regulation 24(10) of the Listing Regulations, the Company has undertaken Directors and Officers insurance for its Directors and Officers for an appropriate quantum and risks.

**Succession Planning**

Succession planning is required to ensure continuity and smooth functioning of the Company. Perpetual succession is one of the facets of a corporate entity wherein the resources may come and go but the company will survive forever. This envisages that staff will not work with an organization indefinitely and this necessitates the formation and existence of orderly succession planning in an organization. Succession planning is a necessary tool for an organization to ensure its continued effective performance through leadership continuity. To avoid any leadership gap in the Board and Senior Management, the Company has informal succession plan in place for orderly succession for appointment to the Board of Directors and Senior Management.

**Legal Compliance Reporting**

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

**C. AUDIT COMMITTEE**

The Audit Committee comprises of three Independent Directors including a Woman Independent Director. This Committee is empowered to deal with matters as specified in section 177(4) of the Act, Part C of Schedule II of the Listing Regulations and such other matters as may be assigned from time to time by the Board of Directors.

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

During the financial year 2021-22, the Committee met four times on 18.05.2021, 10.08.2021, 26.10.2021 & 03.02.2022. Mr. Rahul Dubey,

CORPORATE GOVERNANCE REPORT (Contd.)

Company Secretary and Compliance Officer, acts as the Secretary to the Committee. Besides the Committee members, Managing Director, Chief Financial Officer and Partners/other representatives of the firms of Statutory Auditors and Internal Auditors were also present (except where leave of absence was requested) at the meetings to answer the queries raised by the Committee Members. The composition of Audit Committee as on 31<sup>st</sup> March 2022 and attendance of the Committee members for financial year 2021-22 are given below:

Name of the Director	Category of Directors	Attendance at meetings on				Attendance %
		18.05.2021	10.08.2021	26.10.2021	03.02.2022	
Mr. S. K. Jain	Non-Executive & Independent Director (Chairman)	✓	✓	✓	Leave of absence	75
Mr. K. S. Thar	Non-Executive & Independent Director (Member)	✓	✓	✓	✓	100
Mrs. Krupa R. Gandhi	Non-Executive & Independent Director (Member)	✓	✓	✓	✓	100

The Chairman of Audit Committee was present at the 55<sup>th</sup> AGM of the Company held on 13<sup>th</sup> August 2021.

**D. NOMINATION AND REMUNERATION COMMITTEE (NRC)**

The NRC comprises of three Independent Directors including a Woman Independent Director. This Committee is empowered to perform matters as prescribed under the Act, Para A of Part D of Schedule II of the Listing Regulations and such other matters as may be assigned from time to time by the Board of Directors.

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

During the financial year 2021-22, the Committee met once on 31.08.2021. Mr. Rahul Dubey, Company Secretary and Compliance Officer, acts as the Secretary to the Committee. The composition of NRC as on 31<sup>st</sup> March 2022 and attendance of the Committee members for financial year 2021-22 are given below:

Name of the Director	Category of Directors	Attendance at meetings on	Attendance %
		31.08.2021	
Mr. S. K. Jain	Non-Executive & Independent Director (Chairman)	✓	100
Mr. K. S. Thar	Non-Executive & Independent Director (Member)	✓	100
Mrs. Krupa R. Gandhi	Non-Executive & Independent Director (Member)	✓	100

The Chairman of NRC was present at the 55<sup>th</sup> AGM of the Company held on 13<sup>th</sup> August 2021.

**Performance Evaluation**

The NRC has laid down the way of formal annual evaluation of the performance of the Board as a whole, its Committees and Individual Directors. The Committee has devised templates for performance evaluation of Directors including Independent Directors, Chairperson, the Board of Directors and Board Committees. The said template had been circulated to Board members for filling up the said template and sent to Lead Independent Director, appointed by the Board, in a sealed envelope marked as confidential & important. The Independent Directors in its meeting considered the said filled templates sent by Board members and submitted a report to the Board. The Board, pursuant to the provisions of the Act and the Listing Regulations, considered the report of Independent Director to take note of evaluation.

The performance evaluation of the Board as a whole, its Committees and the individual Board members (including Independent Directors) for the financial year 2021-22 has been carried out in accordance with the Performance Evaluation Framework adopted by the Company.

**E. STAKEHOLDERS' RELATIONSHIP COMMITTEE (SRC)**

The SRC comprises of three Directors, two Independent Directors and one Executive Directors, headed by Mr. S. K. Jain, Non-Executive Independent Director. This Committee is empowered to perform matters as specified in Para B of Part D of Schedule II of the Listing Regulations, the Act and such other matters as may be assigned from time to time by the Board of Directors.

**CORPORATE GOVERNANCE REPORT (Contd.)**

The brief terms of reference of SRC inter-alia includes complaints related to transfer/transmission of shares/non-receipt of dividend warrants/annual reports/issue of duplicate share certificates/effective exercise of voting rights/initiatives taken to reduce the quantum of unclaimed dividend. Continuous efforts are made to ensure that grievances are expeditiously redressed to the satisfaction of investors. A status report of shareholders complaints and redressal thereof is prepared and placed before Stakeholders' Relationship Committee of Directors.

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

During the financial year 2021-22, the Committee met on 03.02.2022. Mr. Rahul Dubey, Company Secretary and Compliance Officer, acts as the Secretary to the Committee. The composition of SRC as on 31<sup>st</sup> March 2022 and attendance of the Committee members for financial year 2021-22 are given below:

Name of the Director	Category of Directors	Attendance at meetings on	Attendance %
		03.02.2022	
Mr. S. K. Jain	Non-Executive & Independent Director (Chairman)	Leave of Absence	Nil
Mr. K. S. Thar	Non-Executive & Independent Director (Member)	✓	100
Mr. Suresh Sodani	Executive-Managing Director (Member)	✓	100

The Chairman of SRC was present at the 55<sup>th</sup> AGM of the Company held on 13<sup>th</sup> August 2021.

Status of Shareholders'/Investors' Complaints for the period 01.04.2021 to 31.03.2022

Nature of complaint	No. of complaints received	No. of complaints resolved	No. of pending complaints
Exchange of Share Certificates	-	-	-
Dividend	4	4	-
Others	6	6	-
<b>Total</b>	<b>10</b>	<b>10</b>	-

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

**F. RISK MANAGEMENT COMMITTEE (RMC)**

The Board of Directors of the Company has formed a RMC on 18<sup>th</sup> May 2021. This Committee comprises of four members, three Directors including one Independent Director and Chief Financial Officer of the Company. This Committee is empowered to perform matters as specified in Para C of Part D of Schedule II of the Listing Regulations and such other matters as may be assigned from time to time by the Board of Directors.

The brief terms of reference of RMC are as under:

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

**CORPORATE GOVERNANCE REPORT (Contd.)**

During the financial year 2021-22, the Committee met two times on 06.08.2021 and 02.02.2022. Mr. Rahul Dubey, Company Secretary and Compliance Officer, acts as the Secretary to the Committee. The composition of RMC as on 31<sup>st</sup> March 2022 and attendance of the Committee members for financial year 2021-22 are given below:

Name of the Members	Category of members	Attendance at meetings on		Attendance %
		06.08.2021	02.02.2022	
Mr. Devajyoti N. Bhattacharya	Non-Executive & Non-Independent Director (Chairman)	✓	✓	100
Mr. S. K. Jain	Non-Executive & Independent Director (Member)	✓	✓	100
Mr. Suresh Sodani	Executive - Managing Director (Member)	✓	✓	100
Mr. Krishna Ladsaria	Chief Financial Officer (Member)	✓	✓	100

**G. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE (CSR)**

The CSR Committee comprises of three directors, two Independent Directors & one Executive Directors. This Committee is empowered to perform matters as prescribed under the Act and such other matters as may be assigned from time to time by the Board of Directors.

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

During the financial year 2021-22, the Committee met two times on 18.05.2021 and 26.10.2021. Mr. Rahul Dubey, Company Secretary and Compliance Officer, acts as the Secretary to the Committee. The composition of CSR Committee as on 31<sup>st</sup> March 2022 and attendance of the committee members for financial year 2021-22 are given below:

Name of the Director	Category of Directors	Attendance at meetings on		Attendance %
		18.05.2021	26.10.2021	
Mr. S. K. Jain	Non-Executive & Independent Director (Chairman)	✓	✓	100
Mrs. Krupa R. Gandhi	Non-Executive & Independent Director (Member)	✓	✓	100
Mr. Suresh Sodani	Executive - Managing Director (Member)	✓	✓	100

**H. SHARE TRANSFER COMMITTEE (STC)**

The STC comprises of two Independent Directors. This Committee is empowered to perform all such matters as may be assigned from time to time by the Board of Directors. There is also a delegation of authorities to Senior Executives to attend share related formalities i.e. transmission, name deletion, share transfer etc. and register the same within stipulated time, provided all the documents are valid and complete in all respect. Number of transaction in each such categories approved by the delegated authorities are placed before the STC/Board for its review & noting.

During the financial year 2021-22, the Committee met twice on 24.09.2021 and 10.12.2021. Mr. Rahul Dubey, the Company Secretary and Compliance Officer, acts as the Secretary to the Committee. The composition of STC as on 31<sup>st</sup> March 2022 and attendance of the Committee members for the financial year 2021-22 are given below:

Name of the Director	Category of Directors	Attendance at meetings on		Attendance %
		24.09.2021	10.12.2021	
Mr. K. S. Thar	Non-Executive & Independent Director (Chairman)	✓	✓	100
Mrs. Krupa R. Gandhi	Non-Executive & Independent Director (Member)	✓	✓	100

**CORPORATE GOVERNANCE REPORT (Contd.)**

**I. INDEPENDENT DIRECTORS**

All the Independent Directors are independent of the Company's management and are not related to any director or key managerial personnel. In Board's opinion of the board, the Independent Directors fulfil the conditions specified in the Listing Regulations and are independent of the management.

None of the Independent Directors serve as an independent directors in more than seven listed companies in line with the requirements of the Listing Regulations.

**Meeting of Independent Directors and attendance records**

Independent Directors are required to meet at least once in a financial year, without the attendance of Non-Independent Directors and members of the management, to deal with matters, specified in Regulation 25 of the Listing Regulations and Schedule IV to the Act, as mentioned below:

- Evaluation of the performance of Non-Independent Directors and the Board of Directors as a whole;
- Evaluation of the performance of the Chairperson of the Company, taking into account the views of the Executive and Non-Executive Directors;
- Evaluation of the quality, quantity and timelines of flow of information between the Management and the Board, that is necessary for the Board to effectively and reasonably perform its duties.

The meeting of Independent Directors of the Company was held on 12.03.2022, without the presence of non-independent directors and the management, to discuss the aforesaid matters. The Independent Directors expressed satisfaction on the overall performance of the Directors and the Board as a whole. The Independent Directors also expressed satisfaction on the Board's freedom to express views on matters transacted at meetings and the manner in which the management discusses various subject matters specified in the agenda of meetings. Suggestions made by the Independent Directors were discussed at the Board meeting and are being implemented.

The details of meeting and attendance of Independent Directors are as under:

Name of the Director	Category of Directors	Attendance at Independent Directors Meeting held on	Attendance %
		12.03.2022	
Mr. S. K. Jain	Non-Executive & Independent Director (Chairman)	✓	100
Mr. K. S. Thar	Non-Executive & Independent Director (Member)	✓	100
Mrs. Krupa R. Gandhi	Non-Executive & Independent Director (Member)	✓	100

**Declaration/Confirmation and Status of Independent Directors**

The Company has received declarations from all the Independent Directors confirming that they meet the criteria of independence as specified under Regulation 16(1)(b) of the Listing Regulations & under section 149(6) of the Act and they are qualified to act as Independent Directors. In terms of Regulation 25(8) of the Listing Regulations, Independent Directors have confirmed that they are not aware of any circumstance or situation which exists or may be reasonably anticipated, that could impair or impact their ability to discharge their duties with an objective of independent judgement and without any external influence.

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

**Terms and Conditions of appointment**

The terms of appointment of Independent Director are forming part of his appointment letter and stipulates the manner of appointment, role & functions, duties, relevant provisions of section 149, 150 and 152 of the Act and 'Guidelines for Professional Conduct' pursuant to Schedule IV to the Act. The terms and conditions of appointment of Independent Directors are placed on the Company's website and can be accessed at [https://www.centuryenka.com/investor-relations/index.html#parentHorizontalTab6|ChildVerticalTab\\_213](https://www.centuryenka.com/investor-relations/index.html#parentHorizontalTab6|ChildVerticalTab_213).

**Familiarization Programme**

The Company's familiarization programme, inter alia, covering the nature of the industry in which the Company operates, business model, internal control processes and relevant information pertaining to the Company. On an on-going basis, the Directors are familiarised with the Company's business, its operations & strategies policies & procedures and changes in regulatory framework at the Board and Committee meetings. The

**CORPORATE GOVERNANCE REPORT (Contd.)**

Directors are also apprised about risk assessment and minimization procedures. The details of familiarization programme are available on the Company's website and can be accessed at [https://www.centuryenka.com/investor-relations/index.html#parentHorizontalTab6|%20ChildVerticalTab\\_211](https://www.centuryenka.com/investor-relations/index.html#parentHorizontalTab6|%20ChildVerticalTab_211).

**Resignation of independent directors**

During the financial year 2021-22, no Independent Directors has resigned before the expiry of his/her tenure.

**J. REMUNERATION OF DIRECTORS**

**(a) Non-Executive Directors**

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

**(i) Sitting Fees**

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

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

**(ii) Commission**

Pursuant to special resolution passed by the shareholders in the 53<sup>rd</sup> AGM of the Company held on 13<sup>th</sup> July 2019, commission is payable to non-executive directors at a rate not exceeding 1% of the net profits of the Company as computed in accordance with section 198 of the Act and subject to such ceiling as the Board of Directors decide from time to time. The criteria for payment of commission as determined by the Board is based on the period and overall contribution.

Remuneration paid/payable to Non-Executive Directors for the financial year 2021-22:

Name of Director	Sitting Fees paid for Board/ Committee Meetings Attended	Commission Payable
Mrs. Rajashree Birla	₹1,00,000/-	₹7,50,000/-
Mr. S. K. Jain	₹1,82,500/-	₹7,50,000/-
Mr. K. S. Thar	₹2,15,000/-	₹7,50,000/-
Mrs. Krupa R. Gandhi	₹2,22,500/-	₹7,50,000/-
Mr. Devajyoti Nirmal Bhattacharya	₹1,15,000/-	₹7,50,000/-

There were no other pecuniary relationships or transactions between the Company and Non-Executive Directors during the financial year 2021-22.

**(b) Executive Director**

During the financial year 2021-22, the Company has paid remuneration to its Managing Director within the limits as prescribed under the applicable provisions of the Act and the Listing Regulations.

Remuneration paid/ payable to Mr. Suresh Sodani, Managing Director for the financial year 2021-22 are as under:

	₹/ Lacs
All elements of remuneration package i.e., salary, benefits, pension etc.	221.14
Variable Pay	31.36
Total Remuneration	252.50
Appointment Period	Five years w.e.f. 01.09.2020
Notice Period	Three months' notice in writing on either side.
Severance Fees	No severance fees payable to the Managing Director.
Stock options	Nil

**CORPORATE GOVERNANCE REPORT (Contd.)**

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

A sum of ₹31.36 lacs was paid towards annual variable pay linked to the achievement of business and individual performance.

**K. GENERAL BODY MEETINGS**

(i) Information about location, time and special resolutions passed in the last three AGMs:

Financial Year	Date & Time	Location	Particulars of Special Resolution passed
2018-19 53 <sup>rd</sup> AGM	13.07.2019 & 12:30 P.M. (IST)	Pudumjee Hall, Mahratta Chamber of Commerce, Industries and Agriculture, Tilak Road, Pune-411002	(a) Reappointment of Mr. K. S. Thar (DIN 00390137) as a Non-Executive Independent Director of the Company for a second term of five years w.e.f. 27 <sup>th</sup> November 2019.  (b) Commission to Directors, other than Director in whole time employment of the Company at a rate not exceeding 1% (one percent) of the net profits of the Company.
2019-20 54 <sup>th</sup> AGM	13.08.2020 & 12:30 P.M. (IST)	Through Video Conferencing: Recorded at Century Enka Limited Plot No. 72 & 72-A, MIDC, Bhosari, Pune-411026	(a) Continuation of holding office by Mrs. Rajashree Birla (DIN: 00022995) on her re-appointment as Director liable to retire by rotation and on her attaining the age of 75 years on 15 <sup>th</sup> September 2020.
2020-21 55 <sup>th</sup> AGM	13.08.2021 & 02:30 P.M (IST)	Through Video Conferencing: Recorded at Century Enka Limited Plot No. 72 & 72-A, MIDC, Bhosari, Pune-411026	(a) Reappointment of Mrs. Rajashree Birla (DIN: 00022995) as a Director of the Company, liable to retire by rotation.  (b) Consider and adopt new set of Articles of Association of the Company pursuant to the Companies Act, 2013.

(ii) Whether any special resolution passed last year through postal ballot - details of voting pattern and person who conducted the postal ballot exercise:

There was no resolution passed in the financial year 2021-22 through postal ballot.

(iii) Whether any special resolution is proposed to be conducted through postal ballot and procedure of postal ballot:

As on the date of this report, there is no proposal to pass any special resolution through postal ballot. However, if required, the same shall be passed in compliance of provisions of the Act, the Listing Regulations, or any other applicable laws.

**L. MEANS OF COMMUNICATION**

- (a) The unaudited/audited financial results of the Company for each quarter are placed before the Board of Directors within stipulated time. The results are generally published in Business Standard (all editions) & Loksatta (Pune edition).
- (b) Financial results and other useful information of the Company are also available on the Company's website and can be accessed at www.centuryenka.com.
- (c) Investor Presentations and Official press release, if any, are filed with the Stock Exchanges and simultaneously hosted on the website of the Company.

**M. GENERAL SHAREHOLDER INFORMATION**

(a) **Annual General Meeting**

Day, Date and Time : Thursday, 18<sup>th</sup> August 2022, 2:30 PM (IST)  
Venue : Plot No. 72&72-A, MIDC, Bhosari, Pune-411026  
Mode : Through Video Conference

(b) **Financial Year** : 1<sup>st</sup> April - 31<sup>st</sup> March

**CORPORATE GOVERNANCE REPORT (Contd.)**

(c) **Financial Calendar:**

Board Meetings for approval of financial reporting for the	Tentative Dates
Quarter ending 30 <sup>th</sup> June 2022	On or before 14 <sup>th</sup> August 2022
Quarter ending 30 <sup>th</sup> September 2022	On or before 14 <sup>th</sup> November 2022
Quarter ending 31 <sup>st</sup> December 2022	On or before 14 <sup>th</sup> February 2023
Quarter ending 31 <sup>st</sup> March 2023	On or before 30 <sup>th</sup> May 2023

(d) **Book Closure:**

The Register of Members and Share Transfer Register will remain closed from Tuesday, 9<sup>th</sup> August 2022 to Wednesday, 10<sup>th</sup> August 2022 (both days inclusive) for the purpose of payment of dividend.

(e) **Dividend Payment Date:**

On or after 22.08.2022

(f) **Registered Office & contact details:**

Plot No. 72 & 72-A, MIDC, Bhosari, Pune- 411026  
Tel. No. (020) 66127304  
Fax No. (020) 27120113  
E-mail: cel.investor@birlacentury.com  
Company's Website: www.centuryenka.com

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

The Company's Equity Shares are listed at the following Stock Exchanges:  
BSE Limited, 25<sup>th</sup> Floor, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400001

The National Stock Exchange of India Limited, Exchange Plaza, C-1, Block G, Bandra-Kurla Complex, Bandra (East), Mumbai - 400051

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

The Annual Listing Fees for the financial year 2022-23 to BSE and NSE have been paid.

(i) **Stock Code:**

BSE Limited: 500280  
National Stock Exchange: CENTENKA

(j) **ISIN allotted to Equity Shares:**

INE485A01015

(k) **Stock Market Data:**

Monthly high and low prices of equity shares of the Company quoted at BSE Ltd. (BSE) and National Stock Exchange of India Ltd. (NSE) during the financial year 2021-22 are given below:

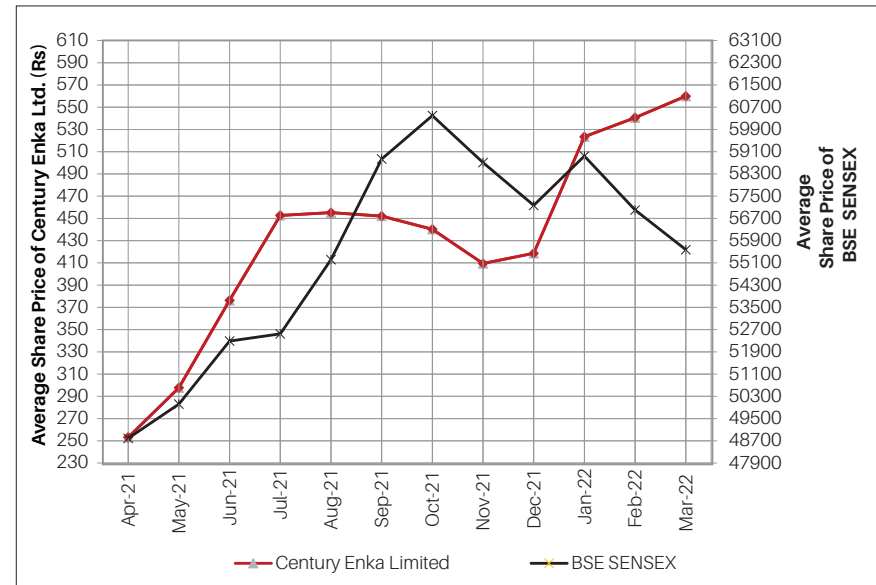
(Amount/ ₹)

Month	BSE		NSE	
	High	Low	High	Low
April-21	266.00	240.50	266.45	241.00
May-21	344.35	251.10	344.00	246.05
June-21	428.30	324.35	428.70	324.50
July-21	513.00	392.45	514.00	392.25
August-21	518.00	392.45	517.90	394.00
September-21	473.75	430.40	474.75	430.00
October-21	485.00	395.60	485.30	412.00
November-21	456.35	362.60	457.00	362.60
December-21	456.30	381.00	489.05	380.40
January-22	595.00	451.90	595.00	451.65
February-22	638.95	442.30	637.00	442.00
March-22	627.80	492.05	619.00	492.05



CORPORATE GOVERNANCE REPORT (Contd.)

(l) Stock Performance Index



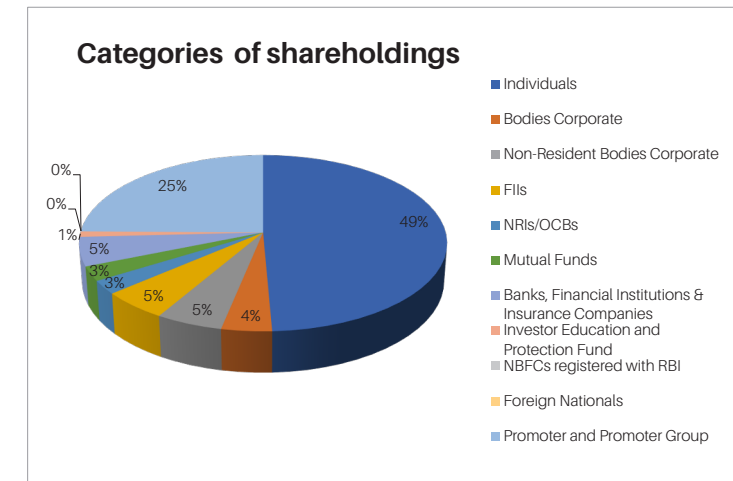
(m) Distribution of Shareholding of the equity shares of the Company as on 31<sup>st</sup> March 2022:

No. of equity shares held	No. of shareholders	% of shareholders	No. of equity shares held	% of shareholding
1 to 10	14030	30.88	78626	0.36
11 to 50	15834	34.86	471826	2.16
51 to 100	5749	12.66	507677	2.32
101 to 500	6959	15.31	1735876	7.94
501 to 1000	1335	2.94	1032058	4.72
1001 to 5000	1188	2.62	2565344	11.74
5001 and above	330	0.73	15459182	70.76
<b>Total</b>	<b>45425</b>	<b>100</b>	<b>21850589</b>	<b>100</b>

(n) Categories of Shareholding as on 31<sup>st</sup> March 2022:

Category	No. of shareholders	% of shareholders	No. of shares held	% of shareholdings
<b>Non-Promoters</b>				
Individuals	44190	97.29	10771399	49.30
Bodies Corporate	525	1.16	864065	3.95
Non-Resident Bodies Corporate	3	0.01	1150000	5.26
FIs	60	0.13	1148783	5.26
NRIs/OCBs	579	1.27	539844	2.47
Mutual Funds	9	0.02	579296	2.65
Banks, Financial Institutions & Insurance Companies	44	0.10	1157877	5.30
Investor Education and Protection Fund	1	0.00	219312	1.00
NBFCs registered with RBI	2	0.00	1725	0.01
Foreign Nationals	1	0.00	240	0.00
<b>Total Non-Promoter</b>	<b>45414</b>	<b>99.98</b>	<b>16432541</b>	<b>75.20</b>
<b>Promoter and Promoter Group</b>	<b>11</b>	<b>0.02</b>	<b>5418048</b>	<b>24.80</b>
<b>Total</b>	<b>45425</b>	<b>100.00</b>	<b>21850589</b>	<b>100.00</b>

CORPORATE GOVERNANCE REPORT (Contd.)



- (o) **Dematerialisation of Shares and Liquidity:** 92.19% of equity shares have been dematerialized as on 31<sup>st</sup> March 2022. Trading in shares of Century Enka Limited is available in dematerialised form.
- (p) **Outstanding GDRs, ADRs, Warrants or any Convertible Instruments:** The Company does not have any outstanding GDRs/ADRs Warrants/Convertible Instruments.
- (q) **Commodity Price Risk or Foreign Exchange Risk & Hedging activities:** It is the policy of the Company to cover its foreign currency exposure for imports to avoid currency exchange fluctuation. There is no hedging available in caprolactam, the raw material of the Company.
- (r) **Plant Locations:**  
a) MIDC Bhosari, Pune,  
b) Rajashree Nagar (Bharuch) &  
c) Mahad (Not in operation)
- (s) **Registrar to an issue and share transfer agent:** Link Intime India Private Limited (Unit: Century Enka Limited) C 101, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai - 400083. Tel.: 022-49186270, Fax: 022-49186060 E-mail: rnt.helpdesk@linkintime.co.in
- (t) **Share Transfer System:** Share Transfer System is explained in the para of Share Transfer Committee of this Report.
- (u) **Address for Correspondence:** Century Enka Limited Plot No. 72 & 72-A, MIDC, Bhosari, Pune-411026. Tel. No.: (020) 66127304 Fax No.: (020) 27120113 E-mail: cel.investor@birlacentury.com
- (v) **In case the securities are suspended from trading, the directors report shall explain thereof**  
The shares are actively traded on NSE and BSE and have not been suspended from trading.

(w) Credit Ratings re-affirmed during the financial year 2021-22

Particulars	Facilities ₹ (crores)	Credit Ratings
<b>Bank Facilities (for debt instruments/facilities)</b>		
Long Term Ratings	102	CRISIL A+/Stable (Reaffirmed)
Short Term Ratings	443	CRISIL A1+ (Reaffirmed)
<b>Total Bank Facilities</b>	<b>545</b>	

**CORPORATE GOVERNANCE REPORT (Contd.)**

**N. OTHER DISCLOSURES**

**(a) Disclosures on materially significant related party transactions that may have a potential conflict with the interest of the listed entity at large**

During the financial year 2021-22, there is no transaction of materially significant nature with related party that may have a potential conflict with the interest of the Company at large.

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

There has been no non-compliance by the Company nor any penalties imposed or strictures passed against the Company by the Stock Exchanges, SEBI or any other Statutory Authority on any matter related to capital markets in the last three years, except National Stock Exchange of India Limited (NSE) and BSE Limited (BSE) have alleged non-compliance of composition of Board of Directors of the Company as per regulation 17(1) of the Listing Regulations during the period of 3<sup>rd</sup> July 2019 to 4<sup>th</sup> February 2020 as the number of directors have come down from six directors to five directors and fine of ₹625,000/- plus 18% GST was imposed by NSE and BSE, each, pursuant to SEBI Circular No. SEBI/HO/CFD/CIR/P/2018/77 dated 3<sup>rd</sup> May 2018. The Company had paid the fine under protest to avoid severe consequences of trading of the Company's shares on the stock exchanges i.e., transfer to Z category and subsequently no trading in shares at stock exchanges.

The Company had filed an appeal before Securities Appellate Tribunal (SAT) against the levy of penalty imposed by NSE and BSE.

The SAT vide its order dated 25<sup>th</sup> March 2022 delivered judgement that imposition of fine by Stock Exchanges cannot be sustained and quashed. Further, in the opinion of SAT:

- a) so long as the period of filing the vacancy in the board of directors under Regulation 17(1) is not framed, no fine could be imposed.
- b) the exchange cannot on its own take a decision for imposition of fine. Fine can only be imposed by statutes or by circular which has the force of law.

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

The Company has put in place a Vigil Mechanism/Whistle Blower Policy to provide an open and transparent working environment and to promote responsible and secure whistle blowing system for directors, employees, and other stakeholders of the Company to raise concern.

The policy broadly covers instances of unethical behaviour, actual or suspected fraud, violation of the Company's Code of Conduct, alteration of documents, fraudulent financial reporting, misappropriation/misuse of Company's assets, manipulation of Company's data, pilferage of proprietary information, abuse of authority, etc.

The policy provides adequate safeguard against victimisation of director(s)/ employee(s)/other stakeholder(s) who raise the concern and have provision for direct access to the Chairman of Audit Committee, entrusted to oversee the Vigil Mechanism/ Whistle blower.

The Committee affirms that in compliance with the Whistle-Blower Policy/Vigil Mechanism, no personnel had been denied access to the Audit Committee.

The Policy is available on the website of the Company and can be accessed at [https://www.centuryenka.com/investor-relations/index.html#parentHorizontalTab6|Child%20%20Vertical%20Tab\\_211|ChildVerticalTab\\_216](https://www.centuryenka.com/investor-relations/index.html#parentHorizontalTab6|Child%20%20Vertical%20Tab_211|ChildVerticalTab_216)

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

The Company has complied with all applicable mandatory requirements of the Listing Regulations during the financial year 2021-22 and adopted discretionary requirements (refer para 'discretionary requirements of this report') as specified in Part E of Schedule II of the Listing Regulations.

**(e) Web link, where web policy for determining 'material' subsidiaries is disclosed**

The said disclosure is not applicable as the Company has no subsidiary.

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

The policy on Related Party Transactions as approved by the Board of Directors is available on the website of the Company and can be accessed at [https://www.centuryenka.com/investor-relations/index.html#parentHorizontalTab6|Child%20%20Vertical%20Tab\\_211|ChildVerticalTab\\_216](https://www.centuryenka.com/investor-relations/index.html#parentHorizontalTab6|Child%20%20Vertical%20Tab_211|ChildVerticalTab_216).

**(g) Disclosure of commodity price risks and commodity hedging activities**

It is the policy of the Company to cover its foreign currency exposure for imports to avoid currency exchange fluctuation. There is no hedging available in caprolactam, the raw material of the Company.

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

During the financial year 2021-22, the Company has not raised any fund through preferential allotment or qualified institutions placements as specified under Regulation 32(7A) of the Listing Regulations.

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

Sanjay Sangani & Co., Company Secretaries, have issued a certificate that none of the directors on the Board of the company have been debarred or disqualified from being appointed or continuing as Directors of companies by the SEBI/Ministry of Corporate Affairs or any such Statutory Authority. The said certificate is attached and forming part of this Report.

**(j) Where the board had not accepted any recommendation of any committee of the board, which is mandatorily required, in the relevant financial year**

During the financial year 2021-22, the Board of Directors of the Company has accepted all the recommendation of the committees.

**(k) Total fees for all services paid by the listed entity and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part**

Total Fees paid/ payable to Statutory Auditors for the financial year 2021-22 is ₹50 Lacs.

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

**(l) Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013**

The Company has not received any complaints during the financial year 2021-22.

Number of complaints filed during the financial year 2021-22	Number of complaints disposed of during the financial year 2021-22	Number of complaints pending as on end of the financial year 2021-22
Nil	Nil	Nil

**(m) Disclosure by listed entity and its subsidiaries of 'Loans and advances in the nature of loans to firms/companies in which directors are interested by name and amount**

No loans and advances have been given to the firms/companies in which directors are interested.

**(n) Code of Conduct**

The Company has always encouraged and supported ethical business practices in personal and corporate behaviour by its directors and employees.

The Board has laid down a Code of Conduct for all Board members and Senior Management Personnel of the Company.

The Code is available on the website of the Company and can be accessed at [https://www.centuryenka.com/investor-relations/index.html#parentHorizontalTab6|Child%20%20Vertical%20Tab\\_211|ChildVerticalTab\\_216](https://www.centuryenka.com/investor-relations/index.html#parentHorizontalTab6|Child%20%20Vertical%20Tab_211|ChildVerticalTab_216).

All the Board Members and Senior Management Personnel have confirmed compliance with the Code. A declaration to that effect signed by the Managing Director is attached and forming part of this Report.

**(o) Prevention of Insider Trading**

In terms of the provisions of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 as amended, the Company has adopted a 'Code of conduct for dealing in equity shares and other listed securities' ('Insider Trading Code') and the 'Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information' (UPSI).

The Code aims at preserving and preventing misuse of UPSI. All Designated Persons of the Company are covered under the Insider Trading Code, which provides inter-alia for periodical disclosures and obtaining pre-clearances for trading in securities of the Company. PAN based online tracking mechanism for monitoring of the trade in the Company's securities by the Designated Persons and their immediate relatives is in place to ensure real time detection and taking appropriate action, in case of any non-compliance with the provisions of the Insider Trading Code.

**(p) Following policies and information are available on the website of the Company**

- (i) Dividend Distribution Policy  
Dividend Distribution Policy is available on Company's website and can be accessed at [https://www.centuryenka.com/investor-relations/index.html#parentHorizontalTab6|Child%20%20Vertical%20Tab\\_211|ChildVerticalTab\\_216](https://www.centuryenka.com/investor-relations/index.html#parentHorizontalTab6|Child%20%20Vertical%20Tab_211|ChildVerticalTab_216).

- (ii) Policy on Determination of materiality of events or information for disclosure  
Policy on Determination of Materiality of events or Information for Disclosure is available on Company's website and can be accessed at [https://www.centuryenka.com/investor-relations/index.html#parentHorizontalTab6|Child%20%20Vertical%20Tab\\_211|ChildVerticalTab\\_216](https://www.centuryenka.com/investor-relations/index.html#parentHorizontalTab6|Child%20%20Vertical%20Tab_211|ChildVerticalTab_216).
- (iii) Secretarial Compliance Report  
Annual Secretarial Compliance Report for the financial year 2021-2022 is available on the Company's website and can be accessed at [https://www.centuryenka.com/investor-relations/index.html#parentHorizontalTab6|Child%20%20Vertical%20Tab\\_211|ChildVerticalTab\\_216](https://www.centuryenka.com/investor-relations/index.html#parentHorizontalTab6|Child%20%20Vertical%20Tab_211|ChildVerticalTab_216).
- (iv) Annual Return  
The Annual Return of the Company as on 31<sup>st</sup> March 2022 in the prescribed Form MGT-7 under section 92 of the Act is available on the Company's website and can be accessed at [https://www.centuryenka.com/investor-relations/index.html#parentHorizontalTab6|Child%20%20Vertical%20Tab\\_211|ChildVerticalTab\\_212](https://www.centuryenka.com/investor-relations/index.html#parentHorizontalTab6|Child%20%20Vertical%20Tab_211|ChildVerticalTab_212).

**O. NON-COMPLIANCE OF ANY REQUIREMENT OF CORPORATE GOVERNANCE REPORT OF SUB-PARAS (2) TO (10) ABOVE, WITH REASONS THEREOF SHALL BE DISCLOSED**

The Company has complied with all compliances of corporate governance report as mentioned in sub-paras (2) to (10) of Part C of Schedule V of the Listing Regulations.

**P. THE CORPORATE GOVERNANCE REPORT SHALL ALSO DISCLOSE THE EXTENT TO WHICH THE DISCRETIONARY REQUIREMENTS AS SPECIFIED IN PART E OF SCHEDULE II HAVE BEEN ADOPTED**

Discretionary requirements adopted by the Company are as follows:

- (i) The Board  
At present, there is no separate office in the Company for use of Chairperson nor any expenditure reimbursed in performance of her duty.
- (ii) Shareholders Rights  
Half yearly financial results including summary of the significant events are presently not being sent to shareholders of the Company.
- (iii) Modified opinion(s) in Audit Report  
The Statutory Auditors have expressed an unmodified opinion on the financial statements of the Company. The Company is in the regime of financial statements with unmodified audit opinion.
- (iv) Separate posts of Chairman and Chief Executive Officer  
The Chairperson of the Company is a Non-Executive Director. Separate individuals hold the positions of Chairperson and the Managing Director of the Company.
- (v) Reporting of Internal Auditors  
Reports of Internal Auditors are placed before the Audit Committee for its review.

**Q. THE DISCLOSURES OF THE COMPLIANCE WITH CORPORATE GOVERNANCE REQUIREMENTS SPECIFIED IN REGULATION 17 TO 27 AND CLAUSES (B) TO (I) OF SUB-REGULATION (2) OF REGULATION 46 SHALL BE MADE IN THE SECTION ON CORPORATE GOVERNANCE OF THE ANNUAL REPORT**

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

**R. DECLARATION SIGNED BY THE CHIEF EXECUTIVE OFFICER STATING THAT THE MEMBERS OF BOARD OF DIRECTORS AND SENIOR MANAGEMENT PERSONNEL HAVE AFFIRMED COMPLIANCE WITH THE CODE OF CONDUCT OF BOARD OF DIRECTORS AND SENIOR MANAGEMENT**

The declaration signed by the Managing Director is attached and forming part of this Report.

**S. DISCLOSURES WITH RESPECT TO DEMAT SUSPENSE ACCOUNT/UNCLAIMED SUSPENSE ACCOUNT**

Currently, Not Applicable

**T. COMPLIANCE CERTIFICATE FROM EITHER THE AUDITORS OR PRACTICING COMPANY SECRETARIES REGARDING COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE SHALL BE ANNEXED WITH THE DIRECTORS' REPORT**

The Compliance Certificate issued by Sanjay Sangani & Co., Company Secretaries, is attached and forming part of this Report.

**CORPORATE GOVERNANCE REPORT (Contd.)**

**U. TRANSFER OF EQUITY SHARES TO INVESTOR EDUCATION AND PROTECTION FUND AUTHORITY**

Pursuant to section 124 of the Act read with Rule 6 of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 as amended from time to time, all shares in respect of which dividend had not been paid or claimed for 7 (seven) consecutive years were required to be transmitted to Investor Education and Protection Fund Authority (IEPF Authority). Accordingly, 16,036 equity shares of ₹10/- each face value representing 620 folios which had not encashed dividend warrants for 7 (seven) consecutive years from the financial year 2013-14 were transmitted to IEPF Authority on 12<sup>th</sup> November 2021 (17,657 equity shares of ₹10/- each face value of 623 shareholders were transmitted to IEPF Authority on 10<sup>th</sup> September 2020 in the financial year 2020-21).

**BRIEF RESUME OF PERSON PROPOSED TO BE RE-APPOINTED AS DIRECTOR OF THE COMPANY AT THE ANNUAL GENERAL MEETING PURSUANT TO REGULATION 36(3) OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 AND SECRETARIAL STANDARDS ON GENERAL MEETINGS ISSUED BY THE INSTITUTE OF COMPANY SECRETARIES OF INDIA**

Name of the Director	Mr. Devajyoti N. Bhattacharya
Directors Identification Number (DIN)	00868751
Age	64 years
Date of Appointment	12 <sup>th</sup> October 2020
Qualification	Mechanical Engineering (NIT, Rourkela) and PG Diploma in Industrial Engineering (NITIE, Mumbai).
Nature of expertise	Corporate Management, Cornucopia of experiences (38 years) in India and overseas in corporate leadership, strategy, entrepreneurship, start-ups, teaching, media production and consulting.
Name of other companies in which holds directorship	A. Public Limited Companies <ul style="list-style-type: none"> <li>➤ T.V. Today Network Limited</li> <li>➤ Aditya Birla Solar Limited</li> <li>➤ Aditya Birla Idea Payments Bank Limited*</li> <li>➤ Aditya Birla Health Insurance Co. Limited</li> <li>➤ Living Media India Limited</li> <li>➤ Aditya Birla Renewables Limited</li> </ul> B. Private Limited Companies <ul style="list-style-type: none"> <li>➤ Krushak Mitra Agro Services Private Limited</li> <li>➤ Mail Today Newspapers Private Limited#</li> <li>➤ Aditya Birla Online Fashion Private Limited</li> <li>➤ Universal Learn Today Private Limited#</li> </ul> *Under liquidation #Deemed Public Company
Name of the companies in the committees of which also holds membership/ chairmanship	<ul style="list-style-type: none"> <li>➤ T.V. Today Network Limited- Member of Nomination and Remuneration Committee and Risk Management Committee</li> <li>➤ Living Media India Limited- Member of Audit Committee and Nomination and Remuneration Committee</li> <li>➤ Mail Today Newspapers Private Limited- Member of Audit Committee and Nomination and Remuneration Committee</li> <li>➤ Aditya Birla Solar Limited- Chairman of Corporate Social Responsibility Committee</li> </ul>
Names of listed companies from which resigned in the past three years	NA
Terms and conditions for appointment and re-appointment	Non-Executive Director liable to retire by rotation.
Remuneration last drawn	As mentioned under the head 'Remuneration of Directors'
Remuneration proposed to be paid	Entitled to sitting fees for the Board and Committee meetings attended and Commission as per the provisions of the Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
No. of shares held in the Company	Nil
Relationship with other Directors, Manager, Key Managerial Personnel of the Company	None
No. of Board meetings attended during the financial year	4 (four)



**DECLARATION ON COMPLIANCE OF THE COMPANY'S CODE OF CONDUCT**

All the members of the Board and Senior Management Personnel of the Company have affirmed due observance of the Code of Conduct, framed pursuant to Regulation 26(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, in so far as it is applicable to them and there is no non-compliance thereof during the financial year ended on 31<sup>st</sup> March 2022.

**Suresh Sodani**

Managing Director  
DIN: 08789604  
Place: Pune  
Date: 11<sup>th</sup> May 2022

**CEO/CFO CERTIFICATION**

Regulation 17(8) of the Listing Regulations

The Board of Directors  
Century Enka Limited

**We certify that:**

- A. We have reviewed the financial statements and the cash flow statement of 'the Company for the financial year ended on 31<sup>st</sup> March 2022 ('year') and that to the best of our knowledge and belief:
  - 1) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading; and
  - 2) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting. We have disclosed to the Company's Auditors and the Audit Committee of the Company's Board of Directors, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps taken or proposed to be taken to rectify the deficiencies.
- D. We have indicated to the Auditors and the Audit Committee:
  - 1) significant changes in the internal control, if any, over financial reporting during the year;
  - 2) significant changes in accounting policies during the year, if any, and that the same have been disclosed in the notes to the financial statements; and
  - 3) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Place: Pune  
Date: 11<sup>th</sup> May 2022

**Suresh Sodani**  
Managing Director  
DIN: 08789604

**Krishna Gopal Ladsaria**  
Chief Financial Officer

**CERTIFICATE**

To,

**The Members of Century Enka Limited**

We have examined the compliance of the conditions of Corporate Governance by Century Enka Limited ('the Company') for the year ended 31<sup>st</sup> March 2022, as stipulated in Regulations 17 to 27, clauses (b) to (i) and (t) of Regulation 46 (2) and para C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time ('Listing Regulations').

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

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance for the year ended 31<sup>st</sup> March 2022, as stipulated in the above mentioned Listing Regulations and as applicable.

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

**For Sanjay Sangani & Co.**

Company Secretaries  
Peer Review Certificate No.: 1689/2022

**Sanjay H. Sangani**

Proprietor  
M. No. : FCS 4090  
C.P. No. : 3847  
UDIN : F004090D000299418  
Mumbai, 11<sup>th</sup> May 2022

**CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS**

[Pursuant to Regulation 34(3) and Schedule V Para C Clause 10(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

To,

**The Members of Century Enka Limited**

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Century Enka Limited, having CIN L24304PN1965PLC139075 and having registered office at Plot No. 72 & 72-A, MIDC, Bhosari, Pune - 411026 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para C clause 10(i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company and its officers, we hereby certify that none of the Directors on the Board of the Company, as stated below for the financial year ending on 31<sup>st</sup> March 2022, has been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

Sr. No.	Name of Director	DIN	Date of appointment in the Company
1.	Mrs. Rajashree Birla	00022995	05/05/2015
2.	Mr. Sohanlal Kundanmal Jain	02843676	11/11/2009
3.	Mr. Krishna Shantilal Thar	00390137	27/11/2014
4.	Mrs. Krupa Rajen Gandhi	00294629	14/08/2020
5.	Mr. Suresh Sodani	08789604	01/09/2020
6.	Mr. Devajyoti Nirmal Bhattacharya	00868751	12/10/2020

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on this based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

**For Sanjay Sangani & Co.**

Company Secretaries  
Peer Review Certificate No.: 1689/2022

**Sanjay H. Sangani**

Proprietor  
M. No. : FCS 4090  
C.P. No. : 3847  
UDIN : F004090D000299429  
Mumbai, 11<sup>th</sup> May 2022

# BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT

## SECTION A: GENERAL DISCLOSURES

### I. Details of the listed entity

1	Corporate Identity Number (CIN) of the Listed Entity:	L24304PN1965PLC139075
2	Name of the Listed Entity:	Century Enka Limited
3	Year of incorporation:	1965
4	Registered office address:	Plot No. 72 & 72-A MIDC, Bhosari, Pune-411026, Maharashtra
5	Corporate address:	Plot No. 72 & 72-A MIDC, Bhosari, Pune-411026, Maharashtra
6	E-mail:	cel.investor@birlacentury.com
7	Telephone:	020-66127304
8	Website:	www.centuryenka.com
9	Financial year for which reporting is being done	2021-22
10	Name of the Stock Exchange(s) where shares are listed	i. BSE Limited ii. National Stock Exchange of India Limited
11	Paid-up Capital:	₹2,185 Lacs
12	Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report:	Mr. Rahul Dubey Company Secretary & Compliance Officer Tel. No.: 020-66127304 E-mail Id: cel.investor@birlacentury.com
13	Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e., only for the entity) or on a consolidated basis (i.e., for the entity and all the entities which form a part of its consolidated financial statements, taken together):	The disclosures under this report are made on a Standalone basis

### II. Products/services

14. Details of business activities (accounting for 90% of the turnover):

S. No.	Description of Main Activity	Description of Business Activity	% of Turnover of the entity
1	Manufacturing	Textile, leather and other apparel products	94.93

15. Products/Services sold by the entity (accounting for 90% of the entity's Turnover):

S. No.	Product/Service	NIC Code	% of total Turnover contributed
1	Nylon Tyre Cord Fabric	1399	49.98
2	Nylon Filament Yarn	2030	42.84

### III. Operations

16. Number of locations where plants and/or operations/offices of the entity are situated:

Location	Number of plants	Number of offices	Total
National	3*	4	7
International	-	-	-

\* Notes:

- Includes one plant located at Pune, Maharashtra which is also a registered office of the Company.
- Includes one site located at Mahad, Raigad which is not in operation.

## BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT (Contd.)

17. Markets served by the entity:

a. Number of locations

Locations	Number
National (No. of States)	17
International (No. of Countries)	7

b. What is the contribution of exports as a percentage of the total turnover of the entity?

The contribution of exports as a percentage of total turnover of the Company is 4.13 %.

c. A brief on types of customers

Business to Business (B2B)

### IV. Employees

18. Details as at the end of Financial Year:

a. Employees and workers (including differently abled):

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
EMPLOYEES						
1.	Permanent (D)	441	428	97.05	13	2.95
2.	Other than Permanent (E)	23	20	86.96	3	13.04
3.	Total employees (D + E)	464	448	96.55	16	3.45
WORKERS						
4.	Permanent (F)	1168	1168	100	-	-
5.	Other than Permanent (G)	552	549	99.46	3	0.54
6.	Total workers (F + G)	1720	1717	99.83	3	0.17

b. Differently abled Employees and workers:

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
DIFFERENTLY ABLED EMPLOYEES						
1.	Permanent (D)	1	1	100	-	-
2.	Other than Permanent (E)	-	-	-	-	-
3.	Total differently abled employees (D + E)	1	1	100	-	-
DIFFERENTLY ABLED WORKERS						
4.	Permanent (F)	2	2	100	-	-
5.	Other than permanent (G)	-	-	-	-	-
6.	Total differently abled workers (F + G)	2	2	100	-	-

19. Participation/Inclusion/Representation of women

	Total (A)	No. and percentage of Females	
		No. (B)	% (B / A)
Board of Directors	6	2	33
Key Management Personnel	3*	-	-

\* It includes Managing Director (Key Managerial Personnel), also covered under above head i.e., 'Board of Directors'.

**BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT (Contd.)**

20. Turnover rate for permanent employees and workers

(Disclose trends for the past 3 years)

	FY 2021-22 (Turnover rate in current FY)			FY 2020-21 (Turnover rate in previous FY)			FY 2019-20 (Turnover rate in the year prior to the previous FY)		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees & Workers	7.8%	24.0%	7.9%	7.5%	16%	7.6%	7.4%	24%	7.5%

**V. Holding, Subsidiary and Associate Companies (including joint ventures)**

21. (a) Names of holding / subsidiary / associate companies / joint ventures

S. No.	Name of the holding/ subsidiary/ associate companies/ joint ventures (A)	Indicate whether holding/ Subsidiary/ Associate/ Joint Venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
No Holding, Subsidiary, Associate and Joint Venture Company				

**VI. CSR Details**

22. (i) Whether CSR is applicable as per section 135 of Companies Act, 2013: Yes  
 (i) Turnover (₹): 2,09,783 lacs  
 (ii) Net worth (₹): 1,25,177 lacs

**VII. Transparency and Disclosures Compliances**

23. Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No) (If Yes, then provide web-link for grievance redress policy)*	FY 2021-22 Current Financial Year			FY 2020-21 Previous Financial Year		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities	Yes	Nil	Nil	-	Nil	Nil	-
Investors (Other than shareholders)	Yes	Nil	Nil	-	Nil	Nil	-
Shareholders	Yes	10	Nil	-	4	Nil	-
Employees and workers	Yes	Nil	Nil	-	Nil	Nil	-
Customers	Yes	16	Nil	-	12	Nil	-
Value Chain Partners	Yes	Nil	Nil	-	Nil	Nil	-
Other (please specify)				--			

\*Policies available on the website of the Company at www.centuryenka.com under restricted view/open view.

**BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT (Contd.)**

24. Overview of the entity's material responsible business conduct issues

Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications, as per the following format

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/ opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
Refer - Risks, Challenges and Opportunities					

**SECTION B: MANAGEMENT AND PROCESS DISCLOSURES**

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the NGRBC Principles and Core Elements.

Disclosure Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
<b>Policy and management processes</b>									
1. a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)*	Y	Y	Y	Y	Y	Y	Y	Y	Y
b. Has the policy been approved by the Board? (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
c. Web Link of the Policies, if available	Restricted view								
2. Whether the entity has translated the policy into procedures. (Yes/ No)	The concerned department have its own procedure to implement the same								
3. Do the enlisted policies extend to your value chain partners? (Yes/ No)	Vigil Mechanism/ Whistle Blower Policy are applicable to all stakeholders including value chain partners. All suppliers are accessed through vendor registration form. We have also incorporated certain aspects of sustainability during vendor registration to encourage suppliers towards initiative of a responsible supply chain.								
4. Name of the national and international codes/certifications/ labels/ standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustea) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	Refer Integrated Report for the financial year ended on 31 <sup>st</sup> March 2022								
5. Specific commitments, goals and targets set by the entity with defined timelines, if any.	The Company is in process of setting up targets								
6. Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.	Not applicable								
<b>Governance, leadership and oversight</b>									
7. Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements The Company has taken a step forward in the Environmental, Social and Governance (ESG) journey and has engaged with key stakeholders to understand issues material to them. This has helped in setting the direction for our sustainability endeavor. An ESG roadmap will help us in meeting our sustainability commitments. This year's Integrated report presents the financial and ESG performance.									
8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).	Board of Directors								
9. Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details.	Mr. Suresh Sodani, Managing Director								

**BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT (Contd.)**

10. Details of Review of NGRBCs by the Company:																		
Subject for Review	Indicate whether review was undertaken by Director / Committee of the Board/ Any other Committee									Frequency (Annually/ Half yearly/ Quarterly/ Any other – please specify)								
Performance against above policies and follow up action	Yes									Annually								
Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances	The Company complies with all the applicable laws.									Quarterly								
11. Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency.																		
P 1 P 2 P 3 P 4 P 5 P 6 P 7 P 8 P 9																		
No																		

\* The policies have been framed considering brief description and core elements mentioned in National Guidelines on Responsible Business Conduct issued by Ministry of Corporate affairs, Government of India.

12. If answer to question (1) above is "No" i.e. not all Principles are covered by a policy, reasons to be stated:

Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
The entity does not consider the Principles material to its business (Yes/No)	Not Applicable								
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)									
The entity does not have the financial or/human and technical resources available for the task (Yes/No)									
It is planned to be done in the next financial year (Yes/No)									
Any other reason (please specify)									

**SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE**

This section is aimed at helping entities demonstrate their performance in integrating the Principles and Core Elements with key processes and decisions. The information sought is categorized as "Essential" and "Leadership". While the essential indicators are expected to be disclosed by every entity that is mandated to file this report, the leadership indicators may be voluntarily disclosed by entities which aspire to progress to a higher level in their quest to be socially, environmentally and ethically responsible.

**BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT (Contd.)**

**PRINCIPLE 1**

**Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.**

**Essential Indicators**

1. Percentage coverage by training and awareness programmes on any of the Principles during the financial year:

Segment	Total number of training and awareness programmes held	Topics / principles covered under the training and its impact	% age of persons in respective category covered by the awareness programmes
Board of Directors	Refer- Human Capital		
Key Managerial Personnel			
Employees other than Board and KMPs			
Workers			

2. Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year, in the following format (Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on the entity's website):

Monetary					
NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Amount (In INR)	Brief of the Case	Has an appeal been preferred? (Yes/No)	
Penalty/ Fine		Nil			
Settlement					
Compounding fee					
Non-Monetary					
NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Brief of the Case	Has an appeal been preferred? (Yes/No)		
Imprisonment		Nil			
Punishment					

3. Of the instances disclosed in Question 2 above, details of the Appeal/ Revision preferred in cases where monetary or non-monetary action has been appealed.

Case Details	Name of the regulatory/ enforcement agencies/ judicial institutions
Not Applicable	

4. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy. Yes, the Company has Code of Conduct which covers principles on ethics, bribery and corruption.

**BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT (Contd.)**

5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption:

	FY 2021-22 (Current Financial Year)	FY 2020-21 (Previous Financial Year)
Directors	Nil	
KMPs		
Employees		
Workers		

6. Details of complaints with regard to conflict of interest:

	FY 2021-22 (Current Financial Year)		FY 2020-21 (Previous Financial Year)	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	Nil			
Number of complaints received in relation to issues of Conflict of Interest of the KMPs				

7. Provide details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest.

Not Applicable

**PRINCIPLE 2**

**Businesses should provide goods and services in a manner that is sustainable and safe**

**Essential Indicators**

1. Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.

	Current Financial Year	Previous Financial Year	Details of improvements in environmental and social impacts
R&D	Refer Annexure-I to the Directors' Report forms part of the Integrated Report for the financial year ended on 31 <sup>st</sup> March 2022		
Capex			

2. a. Does the entity have procedures in place for sustainable sourcing? (Yes/No)  
No, the Company is in process of developing the standardized procedures for sustainable sourcing.
- b. If yes, what percentage of inputs were sourced sustainably?  
The Company has undertaken various ESG assessments of its Supply Chain Partners and in process of standardize the onboarding process of suppliers considering the ESG Parameters.  
For instance, the Company is buying steam from the suppliers who are using renewable energy source as fuel for both plants i.e., Pune and Bharuch. The Company is using renewable energy source as a fuel for heater at Bharuch Plant.

3. Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste.

As of now, the Company is not reclaiming any products for reusing, recycling and disposing at its own end. However, at Pune site, the waste material generated during Nylon-6 production is used for production of Green Polymer.

4. Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes/ No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.  
Yes, EPR is applicable to the entity and the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan. The Company has entered into an agreement with 'The Shakti Plastic Industries' to ensure management of plastic waste (including collection, storage, transportation, recycling and disposal) on behalf of the Company in compliance with the Plastic Waste Management Rules, 2016 as amended from time to time.

**BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT (Contd.)**

**PRINCIPLE 3**

**Businesses should respect and promote the well-being of all employees, including those in their value chains**

**Essential Indicators**

1. a. Details of measures for the well-being of employees:

Category	% of employees covered by										
	Total (A)	Health Insurance		Accident Insurance		Maternity Benefits		Paternity benefits		Day Care facilities	
		Number (B)	% (B/A)	Number (B)	% (B/A)	Number (B)	% (B/A)	Number (B)	% (B/A)	Number (B)	% (B/A)
Permanent employees											
Male	428	428	100	428	100	-	-	-	-	-	-
Female	13	13	100	13	100	13	100	-	-	-	-
Total	441	441	100	441	100	13	2.95	-	-	-	-
Other than Permanent employees											
Male	20	-	-	20	100	-	-	-	-	-	-
Female	3	-	-	3	100	-	-	-	-	-	-
Total	23	-	-	23	100	-	-	-	-	-	-

- b. Details of measures for the well-being of workers:

Category	% of workers covered by										
	Total (A)	Health Insurance		Accident Insurance		Maternity Benefits		Paternity benefits		Day Care facilities	
		Number (B)	% (B/A)	Number (B)	% (B/A)	Number (B)	% (B/A)	Number (B)	% (B/A)	Number (B)	% (B/A)
Permanent workers											
Male	1168	1168	100	1168	100	-	-	-	-	-	-
Female	-	-	-	-	-	-	-	-	-	-	-
Total	1168	1168	100	1168	100	-	-	-	-	-	-
Other than Permanent workers											
Male	549	275	50.09	549	100	-	-	-	-	-	-
Female	3	3	100	3	100	-	-	-	-	-	-
Total	552	278	50.36	552	100	-	-	-	-	-	-

2. Details of retirement benefits, for Current FY and Previous Financial Year.

Benefits	FY 2021-22 Current Financial Year			FY 2020-21 Previous Financial Year		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
	PF	95.04	71.69	Y	93.23	71.74
Gratuity	95.04	67.90	Y	93.23	68.60	Y
ESI	0.86	0.35	Y	4.97	0.35	Y
Others-please specify	-	-	-	-	-	-

3. Accessibility of workplaces  
Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.  
Yes
4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.  
Yes



**BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT (Contd.)**

5. Return to work and Retention rates of permanent employees and workers that took parental leave.

Gender	Permanent employees		Permanent workers	
	Return to work rate	Retention rate	Return to work rate	Retention rate
Male	None of the employees and workers availed parental leave during the financial year 2021-22.			
Female				
Total				

6. Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief.

	Yes/No (If Yes, then give details of the mechanism in brief)
Permanent Workers	Yes
Other than Permanent Workers	Yes
Permanent Employees	Yes
Other than Permanent Employees	Yes

7. Membership of employees and worker in association(s) or Unions recognised by the listed entity:

Category	FY 2021-22 (Current Financial Year)			FY 2020-21 (Previous Financial Year)		
	Total employees / workers in respective category (A)	No. of employees / workers in respective category, who are part of association(s) or Union (B)	% (B / A)	Total employees / Workers in respective category (C)	No. of employees / workers in respective category, who are part of association(s) or Union (D)	% (D / C)
Total Permanent Employees						
- Male	428	-	-	400	-	-
- Female	13	-	-	13	-	-
Total Permanent Workers						
- Male	1168	486	41.61	1182	521	44.08
- Female	-	-	-	-	-	-

8. Details of training given to employees and workers:

Category	FY 2021-22 (Current Financial Year)				FY 2020-21 (Previous Financial Year)			
	Total (A)	On Health and safety measures		On Skill upgradation	Total (D)	On Health and safety measures		On Skill upgradation
		No. (B)	% (B / A)	No. (C)		% (C / A)	No. (E)	% (E / D)
Employees & Workers								
Male	Refer- Human Capital							
Female								
Total								

**BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT (Contd.)**

9. Details of performance and career development reviews of employees and worker:

Category	FY 2021-22 Current Financial Year			FY 2020-21 Previous Financial Year		
	Total (A)	No. (B)	% (B / A)	Total (C)	No. (D)	% (D / C)
Employees						
Male	464	404	87.06	422	378	89.57
Female	16	13	81.25	13	13	100
Total	480	417	86.87	435	391	89.88
Workers						
Male	1717	1162	67.67	1723	1176	68.25
Female	3	-	-	-	-	-
Total	1720	1162	67.67	1723	1176	68.25

10. Health and safety management system:

a. Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No). If yes, the coverage such system?

Yes, the Company has implemented occupational health and safety management system. 100% employees including contract labour are covered.

Refer- Human Capital

b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?

For identification of hazards, we conduct safety inspections, walk through of the plant, interviewing employees, referring Manuals, MSDS and other relevant documents related to process, equipment and services. We assess the risk using five by five matrix and determine appropriate ways to apply hierarchy of control to manage the risk.

c. Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks. (Y/N)

Yes

d. Do the employees/ worker of the entity have access to non-occupational medical and healthcare services? (Yes/ No)

Yes

11. Details of safety related incidents, in the following format:

Safety Incident/Number	Category	FY 2021-22 Current Financial Year	FY 2020-21 Previous Financial Year
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	0.22	0
	Workers	0.73	1.04
Total recordable work-related injuries	Employees	0	1
	Workers	4	2
No. of fatalities	Employees	0	0
	Workers	0	0
High consequence work-related injury or ill-health (excluding fatalities)	Employees	0	0
	Workers	0	0

12. Describe the measures taken by the entity to ensure a safe and healthy work place.

To ensure safe and healthy workplace, we always try to eliminate the hazard through selection of safe machineries & material and by replacing unsafe machineries & material with safe one, engineering safeguard, interlocks, and artificial intelligence. Apart from above, training, awareness, SOPs and enforcement to use Personal Protective equipment are in practice.

**BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT (Contd.)**

13. Number of Complaints on the following made by employees and workers:

	FY 2021-22 Current Financial Year			FY 2020-21 Previous Financial Year		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions						
Health & Safety			Nil			

14. Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	100
Working Conditions	100

15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions.

The activities undertaken continuously to address safety related incidents are Safety survey, workplace monitoring, exposure assessments with respect to Noise, Dust, Fumes & Gases etc., safety related motivational & promotional activities, Incident investigation & root cause analysis, Safety suggestions, Safety Campaigns, circulation of monthly safety bulletin and Incident case studies.

For more details, Refer- Human Capital.

**PRINCIPLE 4**

**Businesses should respect the interests of and be responsive to all its stakeholders**

**Essential Indicators**

- Describe the processes for identifying key stakeholder groups of the entity.  
Refer- Stakeholder Engagement & Materiality Assessment
- List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.  
Refer - Stakeholder Engagement & Materiality Assessment & Social and Relationship Capital

**BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT (Contd.)**

**PRINCIPLE 5**

**Businesses should respect and promote human rights**

**Essential Indicators**

1. Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:

Category	FY 2021-22 (Current Financial Year)			FY 2020-21 (Previous Financial Year)		
	Total (A)	No. employees / workers covered (B)	% (B/A)	Total (C)	No. employees / workers covered (D)	% (D/C)
Employees						
Permanent	-	-	-	-	-	-
Other than permanent	-	-	-	-	-	-
Total Employees	-	-	-	-	-	-
Workers						
Permanent	-	-	-	-	-	-
Other than permanent	-	-	-	-	-	-
Total Workers	-	-	-	-	-	-

2. Details of minimum wages paid to employees and workers, in the following format:

Category	FY (Current Financial Year)					FY (Previous Financial Year)				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		No. (B)	% (B / A)	No. (C)	% (C / A)		No. (E)	% (E / D)	No. (F)	% (F / D)
Employees										
<b>Permanent</b>										
Male	428	-	-	428	100	400	-	-	400	100
Female	13	-	-	13	100	13	-	-	13	100
<b>Other than Permanent</b>										
Male	20	-	-	20	100	27	-	-	27	100
Female	3	-	-	3	100	3	-	-	3	100
Workers										
<b>Permanent</b>										
Male	1168	-	-	1168	100	1182	-	-	1182	100
Female	-	-	-	-	-	-	-	-	-	-
<b>Other than Permanent</b>										
Male	549	209	38.01	340	61.93	541	174	32.16	367	67.84
Female	3	-	-	3	100	-	-	-	-	-

3. Details of remuneration/salary/wages, in the following format:

	Male		Female	
	Number	Median remuneration/ salary/ wages of respective category	Number	Median remuneration/ salary/ wages of respective category
Board of Directors (BoD)	Refer Annexure-III of the Directors Report which forms part of the Integrated Report for the financial year ended on 31 <sup>st</sup> March 2022			
Key Managerial Personnel				
Employees other than BoD and KMP				
Workers				

**BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT (Contd.)**

4. Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)

Yes, Human Resource department is responsible for addressing Human Rights issues.

5. Describe the internal mechanisms in place to redress grievances related to human rights issues.

Yes, the detailed mechanism is explained in Whistle Blower policy/ Vigil Mechanism of the Company.

6. Number of Complaints on the following made by employees and workers:

Category	FY 2021-22 (Current Financial Year)			FY 2020-21 (Previous Financial Year)		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual Harassment						
Discrimination at workplace						
Child Labour						
Forced Labour / Involuntary Labour			Nil			
Wages						
Other human rights related issues						

7. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.

Provided in POSH policy

8. Do human rights requirements form part of your business agreements and contracts?

(Yes/No)

No

9. Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child labour	
Forced/involuntary labour	
Sexual harassment	
Discrimination at workplace	Nil
Wages	
Others - please specify	

10. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 9 above.

Not Applicable

**BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT (Contd.)**

**PRINCIPLE 6**

**Businesses should respect and make efforts to protect and restore the environment**

**Essential Indicators**

1. Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:

Parameter	FY 2021-22 (Current Financial Year) [In Giga Jules (GJ)]	FY 2020-21 (Previous Financial Year) [In Giga Jules (GJ)]
Total electricity consumption (A)	8,21,009	5,75,531
Total fuel consumption (B)	5,27,408	4,82,294
Energy consumption through other sources (C)	3,68,889	2,73,557
<b>Total energy consumption (A+B+C)</b>	<b>17,17,306</b>	<b>13,31,382</b>
Energy intensity per rupee of turnover (Total energy consumption/turnover in rupees)	8.19 GJ/₹Lacs	10.89 GJ/₹Lacs
Energy intensity (optional) - the relevant metric may be selected by the entity	-	-

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

2. Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.

As per Bureau of Energy Efficiency (BEE) guidelines, the Company is declared as designated consumer (DC) under Performance, Achieve and Trade (PAT) Scheme. The Company has successfully achieved PAT cycle 1 targets and received 1395 no's ESCerts. For PAT cycle 2, ESCerts declared on negative side due to formulae error. The said matter has been taken, through consultant, to BEE to sort put issue. Now, the Company is under PAT cycle 3 stage, however, BEE has not yet declared target to achieve reduction of energy consumption.

3. Provide details of the following disclosures related to water, in the following format:

Parameter	FY 2021-22 (Current Financial Year)	FY 2020-21 (Previous Financial Year)
<b>Water withdrawal by source (in kilolitres)</b>		
(i) Surface water	4,46,749	5,06,860
(ii) Groundwater	4,50,018	4,19,514
(iii) Third party water	-	-
(iv) Seawater / desalinated water	-	-
(v) Others	-	-
<b>Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)</b>	<b>8,96,767</b>	<b>9,26,374</b>
<b>Total volume of water consumption (in kilolitres)</b>	<b>8,96,767</b>	<b>9,26,374</b>
<b>Water intensity per rupee of turnover (Water consumed / turnover) Kilolitres/₹Lacs</b>	<b>4.27</b>	<b>7.85</b>
Water intensity (optional) - the relevant metric may be selected by the entity	-	-

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

At Bharuch site, Water Audit Conducted by Confederation of Indian Industries (CII), Triveni Water Institute.

**BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT (Contd.)**

4. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.

At Pune site, Zero Liquid discharge system is implemented, 80% treated water used in Cooling Towers (CT) Make up & remaining 20% used in gardening. Bharuch site is in process of installing Zero Liquid Discharge with RO Capacity of 1625 CMD and Multiple Effect Evaporator (MEE)/ Agitated Thin Film Dryer (ATFD) Capacity of 50 CMD for further purification.

5. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:

Parameter	Please specify unit	FY 2021-22 (Current Financial Year)	FY 2020-21 (Previous Financial Year)
NOx	MT	36.25	23.3
Sox	MT	79.42	69.07
Particulate matter (PM)	MT	38.22	23.87
Persistent organic pollutants (POP)	-	-	-
Volatile organic compounds (VOC)	-	-	-
Hazardous air pollutants (HAP)	-	-	-
Others - please specify	-	-	-

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes, External Agency accredited by the Ministry of Environment and Forests (MoEF).

6. Provide details of green house gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:

Parameter	Unit	FY 2021-22 (Current Financial Year)	FY 2020-21 (Previous Financial Year)
Total Scope 1 emissions (Break-up of the GHG into CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> if available)	Metric tonnes of CO <sub>2</sub> equivalent	16,099	25,490
Total Scope 2 emissions (Break-up of the GHG into CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> if available)	Metric tonnes of CO <sub>2</sub> equivalent	1,68,372	1,23,940
Total Scope 1 and Scope 2 emissions per rupee of turnover	Metric tonnes of CO <sub>2</sub> equivalent/ ₹ Lacs	0.88	1.22
Total Scope 1 and Scope 2 emission intensity (optional) - the relevant metric may be selected by the entity	Tonne/MT	-	-

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

7. Does the entity have any project related to reducing Green House Gas emission? If Yes, then provide details.

Refer - Natural Capital

**BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT (Contd.)**

8. Provide details related to waste management by the entity, in the following format:

Parameter	FY 2021-22 (Current Financial Year)	FY 2020-21 (Previous Financial Year)
<b>Total Waste generated (in metric tonnes)</b>		
Plastic waste (A)	335	213.4
E-waste (B)	5.19	8.65
Bio-medical waste (C)	0.06	0.03
Construction and demolition waste (D)	4614	0
Battery waste (E)	0.25	1.38
Radioactive waste (F)	0	0
Other Hazardous waste. (Such as Discarded wastes, dipping waste etc.) (G)	2349.61	1979.46
Other Non-hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e. by materials relevant to the sector)	5464	3947
<b>Total (A+B + C + D + E + F + G + H)</b>	<b>12768.12</b>	<b>6149.92</b>
<b>For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)</b>		
<b>Category of waste</b>		
(i) Recycled	-	-
(ii) Re-used	-	-
(iii) Other recovery operations	-	-
<b>Total</b>	-	-
<b>For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)</b>		
<b>Category of waste</b>		
(i) Incineration	0.05	213
(ii) Landfilling	4780.75	165.09
(iii) Other disposal operations	7987.33	5771.83
<b>Total</b>	12768.12	6149.92

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

9. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.

S. No.	Waste	Disposal Method
1.	ETP Bio sludge	Secured Land filling
2.	Distillation Residue	Pre-Processing
3.	Glass Wool	Incineration
4.	Boiler Soot	Incineration
5.	Used / Spent Oil/ Waste Oil	Re-processing/Recycling
6.	Oil-Soaked Cotton	To Authorised Recycler
7.	Empty Container	Re-processing/Recycling
8.	Discarded Products/HDPE Bags	Re-processing/Recycling
9.	Dipping Sludge	Coprocessing
10.	Nylon Powder	Incineration
11.	Polymer/Yarn Waste	Recycling
12.	Cord waste/ Greige Fabric waste/Dipped Fabric waste	Recycling

**BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT (Contd.)**

10. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details in the following format:

S. No.	Location of operations/offices	Type of operations	Whether the conditions of environmental approval / clearance are being complied with? (Y/N) If no, the reasons thereof and corrective action taken, if any.
-	-	-	-

11. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:

Name and brief details of project	EIA Notification No.	Date	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
Expansion for adding of new dipping process and change in the disposal quantity of distillation residue from 200MT/A to 300 MT/A	SEIAA - EC-0000002200	18.03.2020	Yes	No	On MPCB web portal

12. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format:

The Company is compliant with the applicable environmental law/ regulations/ guidelines in India.

S. No.	Specify the law / regulation / guidelines which was not complied with	Provide details of the non-compliance	Any fines / penalties / action taken by regulatory agencies such as pollution control boards or by courts	Corrective action taken, if any
Not Applicable				

**PRINCIPLE 7**

**Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent**

**Essential Indicators**

- a. Number of affiliations with trade and industry chambers/ associations.  
The Company is affiliated with seven (7) trade and industry chambers/associations.
- b. List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to.

S. No.	Name of the trade and industry chambers/ associations	Reach of trade and industry chambers/ associations (State/National)
1	The Synthetic & Rayon Textiles Export Promotion Council	National
2	Association of Synthetic Fibre Industry (ASFI)	National
3	Indian Technical Textile Association (ITTA)	National
4	Mahratta Chamber of Commerce Industries and Agriculture, Pune (MCCIA)	State
5	Federation of Gujarat Industries	State
6	Jhagadia Industries Association	State
7	Nylon Spinners association	State

**BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT (Contd.)**

2. Provide details of corrective action taken or underway on any issues related to anti-competitive conduct by the entity, based on adverse orders from regulatory authorities.

Name of authority	Brief of the case	Corrective action taken
Not Applicable		

**PRINCIPLE 8**

**Businesses should promote inclusive growth and equitable development**

**Essential Indicators**

1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.

Name and brief details of project	SIA Notification No.	Date of notification	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
Not Applicable					

2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:

S. No.	Name of Project for which R&R is ongoing	State	District	No. of Project Affected Families (PAFs)	% of PAFs covered by R&R	Amounts paid to PAFs in the FY 2021-22 (In INR)
Not Applicable						

3. Describe the mechanisms to receive and redress grievances of the community.

Grievances of the community, if any, resolved through one-to-one meeting.

4. Percentage of input material (inputs to total inputs by value) sourced from suppliers:

	FY 2021-22 (Current Financial Year)	FY 2020-21 Previous Financial Year
Directly sourced from MSMEs	3.52	2.73
Sourced directly from within the district and neighbouring districts	34.54	41.98

**PRINCIPLE 9**

**Businesses should engage with and provide value to their consumers in a responsible manner**

**Essential Indicators**

1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.  
There is customer technical support cell in Marketing Department of the Company to support customer and redress their grievances. It resolves through consistent interaction with customers. The complaints which are technical in nature, resolve by Technical Department.  
Recent customer satisfaction survey received "A" rating from 50% customers.

**BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT (Contd.)**

2. Turnover of products and/ services as a percentage of turnover from all products/service that carry information about:

	As a percentage to total turnover
Environmental and social parameters relevant to the product	Not Applicable
Safe and responsible usage	
Recycling and/or safe disposal	

3. Number of consumer complaints in respect of the following:

	FY 2021-22 (Current Financial Year)		Remarks	FY 2020-21 (Previous Financial Year)		Remarks
	Received during the year	Pending resolution at end of year		Received during the year	Pending resolution at end of year	
Data privacy	-	-	-	-	-	-
Advertising	-	-	-	-	-	-
Cyber-security	-	-	-	-	-	-
Delivery of essential services	-	-	-	-	-	-
Restrictive Trade Practices	-	-	-	-	-	-
Unfair Trade Practices	-	-	-	-	-	-
Other	Mentioned at appropriate place in the Report					

4. Details of instances of product recalls on account of safety issues:

	Number	Reasons for recall
Voluntary recalls	-	-
Forced recalls	-	-

5. Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.

Yes, the Company has 'Information Systems Acceptable Use Policy' in place which is accessible to every employee of the Company and hosted on the website of the Company under restricted view.

6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services.

Not Applicable

## INDEPENDENT AUDITOR'S REPORT

To  
The Members of  
Century Enka Limited  
Report on the audit of the Standalone Financial Statements

obtained is sufficient and appropriate to provide a basis for our opinion on the Standalone Financial Statements.

### EMPHASIS OF MATTER

4. We draw attention to the fact that Note 46(b) of the Standalone Financial Statements wherein it is stated that, the Excise department had issued an order dated 31<sup>st</sup> December 2013 denying the applicability of Notification No. 6/2000 dated 1<sup>st</sup> March 2000 and raised a demand of ₹22,927 lacs plus interest thereon and penalty equivalent to duty demand amount. In this matter, CESTAT in its order dated 20<sup>th</sup> December 2019, upheld the denial of aforesaid notification and remanded back the matter to Central Excise Department to redetermine quantum of duty short paid, imposition of equal amount of penalty on redetermined amount of duty demand and applicable interest. The Commissioner, CGST & Central Excise, Raigad has re-determined assessable value pursuant to order of CESTAT and confirmed the demand amounting to ₹730 lacs (as against above demand of ₹22,927 lacs), interest at appropriate rate on the duty and equal amount of penalty vide its order dated 8<sup>th</sup> September 2020. Against the said order of the Commissioner, CGST & Central Excise, Raigad, Department has filed an appeal before the Appellate Tribunal. The Company's appeal in the matter is pending before the Hon'ble Supreme Court of India. The Company has deposited the amount of duty of ₹730 Lacs under protest. Based on expert legal advice and merits of the case, no provision has been considered necessary by the Company. Our opinion on the Standalone Financial Statements is not modified in respect of the above matter.

### KEY AUDIT MATTERS

5. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Standalone Financial Statements of the current year. These matters were addressed in the context of our audit of the Standalone Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

### OPINION

1. We have audited the accompanying standalone Ind AS financial statements of Century Enka Limited ("the Company"), which comprise the standalone balance sheet as at 31<sup>st</sup> March 2022, and the standalone statement of profit and loss (including other comprehensive income), standalone statement of changes in equity and standalone statement of cash flows for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information ("the Standalone Financial Statements").

2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Financial Statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31<sup>st</sup> March 2022, and its profit and other comprehensive income, changes in equity and its cash flows for the year then ended.

### BASIS FOR OPINION

3. We conducted our audit in accordance with the Standards on Auditing ("SAs") specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the Standalone Financial Statements under the provisions of the Act, and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have

Key Audit Matter	How the matter was addressed in our audit
<p><b>Inventory Valuation</b></p> <ul style="list-style-type: none"> <li>The Company has significant balances of inventory as on 31<sup>st</sup> March 2022 (refer note 9 to the Standalone Financial Statements)</li> <li>Inventories are valued at lower of cost or net realizable value (NRV). Cost is determined using weighted average cost method</li> <li>Valuation of inventories can be subjective due to inherent uncertainty due to volatility in prices of raw material and volatility in prices of finished goods due to changes in consumer demands</li> <li>Determination of whether inventory will be realized for value less than cost requires management to exercise judgement and apply assumption</li> <li>Because of size, inherent uncertainty in volatility in prices of raw material, assumption and complexities involved in inventory valuation, this is considered key audit matter.</li> </ul>	<p><b>Our procedures included:</b></p> <ul style="list-style-type: none"> <li>Obtaining understanding of production process and testing of key controls over recognition and measurement of inventory</li> <li>For sample locations, conducted physical verification of inventories at the year end</li> <li>For sample of inventory items, re-performed the weighted average cost calculation</li> <li>Obtaining management's calculation and relevant supporting for inventory valuation, validated mathematical accuracy of production costs and agreed the same with financial statements</li> <li>Assessing reasonableness of assumption and judgements applied by management in inventory valuation including evaluating consistencies with management's prior period estimations</li> <li>Assessing appropriateness of NRV estimated by management, on sample basis, by comparing NRV to recent market prices</li> <li>Obtaining and re-performing the calculation of inventory write down based on ageing and NRV of inventory</li> <li>Comparing historical trend of prices of raw material and finished goods to determine appropriateness of valuation of inventory</li> </ul>

INDEPENDENT AUDITOR'S REPORT (Contd.)

**OTHER INFORMATION**

6. The Company's Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the Standalone Financial Statements and our auditors' report thereon. The Other Information is expected to be made available to us after the date of this auditor's report.
7. Our opinion on the Standalone Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.
8. In connection with our audit of the Standalone Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Standalone Financial Statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

**MANAGEMENT'S RESPONSIBILITY FOR THE STANDALONE FINANCIAL STATEMENTS**

9. The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act, with respect to the preparation of these Standalone Financial Statements that give a true and fair view of the state of affairs, profit and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian accounting standards ("Ind AS") specified 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 of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.
10. In preparing the Standalone Financial Statements, the 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 the management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.
11. The Board of Directors are also responsible for overseeing the Company's financial reporting process.

**AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS**

12. Our objectives are to obtain reasonable assurance about whether the Standalone Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Standalone Financial Statements.
13. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
  - 13.1. Identify and assess the risks of material misstatement of the Standalone Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
  - 13.2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to Standalone Financial Statements in place and the operating effectiveness of such controls.
  - 13.3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
  - 13.4. Conclude on the appropriateness of the management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Standalone Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
  - 13.5. Evaluate the overall presentation, structure and content of the Standalone Financial Statements, including the disclosures, and whether the Standalone Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

14. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
15. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
16. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Standalone Financial Statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

**REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS**

17. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
18. As required by Section 143(3) of the Act, we report that:
  - 18.1. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - 18.2. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - 18.3. The standalone balance sheet, the standalone statement of profit and loss including other comprehensive income, the statement of changes in equity and the standalone cash flow statement dealt with by this Report are in agreement with the books of account.
  - 18.4. In our opinion, the aforesaid Standalone Financial Statements comply with the Ind AS specified under Section 133 of the Act.
  - 18.5. On the basis of the written representations received from the directors as on 31 March 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2022 from being appointed as a director in terms of Section 164(2) of the Act.
  - 18.6. With respect to the adequacy of the internal financial controls with reference to Standalone Financial Statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
  - 18.7. In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors

during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act.

19. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - 19.1. The Company has disclosed the impact of pending litigations as at 31<sup>st</sup> March 2022 on its financial position in its Standalone Financial Statements - Refer Note 46(d) to the Standalone Financial Statements;
  - 19.2. The Company has made provision, as required under the applicable law or Ind AS, for material foreseeable losses, if any, on long-term contracts including derivative contracts - Refer Note 46(c) to the Standalone Financial Statements;
  - 19.3. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
  - 19.4. The management has represented that no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries. Based on reasonable audit procedures adopted by us, nothing has come to our notice that such representation contains any material misstatement.
  - 19.5. The management has represented that no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries. Based on reasonable audit procedures adopted by us, nothing has come to our notice that such representation contains any material misstatement.
  - 19.6. In our opinion and according to the information and explanations given to us, the dividend declared and / or paid during the year the Company is in compliance with Section 123 of the Act.

**For Khimji Kunverji & Co LLP**

Chartered Accountants  
Firm Registration Number: 105146W/W100621

**Gautam V Shah**  
Partner

Place: Mumbai  
Date: 11<sup>th</sup> May 2022

ICAI Membership No: 117348  
UDIN: 22117348AITJYU6666

**Annexure “A” to the Independent Auditor’s Report on the Standalone Financial Statements of Century Enka Limited for the year ended 31<sup>st</sup> March 2022**

(Referred to in paragraph 17 under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date)

- i. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of Property, Plant and Equipment (“PPE”).  
The Company is maintaining proper records showing full particulars of intangible assets.
- (b) The Company has a regular programme of physical verification of its PPE by which all PPE are verified in a phased manner over a period of 2 years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, certain PPE were physically verified by the management during the year. In our opinion, and according to the information and explanations given to us, no material discrepancies were noticed on such verification.
- (c) In our opinion and according to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of all the immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) disclosed in the financial statements are held in the name of the Company except as follows;

(₹/ Lacs)

Description of property	Gross carrying value	Held in name of	Whether promoter, director or their relative or employee	Period held	Reason for not being held in name of company
Freehold Land	2	Ex Whole Time Director	NA	1982 Till date	Housing Society allows individual to own the land

- (d) In our opinion and according to the information and explanations given to us, the Company has not revalued its PPE (including Right of Use assets) or intangible assets or both during the year.
- (e) In our opinion and according to the information and explanations given to us and on the basis of our examination of the records of the Company, no proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.
- ii. (a) In our opinion and according to the information and explanations given to us, the physical verification of inventories has been conducted at reasonable intervals by the management and, the coverage and procedure of such verification by the management is appropriate. The

- discrepancies noticed on verification between the physical stocks and the book records have been properly dealt with in the books of account. In respect of goods-in-transit, subsequent goods receipts have been verified.
- (b) In our opinion and according to the information and explanations given to us, the Company has been sanctioned working capital limits in excess of rupees five crore, in aggregate, from banks or financial institutions which are secured on the basis of security of current assets. The quarterly returns or statements filed by the Company with such banks or financial institutions are in agreement with the books of account of the Company.
- iii. (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has made investments in companies. The Company has provided any guarantee or security, granted any loans or advances in the nature of loans, secured or unsecured, to firms, limited liability partnership or any other parties during the year. The details are mentioned in the following table.

(₹/ Lacs)

Particulars	Guarantees	Security	Loans	Advances in the nature of loans
Aggregate amount granted/ provided during the year				
Others	-	-	-	-
Balance outstanding as at balance sheet date in respect of above cases				
Others	-	-	-	20

- (b) In our opinion and according to the information and explanations given to us, the investments made, guarantees provided, security given and the terms and conditions of the grant of all loans and advances in the nature of loans and guarantees provided are not prejudicial to the Company’s interest.
- (c) There is no stipulated schedule of repayment of principal and payment of interest on advances in the nature of loan granted by the company.
- (d) No amount is overdue in respect of loans and advances in the nature of loans.
- (e) In our opinion and according to the information and explanations given to us, neither loans or advances in nature of loans have been renewed or extended nor any

fresh loans have been granted to settle the overdue of existing loans.

- (f) The Company has not granted any loans or advances in the nature of loans to Promoters/Related Parties (as defined in section 2(76) of the Act which are either repayable on demand or without specifying any terms or period of repayment.
- iv. 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 or amounts which are deemed to be deposits from the public during the year in terms of directives issued by the Reserve Bank of India or the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed there under. Accordingly, paragraph 3(v) of the Order is not applicable to the Company.
- vi. We have broadly reviewed the books of account maintained by the Company as specified under section 148(1) of the Act, for the maintenance of cost records in respect of products manufactured by the Company, and are of the opinion that prima

facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

- vii. (a) In our opinion and according to the information and explanations given to us, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including Goods and Services Tax, provident fund, employees’ state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues have been regularly deposited by the Company with the appropriate authorities.  
According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees’ state insurance, income-tax, Goods and Services Tax, duty of customs, cess and other material statutory dues were in arrears as at 31<sup>st</sup> March 2022 for a period of more than six months from the date they became payable.
- (b) In our opinion and according to the information and explanations given to us, we confirm that the following dues of Goods and Services Tax, provident fund, employees’ state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues, have not been deposited to/with the appropriate authority on account of any dispute.

(₹/ Lacs)

Name of the Statute	Nature of the Dues	Amount*	Period to which amount relates	Forum where dispute is pending ^
Income tax Act, 1961	Income tax, interest and Penalty	118	A.Y. 2004-2005	Calcutta High Court
		50	A.Y. 2008-2009	Income Tax Appellate Tribunal
Central Excise Act, 1944	Excise Duty and Penalty	730#	2000 to 2003	Supreme Court
		185	2007-08 to 2010-2011	Custom, Excise and Service Tax Appellate Tribunal
Finance Act, 1994	Service Tax	141	2009-10 to 2013-14	Custom, Excise and Service Tax Appellate Tribunal
Gujarat Sales Tax Act, 1969	Sales Tax including interest & Penalty	599	2000 to 2001	Joint Commissioner of Commercial Tax

^Exclude matters in respect of which favourable order has been received at various appellate authorities.

\* Net of amounts paid under protest.

# Interest to be determined at appropriate rate by the Central excise authorities.

- viii. In our opinion and according to the information and explanations given to us and on the basis of our examination of the records of the Company, we confirm that we have not come across any transactions not recorded in the books of account which have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.
- ix. (a) In our opinion, the Company has not defaulted in repayment of loans or other borrowings to financial institutions, banks, or in the payment of interest thereon to any lender.  
(b) According to the information and explanations given to us and on the basis of our audit procedures, we report

that the Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority or any other lender.

- (c) In our opinion and according to the information and explanations given to us, the Company has utilized the money obtained by way of term loans during the year for the purposes for which they were obtained.
- (d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the financial statements of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.



- (e) The Company did not have Subsidiary, Joint venture and Associates during the year and hence, reporting under clause (ix), (e) is not applicable.
- (f) The Company did not have Subsidiary, Joint venture and Associates during the year and hence, reporting under clause (ix), (f) is not applicable.
- x. (a) The Company did not raise money by way of initial public offer or further public offer (including debt instruments) during the year.
- (b) The Company has not made any preferential allotment / private placement of shares / fully / partly / optionally convertible debentures during the year.
- xi. (a) In our opinion and according to the information and explanations given to us, there has been no fraud by the Company or any fraud on the Company that has been noticed or reported during the year.
- (b) In our opinion and according to the information and explanations given to us, no report under sub-section (12) of section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.
- xii. (a) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable to the Company.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv. (a) In our opinion and based on our examination, the Company has an internal audit system commensurate with the size and nature of its business.
- (b) We have considered the internal audit reports of the Company issued till date, for the period under audit.
- xv. According to the information and explanations given to us, in our opinion during the year the Company has not entered into any non-cash transactions with its directors or persons connected with its directors. Accordingly, paragraph 3(xv) of the Order is not applicable to the Company and hence provisions of section 192 of the Act, 2013 are not applicable to the Company.
- xvi. (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) of the Order is not applicable.
- (b) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable.
- (c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.
- (d) According to the information and explanations given to us, the Group does not have any Core Investment Company (CIC) as part of the Group as per the definition of Group contained in the Core Investment Companies (Reserve Bank) Directions, 2016 and hence the reporting under clause (xvi)(d) of the Order is not applicable.
- xvii. The Company has not incurred any cash losses in the financial year and in the immediately preceding financial year.
- xviii. There has been no resignation of the statutory auditors during the year and accordingly this clause is not applicable / paragraph 3(xviii) of the Order is not applicable.
- xix. According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- xx. The company has fully spent the required amount towards Corporate Social Responsibility (CSR) and there are no unspent CSR amount for the year requiring a transfer of Fund specified in Schedule VII to the Companies Act or special account in compliance with provision of sub-section (6) of section 135 of said Act. Accordingly, reporting under clause (xx) of the order is not applicable for the year.
- xxi. The Company did not have Subsidiary, Joint venture and Associates during the year and hence, reporting under clause (xxi) is not applicable.

**For Khimji Kunverji & Co LLP**

Chartered Accountants

Firm Registration Number: 105146W/W100621

**Gautam V Shah**

Partner

Place: Mumbai

Date: 11<sup>th</sup> May 2022

ICAI Membership No: 117348

UDIN: 22117348AITJYU6666

**Annexure "B" to the Independent Auditors' report on the Standalone Financial Statements of Century Enka Limited for the year ended 31<sup>st</sup> March 2022**

(Referred to in paragraph "18.6" under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

**Report on the Internal Financial Controls with reference to the aforesaid Standalone Financial Statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013.**

**OPINION**

1. We have audited the internal financial controls with reference to the Standalone Financial Statements of Century Enka Limited as at 31<sup>st</sup> March 2022 in conjunction with our audit of the Standalone Financial Statements of the Company for the year ended on that date.
2. In our opinion, the Company has, in all material respects, an adequate internal financial controls with reference to the Standalone Financial Statements and such internal financial controls were operating effectively as at 31<sup>st</sup> March 2022, based on the internal controls over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ("the Guidance Note").

**Management's responsibility for Internal Financial Controls**

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

**Auditor's responsibility**

4. Our responsibility is to express an opinion on the Company's internal financial controls with reference to the Standalone Financial Statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing ("SA"), prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to the Standalone Financial Statements. Those SAs and the Guidance Note require that we comply with the ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to the Standalone Financial Statements were established and maintained and whether such controls operated effectively in all material respects.
5. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to the Standalone Financial Statements and their operating effectiveness. Our audit of internal financial controls with reference to the Standalone Financial Statements included obtaining an understanding of internal financial controls with reference to the Standalone Financial Statements,

assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the Standalone Financial Statements, whether due to fraud or error.

6. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to the Standalone Financial Statements.

**Meaning of Internal Financial Controls with reference to the Standalone Financial Statements**

7. A company's internal financial controls with reference to the Standalone Financial Statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Standalone Financial Statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to the Standalone Financial Statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Standalone Financial Statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the Standalone Financial Statements.

**Inherent Limitations of Internal Financial Controls with reference to the Standalone Financial Statements**

8. Because of the inherent limitations of internal financial controls with reference to the Standalone Financial Statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to the Standalone Financial Statements to future periods are subject to the risk that the internal financial controls with reference to the Standalone Financial Statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**For Khimji Kunverji & Co LLP**

Chartered Accountants

Firm Registration Number: 105146W/W100621

**Gautam V Shah**

Partner

Place: Mumbai

Date: 11<sup>th</sup> May 2022

ICAI Membership No: 117348

UDIN: 22117348AITJYU6666



## BALANCE SHEET

AS AT 31<sup>ST</sup> MARCH 2022

₹/ lacs			
Particulars	Note No.	As at 31 <sup>st</sup> March 2022	As at 31 <sup>st</sup> March 2021
<b>(A) ASSETS</b>			
<b>Non-Current Assets</b>			
Property, Plant and Equipment	3	46,689	48,096
Capital Work-in-Progress	3(a)	6,834	176
Right-of-Use Assets	4	716	743
Other Intangible Assets	5	211	322
<b>Financial Assets</b>			
Investments	6	2,602	1,321
Others	7	234	209
Other Non-Current Assets	8	2,399	1,100
<b>Total Non Current Assets</b>		<b>59,685</b>	<b>51,967</b>
<b>Current Assets</b>			
Inventories	9	30,799	19,100
<b>Financial Assets</b>			
Investments	10	23,385	28,888
Trade Receivables	11	23,933	23,236
Cash and Cash Equivalents	12	559	826
Bank Balances other than Cash & Cash Equivalents	13	6,652	5,162
Others	14	369	619
Current Tax Assets (Net)		-	297
Other Current Assets	15	5,977	2,823
<b>Total Current Assets</b>		<b>91,674</b>	<b>80,951</b>
<b>Non-Current Assets Classified as held for sale</b>	16	<b>900</b>	<b>1,100</b>
<b>TOTAL ASSETS</b>		<b>1,52,259</b>	<b>1,34,018</b>
<b>(B) EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity Share Capital	17	2,185	2,185
Other Equity		1,22,883	1,06,704
<b>Total Equity</b>		<b>1,25,068</b>	<b>1,08,889</b>
<b>Non-Current Liabilities</b>			
<b>Financial Liabilities</b>			
Borrowings	18	616	497
Lease Liabilities	19	406	457
Others	20	245	264
Provisions	21	1,131	1,147
Deferred Tax Liabilities (Net)	22	7,323	7,813
Other Non-Current Liabilities	23	266	262
<b>Total Non-Current Liabilities</b>		<b>9,987</b>	<b>10,440</b>
<b>Current Liabilities</b>			
<b>Financial Liabilities</b>			
Borrowings	24	419	314
Lease Liabilities	19	51	47
Trade payables	25		
i) Total outstanding dues of Micro and Small enterprises		645	629
ii) Total outstanding dues of Creditors other than above		11,415	12,092
Others	26	3,381	714
Other Current Liabilities	27	920	706
Provisions	28	247	187
Current Tax Liabilities (Net)	29	126	-
<b>Total Current Liabilities</b>		<b>17,204</b>	<b>14,689</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>1,52,259</b>	<b>1,34,018</b>
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. LLP**  
Chartered Accountants  
(FRN 105146W/W100621)

**S. K. Jain**  
Director  
DIN: 02843676

**Suresh Sodani**  
Managing Director  
DIN: 08789604

**Gautam V. Shah**  
Partner  
Membership No. 117348

Place : Pune  
Date: 11<sup>th</sup> May 2022

**K. G. Ladsaria**  
Chief Financial Officer

**Rahul Dubey**  
Company Secretary

Place : Mumbai  
Date: 11<sup>th</sup> May 2022

## STATEMENT OF PROFIT & LOSS

FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2022

₹/ lacs			
Particulars	Note No.	Year Ended 31 <sup>st</sup> March 2022	Year Ended 31 <sup>st</sup> March 2021
I Revenue From Operations	30	2,09,783	1,22,280
II Other Income	31	2,063	2,202
<b>III Total Income (I+II)</b>		<b>2,11,846</b>	<b>1,24,482</b>
<b>IV EXPENSES</b>			
Cost of Materials Consumed	32	1,29,454	64,714
Purchases of Stock-in-Trade		8,820	3,609
Changes in inventories of Finished goods, Stock-in -Trade and work-in-progress	33	(5,574)	3,199
Employee Benefits Expense	34	11,529	10,121
Power and Fuel		20,786	14,687
Finance Costs	35	124	155
Depreciation and Amortization Expense	3, 4 & 5	3,962	4,088
Other Expenses	36	18,339	13,915
<b>Total expenses (IV)</b>		<b>1,87,440</b>	<b>1,14,488</b>
<b>V Profit before Exceptional Items and Tax Expense (III- IV)</b>		<b>24,406</b>	<b>9,994</b>
VI Exceptional Items	45	-	(819)
<b>VII Profit before Tax (V+VI)</b>		<b>24,406</b>	<b>9,175</b>
VIII Tax Expense/(Credit):	40		
(1) Current Tax		6,501	2,741
(2) (Excess)/Short Provision of Tax relating to earlier years		(127)	(196)
(3) Deferred Tax		(384)	(462)
<b>IX Profit for the Year (VII-VIII)</b>		<b>18,416</b>	<b>7,092</b>
<b>X Other Comprehensive Income</b>			
A (i) Items that will not be reclassified to profit or loss		(142)	1,093
(ii) Income tax relating to items that will not be reclassified to profit or loss		(30)	(22)
B (i) Items that will be reclassified to profit or loss		(423)	-
(ii) Income tax relating to items that will be reclassified to profit or loss		106	-
<b>XI Total Comprehensive Income for the year (IX+X)</b>		<b>17,927</b>	<b>8,163</b>
(Comprising Profit and Other Comprehensive Income for the year)			
<b>XII Earnings per equity share in ₹ (Face value per share ₹10 each):</b>			
(1) Basic	44	<b>84.28</b>	<b>32.46</b>
(2) Diluted		<b>84.28</b>	<b>32.46</b>
Significant Accounting Policies	1 & 2		

The accompanying notes are an integral part of these Financial Statements

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

For and on behalf of the Board of Directors

**For Khimji Kunverji & Co. LLP**  
Chartered Accountants  
(FRN 105146W/W100621)

**S. K. Jain**  
Director  
DIN: 02843676

**Suresh Sodani**  
Managing Director  
DIN: 08789604

**Gautam V. Shah**  
Partner  
Membership No. 117348

Place : Pune  
Date: 11<sup>th</sup> May 2022

**K. G. Ladsaria**  
Chief Financial Officer

**Rahul Dubey**  
Company Secretary

Place : Mumbai  
Date: 11<sup>th</sup> May 2022



# CASH FLOW STATEMENT

FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2022

Particulars	₹/ lacs	
	Year Ended 31 <sup>st</sup> March 2022	Year Ended 31 <sup>st</sup> March 2021
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
<b>Profit Before Tax</b>	24,406	9,175
<b>Adjustment for:</b>		
Depreciation and Amortisation	3,962	4,088
Finance cost	124	155
Unrealised Exchange Loss /(Gain)	(39)	5
Allowances for Credit Losses on Debts	-	537
Bad Debts Written-off	101	-
Fair value movement in derivative instruments	12	204
Interest Income	(797)	(275)
Dividend Received	-	(1)
Fair Value of Investments through Profit and Loss Statement	505	(1,013)
Profit on sale of Current Investments (Net)	(1,279)	(546)
Liabilities/Provisions no longer required written back	(24)	(41)
Amortization of Government Grant (TUF Capital Subsidy)	(15)	(15)
(Profit) / Loss on sale / write off of Property, Plant and Equipments (Net)	(309)	(11)
Impairment loss on Asset Held for Sale	200	83
Exceptional Item (Refer Note 45)	-	819
<b>Operating Profit Before Working Capital Changes</b>	26,847	13,164
<b>Adjustment for:</b>		
Trade payable and other liability	(148)	2,596
Trade Receivables	(802)	(8,540)
Inventories	(11,699)	4,141
Financial and other Assets	(2,661)	2,364
<b>Cash Generated From Operations</b>	11,537	13,725
Direct Taxes Paid (net of refunds)	(5,981)	(2,858)
<b>Net Cash From Operating Activities (A)</b>	<b>5,556</b>	<b>10,867</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Property, Plant and Equipments	(8,577)	(1,258)
Sale of Property, Plant and Equipments	472	43
Interest Received	729	27
Dividend Received	-	1
Deposit with Banks (Maturity period upto 12 Months)	(1,485)	(4,958)
Deposits with Financial Institutions	(1,911)	(5,889)
Purchase of Non-Current Investments	(344)	-
(Purchase)/Sale of Current Investments (Net)	6,988	4,434
<b>Net Cash From Investing Activities (B)</b>	<b>(4,128)</b>	<b>(7,600)</b>

₹/ lacs

Particulars	₹/ lacs	
	Year Ended 31 <sup>st</sup> March 2022	Year Ended 31 <sup>st</sup> March 2021
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from Long Term Borrowings	520	-
Repayment of Long Term Borrowings	(297)	(908)
Repayment of Lease Liability	(47)	(35)
Proceeds/(Repayment) in Short-term Borrowings (Net)	1	(5)
Payment of Interest on Lease Liability	(39)	(34)
Payment of Interest on Borrowings	(85)	(129)
Equity Dividend Paid	(1,748)	(1,748)
<b>Net Cash From Financing Activities (C)</b>	<b>(1,695)</b>	<b>(2,859)</b>
<b>D. NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	(267)	408
Closing Balance of Cash and Cash Equivalents	559	826
Opening Balance of Cash and Cash Equivalents	826	418

### Reconciliation of Closing Cash and Cash Equivalents with Balance Sheet

₹/ lacs

Particulars	₹/ lacs	
	As at 31 <sup>st</sup> March 2022	As at 31 <sup>st</sup> March 2021
Cash On hand [Including Cheques ₹Nil ( Previous Year ₹2 Lacs )]	3	5
With Banks		
In Current Accounts	556	819
In Deposit Accounts maturing within 3 months	-	2
<b>Total</b>	<b>559</b>	<b>826</b>

Notes:

- The above Cash Flow Statement has been prepared under the " Indirect Method " set out in Indian Accounting Standard (Ind - AS) - 7 on Statement of Cash Flow.
- Figures in bracket indicate cash outflow.
- Previous year comparatives have been reclassified to confirm with current year's presentation, wherever applicable.

The accompanying notes are an integral part of these Financial Statements

This is the Cash Flow statement referred to in our report of even date.

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

**For Khimji Kunverji & Co. LLP**  
Chartered Accountants  
(FRN 105146W/W100621)

**S. K. Jain**  
Director  
DIN: 02843676

**Suresh Sodani**  
Managing Director  
DIN: 08789604

Place : Mumbai  
Date: 11<sup>th</sup> May 2022

**Gautam V. Shah**  
Partner  
Membership No. 117348

Place : Pune  
Date: 11<sup>th</sup> May 2022

**K. G. Ladsaria**  
Chief Financial Officer

**Rahul Dubey**  
Company Secretary



# STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2022

## (A) EQUITY SHARE CAPITAL

Year Ended 31 <sup>st</sup> March 2022			For the year ended 31 <sup>st</sup> March 2021		
Balance as at 1 <sup>st</sup> April 2021	Changes in equity shares capital during the year ended	Balance As at 31 <sup>st</sup> March 2022	Balance as at 1 <sup>st</sup> April 2020	Changes in equity shares capital during the year ended	Balance as at 31 <sup>st</sup> March 2021
2,185	-	2,185	2,185	-	2,185

## (B) OTHER EQUITY

FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2022

Particulars	Reserves and Surplus							TOTAL
	Capital Reserve	Capital redemption Reserve	Securities Premium	General Reserve	Retained Earnings	Cash Flow Hedges Reserve	FVOCI-Equity Instruments	
Balance at 1 <sup>st</sup> April 2021	48	186	3,225	40,566	62,208	-	471	1,06,704
Profit for the Year (1)	-	-	-	-	18,416	-	-	18,416
<b>Other Comprehensive Income:</b>								
Remeasurement of the net defined benefit liability/asset, net of tax liability (₹30 Lacs) effect (2)	-	-	-	-	91	-	-	91
Equity instruments through other comprehensive income (3)	-	-	-	-	-	-	(263)	(263)
Effective portion of Gains / (Loss) on hedging instruments net of tax liability (₹106 Lacs) effect(4)	-	-	-	-	-	(317)	-	(317)
<b>Total Comprehensive Income ( 1 to 4 )</b>	-	-	-	-	18,507	(317)	(263)	17,927
Dividend Paid for the FY 20-21	-	-	-	-	(1,748)	-	-	(1,748)
<b>Balance at 31<sup>st</sup> March 2022</b>	<b>48</b>	<b>186</b>	<b>3,225</b>	<b>40,566</b>	<b>78,967</b>	<b>(317)</b>	<b>208</b>	<b>1,22,883</b>

For the year ended 31<sup>st</sup> March 2021

Particulars	Reserves and Surplus							TOTAL
	Capital Reserve	Capital redemption Reserve	Securities Premium	General Reserve	Retained Earnings	Cash Flow Hedges Reserve	FVOCI-Equity Instruments	
Balance at 1 <sup>st</sup> April 2020	48	186	3,225	39,566	57,800	-	(536)	1,00,289
Profit for the Year (1)	-	-	-	-	7,092	-	-	7,092
<b>Other Comprehensive Income:</b>								
Remeasurement of the net defined benefit liability/asset, net of tax benefit (₹22 Lacs) effect (2)	-	-	-	-	64	-	-	64
Equity instruments through other comprehensive income (3)	-	-	-	-	-	-	1,007	1,007
<b>Total Comprehensive Income ( 1 to 4 )</b>	-	-	-	-	7,156	-	1,007	8,163
Dividend Paid for the FY 19-20	-	-	-	-	(1,748)	-	-	(1,748)
Transfer to General Reserves	-	-	-	1,000	(1,000)	-	-	-
<b>Balance at 31<sup>st</sup> March 2021</b>	<b>48</b>	<b>186</b>	<b>3,225</b>	<b>40,566</b>	<b>62,208</b>	<b>-</b>	<b>471</b>	<b>1,06,704</b>

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 in accordance with the provision of the Companies Act, 2013.
- Security Premium** - Premium received on issue of equity shares credited to Securities Premium Reserve. It can be utilised in accordance with the provision of the Companies Act, 2013.
- Cashflow Hedge Reserve:** The Company has designated its hedging instruments as cash flow hedges and any effective portion of cashflow hedge is maintained in the said reserve. In case the hedging becomes ineffective, the amount is recognised in the Statement of Profit and Loss

The accompanying notes are an integral part of these financial statements

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

For and on behalf of the Board of Directors

**For Khimji Kunverji & Co. LLP**  
Chartered Accountants  
(FRN 105146W/W100621)

**S. K. Jain**  
Director  
DIN: 02843676

**Suresh Sodani**  
Managing Director  
DIN: 08789604

Place : Mumbai  
Date: 11<sup>th</sup> May 2022

**Gautam V. Shah**  
Partner  
Membership No. 117348

Place : Pune  
Date: 11<sup>th</sup> May 2022

**K. G. Ladsaria**  
Chief Financial Officer

**Rahul Dubey**  
Company Secretary

# 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 (referred to as "Ind AS") prescribed under section 133 of the Companies Act, 2013 ("the Act") read with Companies (Indian Accounting Standards) Rules as amended from time to time and other relevant provisions of the Act and guidelines issued by the Securities and Exchange Board of India (SEBI), as applicable.

The financial statements are authorized for issue by the Board of Directors of the Company at their meeting held on 11<sup>th</sup> May 2022.

### (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:

- Derivative Financial Instruments measured at fair value
- Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments)
- Employee's Defined Benefit Plan as per actuarial valuation
- Assets held for sale measured at lower of carrying value and fair value less costs to sell.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date under current market conditions, regardless of whether that price is directly observable or estimated using another valuation technique. In determining the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

#### Functional and Presentation Currency

The financial statements are presented in Indian Rupees, which is the functional currency of the Company and the currency of the primary economic environment in which the Company operates.

#### Classification of Assets and Liabilities into Current/Non-Current

The Company has ascertained its operating cycle as twelve months for the purpose of Current / Non-Current classification of its Assets and Liabilities.

For the purpose of Balance Sheet, an asset is classified as current if:

- It is expected to be realised, or is intended to be sold or consumed, in the normal operating cycle; or
- It is held primarily for the purpose of trading; or
- It is expected to realise the asset within twelve months after the reporting period; or
- 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:

- It is expected to be settled in the normal operating cycle; or
- It is held primarily for the purpose of trading; or
- It is due to be settled within twelve months after the reporting period; or
- The Company does not have an unconditional right to defer the settlement of the liability for at least twelve months after the reporting period. Terms of a liability that could result in its settlement by the issue of equity instruments at the option of the counterparty does not affect this classification.

All other liabilities are classified as non-current.

### (c) Property, Plant and Equipment (PPE):

The PPE are stated at cost less accumulated depreciation and accumulated impairment loss.

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

## NOTES

### TO THE FINANCIAL STATEMENTS (Contd.)

Statement of Profit and Loss in the period in which the costs are incurred.

Any gain or loss on disposal of an item of PPE is recognized in statement of Profit and Loss.

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

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

**(d) Expenditure during construction period:**

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

**(e) Depreciation:**

Depreciation is the systematic allocation of the depreciable amount of PPE over its useful life and is provided on a straight-line basis over the useful lives as prescribed in Schedule II to the Act or as per technical assessment. Freehold land with indefinite life is not depreciated.

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

In case of certain classes of PPE, the Company uses different useful lives than those prescribed in Schedule II to the Act. The useful lives have been assessed based on technical advice, taking into account the nature of the PPE and the estimated usage of the asset on the basis of management’s best estimation of obtaining economic benefits from those classes of assets. The estimated useful life is reviewed periodically, with the effect of any changes in estimate being accounted for on a prospective basis.

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

No	Nature	Useful life
1	Leasehold Assets – Plant & Machinery	Upto 25 years
2	Leasehold Assets – Other than Plant & Machinery	Lease Period
3	Stores and Spares Parts in the nature of PPE	5 to 25 Years
4	Motor Cars given to the employees as per the Company’s Scheme	4 years
5	Assets individually costing less than or equal to ₹5,000	Fully Depreciated in the year of purchase

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

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

**(f) Intangible Assets and Amortisation:**

▪ **Internally generated Intangible Assets:**

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

▪ **Intangible Assets acquired separately:**

Intangible assets that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment, if any. Cost comprises the purchase price (net of tax / duty credits availed wherever applicable) and any directly attributable cost of bringing the assets to its working condition for its intended use. The Company determines the amortisation period as the period over which the future economic benefits will flow to the Company after taking into account all relevant facts and circumstances. The estimated useful life and amortisation method are reviewed periodically, with the effect of any changes in estimate being accounted for on a prospective basis.

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

No	Nature	Useful life
1	Software	6 Years

## NOTES

### TO THE FINANCIAL STATEMENTS (Contd.)

Residual value for the intangible assets is considered as Nil. An intangible asset is derecognised on disposal, or when no future economic benefits are expected from its use or disposal. Gains or losses arising from derecognition of an item of intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of such item of intangible asset and are recognised in the statement of profit & loss when the asset is derecognised

**(g) Impairment of Non-Financial Assets:**

At the end of each reporting period, the Company reviews the carrying amounts of non-financial assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in Statement of Profit and Loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the Statement of Profit and Loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

**(h) Financial Instruments:**

A Financial Instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets and financial liabilities are recognized when a Company becomes a party to the contractual provisions of the instruments.

**Initial Recognition:**

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

**Classification and Subsequent Measurement: Financial Assets**

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

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

**Amortised Cost:**

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

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

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.

## NOTES

TO THE FINANCIAL STATEMENTS (Contd.)

### Fair Value through OCI:

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

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

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

### Fair Value through Profit or Loss:

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

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

### Classification and Subsequent Measurement: Financial liabilities

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

#### Financial Liabilities at FVTPL:

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

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

#### Other Financial Liabilities:

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

#### Impairment of financial assets:

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

#### Derecognition of financial assets:

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

On derecognition of a financial asset, other than equity investments classified as FVOCI, in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset.

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

#### (i) Financial liabilities and equity instruments:

##### ▪ Classification as debt or equity

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

## NOTES

TO THE FINANCIAL STATEMENTS (Contd.)

### ▪ Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a Company are recognised at the proceeds received.

#### (j) Derecognition of Financial Liabilities:

The Company de-recognises financial liabilities when and only when, the Company's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability de-recognised and the consideration paid and payable is recognised in the statement of profit and loss.

#### (k) Inventories:

##### Inventories are valued as follows:

##### ▪ Raw materials, Fuel, Store & Spare Parts and Packing materials

Raw materials are valued at lower of cost and net realisable value (NRV). However, these items are considered to be realisable at cost, if the finished products, in which they will be used, are expected to be sold at or above cost. Fuel, Stores & Spare parts and Packing materials are valued at cost. Cost is determined on weighted average basis. The cost of inventory comprises its purchase price, including non-refundable purchase taxes, and any directly attributable costs related to the inventories.

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

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

##### ▪ Waste / Scrap:

Waste / Scrap and Byproduct inventory is valued at NRV.

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

#### (l) Cash and cash equivalents:

Cash and cash equivalents in the Balance Sheet comprise cash at bank, cheques and cash in hand and short-term deposits with banks that are readily convertible into cash which are subject to insignificant risk of changes in value and are held for the purpose of meeting short-term cash commitments.

#### (m) Assets held for Sale:

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and sale is considered highly probable. They are measured at the lower of its carrying amount and fair value less costs to sell.

An impairment loss is recognised for any initial or subsequent write-down of the assets to fair value less cost to sell. A gain is recognised for any subsequent increases in fair value less cost to sell of an asset, but not in excess of any cumulative impairment loss previously recognised.

No depreciation or amortization is charged for assets classified as held for sale.

#### (n) Borrowing Costs:

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

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

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

#### (o) Government Grants and Subsidies:

Government grants are 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.

## NOTES

### TO THE FINANCIAL STATEMENTS (Contd.)

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

**(p) Leases:**

**Company as a Lessee**

The company recognizes right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the right-of-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs incurred. The right-of-use asset is depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the statement of profit and loss.

The Company measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the company uses incremental borrowing rate. The lease payments shall include fixed payments, variable lease payments, residual value guarantees, exercise price of a purchase option where the Company is reasonably certain to exercise that option and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

The Company elected to use the recognition exemptions for lease contracts that, at the commencement date, have a lease term of 12 months or less and do not contain a purchase option ('short-term leases') and lease contracts for which the underlying asset is of low value (low-value assets)

**Company as a Lessor**

Leases for which the Company is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

The Company recognises lease payments received under operating leases as income on a straight- line basis over the lease term.

**(q) Derivative financial instruments:**

The Company enters into derivative financial instruments viz. foreign exchange forward contracts to manage foreign exchange risks. The Company does not hold derivative financial instruments for speculative purposes.

Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in statement of profit and loss immediately excluding derivatives designated as cashflow hedge.

**(r) Hedge accounting:**

The Company designates certain hedging instruments in respect of foreign currency risk, interest rate risk and commodity price risk as cash flow hedges. At the inception of the hedge relationship, the entity documents the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the Company documents whether the hedging instrument is highly effective in offsetting changes in fair values or cash flows of the hedged item attributable to the hedged risk.

The effective portion of changes in the fair value of the designated portion of derivatives that qualify as cash flow hedges is recognised in OCI and accumulated under equity. The gain or loss relating to the ineffective portion is recognised immediately in the statement of profit and loss.

Amounts previously recognised in OCI and accumulated in equity relating to effective portion as described above are reclassified to Statement of Profit and Loss in the periods when the hedged item affects the Statement of Profit and Loss, in the same line as the recognised hedged item. However, when the hedged forecast transaction results in the recognition of a non-financial asset or a non-financial liability, such gains and losses are transferred from equity and included in the initial measurement of the cost of the non-financial asset or non-financial liability.

Hedge accounting is discontinued prospectively when the hedging instrument expires or is sold, terminated, or exercised, or when it no longer qualifies for hedge accounting. Any gain or loss recognised in OCI and accumulated in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised the Statement of Profit and Loss. When a forecast transaction is no longer expected to occur, the gain or loss accumulated in equity is recognised immediately in the Statement of Profit and Loss.

## NOTES

### TO THE FINANCIAL STATEMENTS (Contd.)

**(s) Revenue Recognition:**

**Sale of goods:**

The company derives revenue primarily from manufacturing and selling of Synthetic Yarn and related goods.

Revenue on sales of goods are recognized when the customer obtains control of the specified goods.

To recognize revenues, company applies the following five step approach: (1) identify the contract with a customer, (2) identify the performance obligations in the contract, (3) determine the transaction price, (4) allocate the transaction price to the performance obligations in the contract, and (5) recognize revenues when a performance obligation is satisfied.

The Company accounts for variable considerations like, volume discounts, rebates and pricing incentives to customers as reduction of revenue on a systematic and rational basis over the period of the contract. Revenues are shown net of goods and services tax and applicable discounts and allowances.

The Company does not expect to have any contracts where the period between the transfer of goods and payment by customer exceeds one year. Hence, the Company does not adjust revenue for the time value of money.

Government grants in the nature of export incentives are accounted for in the period of export of goods if the entitlements can be estimated with reasonable accuracy and conditions precedent to claim are reasonably expected to be fulfilled.

**Other Income:**

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

**(t) Employee benefits:**

**Gratuity:**

Gratuity being defined benefit plan, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Re-measurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the Balance Sheet with a charge or credit recognised in Other Comprehensive Income (OCI) in the period in which they occur. Re-measurement recognised in OCI is reflected immediately in retained earnings and will not be reclassified to Statement of Profit and Loss. Past service cost is recognised in the Statement of Profit and Loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. The costs are categorised as follows:

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- net interest expense or income; and
- re-measurement

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

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

**Superannuation:**

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

**Employee's Family Pension**

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

**Provident Fund**

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

## NOTES

### TO THE FINANCIAL STATEMENTS (Contd.)

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

#### Other Short-term and other long-term employee benefits

Liabilities for wages, salaries and bonus (as per the payment of bonus Act, 1965) including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees and workmen render the related service are recognized in respect of employee's services up to the end of the reporting period and are measured at the amount expected to be paid when the liabilities are settled.

#### Compensated Absences

The Accumulated compensated absences, which are expected to be availed or encashed within 12 months from the end of the year are treated as short term employee benefits. The obligation towards the same is measured at the expected cost of accumulating compensated absences as the additional amount expected to be paid as a result of the unused entitlement as at the year end.

Accumulated compensated absences, which are expected to be availed or encashed beyond 12 months from the end of the year are treated as other long-term employee benefits. The company's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. Actuarial losses/gains are recognised in the Statement of Profit and Loss in the year in which they arise.

#### (u) Foreign Currency transactions:

In preparing the financial statements of the Company, transactions in currencies other than the Company's functional currency (i.e. foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are translated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate as at the date of initial transactions.

Exchange differences on monetary items are recognised in the Statement of Profit and Loss in the period in which they arise except for exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings.

#### (v) Income Taxes:

Income Tax expenses comprise current tax and deferred tax charge or credit.

Current Tax is measured on the basis of estimated taxable income for the current accounting period in accordance with the applicable tax rates and the provisions of the Income-tax Act, 1961 and other applicable tax laws.

Deferred tax is provided, on all temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred tax assets and liabilities are measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted at the reporting date. Tax relating to items recognised directly in equity or OCI is recognised in equity or OCI and not in the Statement Profit and Loss.

Current tax assets and liabilities are offset when there is a legally enforceable right to set off recognized amount and there is intention to settle the assets and liabilities on net basis.

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

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. Minimum Alternate Tax ("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.

#### (w) Earnings Per Share:

The basic Earnings Per Share ("EPS") is computed by dividing the net profit / (loss) after tax for the year attributable to the equity shareholders by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, net profit / (loss) after tax for the year attributable to the equity shareholders and the weighted average number of equity shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

## NOTES

### TO THE FINANCIAL STATEMENTS (Contd.)

#### (x) Provisions, Contingent Liabilities and Contingent Assets:

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources, that can be reliably estimated, will be required to settle such an obligation.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows to net present value using an appropriate pre-tax discount rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Unwinding of the discount is recognised in the Statement of Profit and Loss as a finance cost. Provisions are reviewed at each reporting date and are adjusted to reflect the current best estimate.

A present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made, is disclosed as a contingent liability. Contingent liabilities are also disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company.

Claims against the Company where the possibility of any outflow of resources in settlement is remote, are not disclosed as contingent liabilities.

Contingent assets are not recognised in financial statements since this may result in the recognition of income that may never be realised. However, when the realisation of income is virtually certain, then the related asset is not a contingent asset and is recognised.

### 2A CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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

#### Key assumptions:

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

#### (i) Useful Lives of Property, Plant & Equipment and Intangible Assets:

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

#### (ii) Fair value measurement of financial instruments:

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

#### (iii) Defined benefit plans:

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

#### (iv) Asset held for sale:

The company has used certain judgements and estimates to determine fair value of asset held for sale. Fair value has determined on basis of independent external valuation and quotes from dealer of similar assets.



## NOTES

TO THE FINANCIAL STATEMENTS (Contd.)

### 3 PROPERTY, PLANT AND EQUIPMENT (PPE)

	Land	Buildings (Refer Note a & b)	Plant & Machinery (Refer Note c)	Furniture & Fixtures	Office equip- ments	Vehicles	Total
₹/ Lacs							
For the year 20-21							
<b>As at 1<sup>st</sup> April 2020</b>	336	9,129	59,406	99	132	294	69,396
Add: Additions			1,256	5	65	9	1,335
Less: Disposals/Adjustment			193			36	229
Less: Asset classified as held for sale (Refer Note 16)			202				202
<b>As at 31<sup>st</sup> March 2021</b>	<b>336</b>	<b>9,129</b>	<b>60,267</b>	<b>104</b>	<b>197</b>	<b>267</b>	<b>70,300</b>
<b>Accumulated Depreciation:</b>							
As at 1 <sup>st</sup> April 2020		1,944	15,637	49	84	137	17,851
Add: Depreciation during the year		371	3,482	9	33	38	3,933
Less: Disposals/Adjustment			190			7	197
Less: Asset classified as held for sale (Refer Note 16)			202				202
Add: Impairment (Refer Note 45)	-	-	819	-	-	-	819
<b>As at 31<sup>st</sup> March 2021</b>	<b>-</b>	<b>2,315</b>	<b>19,546</b>	<b>58</b>	<b>117</b>	<b>168</b>	<b>22,204</b>
<b>Net carrying amount As at 31<sup>st</sup> March 2021</b>	<b>336</b>	<b>6,814</b>	<b>40,721</b>	<b>46</b>	<b>80</b>	<b>99</b>	<b>48,096</b>
<b>For the year 21-22</b>							
As at 1 <sup>st</sup> April 2021	336	9,129	60,267	104	197	267	70,300
Add: Additions		101	2,113	13	106	229	2,562
Less: Disposals/Adjustment			312		12	114	438
<b>As at 31<sup>st</sup> March 2022</b>	<b>336</b>	<b>9,230</b>	<b>62,068</b>	<b>117</b>	<b>291</b>	<b>382</b>	<b>72,424</b>
<b>Accumulated Depreciation:</b>							
As at 1 <sup>st</sup> April 2021	-	2,315	19,546	58	117	168	22,204
Add: Depreciation during the year		361	3,334	11	51	49	3,806
Less: Disposals/Adjustment			166		12	97	275
<b>As at 31<sup>st</sup> March 2022</b>	<b>-</b>	<b>2,676</b>	<b>22,714</b>	<b>69</b>	<b>156</b>	<b>120</b>	<b>25,735</b>
<b>Net carrying amount As at 31<sup>st</sup> March 2022</b>	<b>336</b>	<b>6,554</b>	<b>39,354</b>	<b>48</b>	<b>135</b>	<b>262</b>	<b>46,689</b>

- a) Includes Land ₹2 Lacs and ₹500 being the cost of 5 shares in a co-operative housing society held in the name of a nominee of the Company  
b) Includes ₹250 being the cost of 5 shares in co-operative societies.  
c) Rupee Term Loans are secured by hypothecation of specific Plant and Machinery against which Loans have been taken.

3.1 The Company has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets or both during the current or previous year.

3.2 The Title deeds of all the immovable properties are held in the Name of Company except as follows

Description of Property	Carrying Value	Title in name of	Property held since	Reason for not being held in company's name
Freehold Land	₹2 Lacs	Ex. Whole time director	1982	Housing Society only allows individual to own the land

### 3 (a) CAPITAL WORKING IN PROGRESS - AGING SCHEDULE\*

Capital Working in Progress	Amount in Capital Working in Progress for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
₹/ Lacs					
<b>2020-21</b>					
Projects in progress	161	15			<b>176</b>
<b>2021-22</b>					
Projects in progress	6,818	16			<b>6,834</b>

\* There is no overdue or cost exceed for the projects in progress

## NOTES

TO THE FINANCIAL STATEMENTS (Contd.)

### 4 RIGHT OF USE ASSETS ( IND AS 116)

	Land	Plant & Machinery	Total
₹/ Lacs			
<b>For the year 20-21</b>			
As at 1 <sup>st</sup> April 2020	207	591	798
Add: Additions			-
Less: Disposals/Adjustment			-
<b>As at 31<sup>st</sup> March 2021</b>	<b>207</b>	<b>591</b>	<b>798</b>
<b>Accumulated Depreciation:</b>			
As at 1 <sup>st</sup> April 2020	4	23	27
Add: Depreciation during the year	5	23	28
Less: Disposals/Adjustment			-
<b>As at 31<sup>st</sup> March 2021</b>	<b>9</b>	<b>46</b>	<b>55</b>
<b>Net carrying amount As at 31<sup>st</sup> March 2021</b>	<b>198</b>	<b>545</b>	<b>743</b>
<b>For the year 21-22</b>			
As at 1 <sup>st</sup> April 2021	207	591	798
Add: Additions			
Less: Disposals/Adjustment			
<b>As at 31<sup>st</sup> March 2022</b>	<b>207</b>	<b>591</b>	<b>798</b>
<b>Accumulated Depreciation:</b>			
As at 1 <sup>st</sup> April 2021	9	46	55
Add: Depreciation during the year	4	23	27
Less: Disposals/Adjustment			
<b>As at 31<sup>st</sup> March 2022</b>	<b>13</b>	<b>69</b>	<b>82</b>
<b>Net carrying amount As at 31<sup>st</sup> March 2022</b>	<b>194</b>	<b>522</b>	<b>716</b>

### 5 INTANGIBLE ASSETS

	Computer Softwares
₹/ Lacs	
<b>For the year 20-21</b>	
<b>As at 1<sup>st</sup> April 2020</b>	<b>718</b>
Add: Additions	10
Less: Disposals	
<b>As at 31<sup>st</sup> March 2021</b>	<b>728</b>
<b>Accumulated Amortisation:</b>	
As at 1 <sup>st</sup> April 2020	277
Add: Amortisation during the year	129
Less: Disposals	
<b>As at 31<sup>st</sup> March 2021</b>	<b>406</b>
<b>Net carrying amount As at 31<sup>st</sup> March 2021</b>	<b>322</b>
<b>For the year 21-22</b>	
<b>As at 1<sup>st</sup> April 2021</b>	<b>728</b>
Add: Additions	18
Less: Disposals	
<b>As at 31<sup>st</sup> March 2022</b>	<b>746</b>
<b>Accumulated Amortisation:</b>	
<b>As at 1<sup>st</sup> April 2021</b>	<b>406</b>
Add: Amortisation during the year	129
Less: Disposals	
<b>As at 31<sup>st</sup> March 2022</b>	<b>535</b>
<b>Net carrying amount As at 31<sup>st</sup> March 2022</b>	<b>211</b>

## NOTES

TO THE FINANCIAL STATEMENTS (Contd.)

### 6 NON-CURRENT INVESTMENTS

			₹/ Lacs	
			As at	As at
			31 <sup>st</sup> March 2022	31 <sup>st</sup> March 2021
Investments in Equity Shares (fully paid up)	Number of Shares	Face Value Per Share		
<b>1) Quoted Investments</b>				
<b>Fair value through Other Comprehensive Income</b>				
Kesoram Industries Limited	20,85,481	10	1,091	986
(Subscribed to right issue of 681496 shares during the year)	(14,03,985)			
Kesoram Textiles Mills Limited	5,84,994	2	-	-
(Received during the year 1999-2000 without any consideration pursuant to scheme of arrangement of Kesoram Industries Limited)	(5,84,994)			
Birla Tyres Limited	14,03,985	10	293	320
(Received during the year financial year 2019-20 without any consideration pursuant to scheme of demerger of Tyre unit of Kesoram Industries limited)	(1,403,985)			
<b>2) Unquoted Investments</b>				
<b>Fair Value through profit or loss</b>				
BEIL Infrastructure Limited	10,220	10	1	1
	(10,220)			
MMA CETP Co-operative Society Limited	12,895	100	13	13
	(12,895)			
Bhadreshwar Vidyut Private Limited	19,47,000	0.10	4	1
	(7,77,000)			
<b>3) Unquoted Investments at Amortised Cost</b>				
Fixed Deposit with Financial Institutions with maturity more than 12 months			1,200	-
			<b>2,602</b>	<b>1,321</b>
Note: Figures in bracket represents previous year numbers				
<b>Aggregate amount of:</b>				
Quoted Investments			1,384	1,306
Unquoted Investments			1,218	15

### 7 OTHER NON-CURRENT FINANCIAL ASSETS

			₹/ Lacs	
			As at	As at
			31 <sup>st</sup> March 2022	31 <sup>st</sup> March 2021
<b>(Unsecured, Considered Good)</b>				
Security Deposits			214	189
Advances			20	20
			<b>234</b>	<b>209</b>

### 8 OTHER NON-CURRENT ASSETS

			₹/ Lacs	
			As at	As at
			31 <sup>st</sup> March 2022	31 <sup>st</sup> March 2021
Capital Advances			1,577	78
Others				
Balances with Government authorities			800	979
Prepaid Expense			22	43
			<b>2,399</b>	<b>1,100</b>

## NOTES

TO THE FINANCIAL STATEMENTS (Contd.)

### 9 INVENTORIES

			₹/ Lacs	
			As at	As at
			31 <sup>st</sup> March 2022	31 <sup>st</sup> March 2021
<b>(Valued at lower of cost or Net Realisable Value) (Unless otherwise stated)</b>				
Raw Material [Including in transit ₹1189 Lacs (Previous Year ₹3165 Lacs)]			14,990	9,236
Stock-in-Process			3,983	3,133
Finished goods [Including in transit ₹1387 Lacs (Previous Year ₹807 Lacs)]			8,894	4,170
Stores, Spares and Packing Material & Fuel (at cost)			2,932	2,561
[Including in transit ₹183 Lacs (Previous Year ₹45 lacs)]				
			<b>30,799</b>	<b>19,100</b>

The Company follows adequate accounting policy for writing down the value of Stores and Spares towards slow moving, non-moving and surplus Inventories ₹264 Lacs ( Previous year ₹Nil)

Provision on Stock-in-Process / Finished goods for the period is ₹100 Lacs (31<sup>st</sup> March 2021 ₹29 Lacs).

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

### 10 CURRENT INVESTMENTS

			₹/ Lacs	
			As at	As at
			31 <sup>st</sup> March 2022	31 <sup>st</sup> March 2021
<b>a) Quoted Investments (Fair value through profit or loss)</b>				
Exchange Traded Funds			102	-
<b>b) Unquoted Investments (Fair value through profit or loss)</b>				
Units of various schemes of Mutual Funds			16,683	22,999
<b>c) Amortised cost</b>				
Fixed Deposit with Financial Institutions			6,600	5,889
			<b>23,385</b>	<b>28,888</b>
Aggregate amount of Quoted Investments			102	-
Aggregate amount of Unquoted Investments			23,283	28,888

### 11 TRADE RECEIVABLES

			₹/ Lacs	
			As at	As at
			31 <sup>st</sup> March 2022	31 <sup>st</sup> March 2021
Considered good - Secured			180	128
Considered good - Unsecured			23,753	23,108
Significant increase in Credit Risk			714	714
			<b>24,647</b>	<b>23,950</b>
Less: Allowance for credit losses			(714)	(714)
			<b>23,933</b>	<b>23,236</b>

#### Trade Receivables ageing schedule as at 31<sup>st</sup> March 2022

Particulars	Outstanding for following periods from due date of payment						Total
	Not Due	Less than 6 months	Less than 1 year	1-2 years	2-3 years	More than 3 years	
<b>Undisputed Trade receivables</b>							
a) Considered good	22,232	1,701	-	-			23,933
b) Significant increase in credit risk	-	-	402	30	282		714
Allowance for credit losses			-	(402)	(30)	(282)	(714)
<b>Total</b>	<b>22,232</b>	<b>1,701</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>23,933</b>



## NOTES

TO THE FINANCIAL STATEMENTS (Contd.)

### Trade Receivables ageing schedule as at 31<sup>st</sup> March 2021

Particulars	Outstanding for following periods from due date of payment						Total
	Not Due	Less than 6 months	Less than 1 year	1-2 years	2-3 years	More than 3 years	
<b>Undisputed Trade receivables</b>							
a) Considered good	21,991	1,120	-	-	125	-	23,236
b) Significant increase in credit risk	-	118	284	30	282	-	714
Allowance for credit losses	-	(118)	(284)	(30)	(282)	-	(714)
<b>Total</b>	<b>21,991</b>	<b>1,120</b>	<b>-</b>	<b>-</b>	<b>125</b>	<b>-</b>	<b>23,236</b>

### 12 CASH AND CASH EQUIVALENTS

₹/ Lacs

	As at 31 <sup>st</sup> March 2022	As at 31 <sup>st</sup> March 2021
<b>Cash and Cash equivalents</b>		
Cash on Hand	3	3
Cheques on Hand	-	2
<b>Bank Balances</b>		
In Current Accounts	556	819
In Deposits within 3 months original maturity	-	2
	<b>559</b>	<b>826</b>

### 13 BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

₹/ Lacs

	As at 31 <sup>st</sup> March 2022	As at 31 <sup>st</sup> March 2021
Fixed Deposits with Banks (Maturing more than three months and upto 12 months)*	6,455	4,970
Unpaid Dividend Accounts	197	192
	<b>6,652</b>	<b>5,162</b>

\* Fixed Deposits includes deposit of ₹3913 lacs (Previous Year ₹123 Lacs) held as margin against Bank Guarantees and Letter of Credit

### 14 OTHER CURRENT FINANCIAL ASSETS

₹/ Lacs

	As at 31 <sup>st</sup> March 2022	As at 31 <sup>st</sup> March 2021
Insurance Claims Receivables	-	344
Interest Accrued on Deposits	315	247
Others	54	28
	<b>369</b>	<b>619</b>

### 15 OTHER CURRENT ASSETS

₹/ Lacs

	As at 31 <sup>st</sup> March 2022	As at 31 <sup>st</sup> March 2021
Advances to Suppliers	433	538
Prepaid Expense	129	118
Statutory Receivables	5,378	2,037
Others	37	130
	<b>5,977</b>	<b>2,823</b>

## NOTES

TO THE FINANCIAL STATEMENTS (Contd.)

### 16 ASSETS CLASSIFIED AS HELD FOR SALE

₹/ Lacs

	As at 31 <sup>st</sup> March 2022	As at 31 <sup>st</sup> March 2021
Plant & Machinery*	900	1,100

\*The Company has identified Gas Engines and Waste heat recovery boiler for sale which are not in use. Impairment loss of ₹200 Lacs (Previous year ₹83 Lacs) recognised during the year with respect to these assets based on the expected fair value less cost to sell, the same has been grouped under "Other Expenses" in Statement of Profit and Loss.

### 17 SHARE CAPITAL

₹/ Lacs

	As at 31 <sup>st</sup> March 2022	As at 31 <sup>st</sup> March 2021
<b>Authorised:</b>		
1,00,000 Redeemable Cumulative Preference Shares of ₹100.00 each (As at 31 <sup>st</sup> March 2021 - 1,00,000 Shares)	100	100
3,30,00,000 Equity Shares of ₹10.00 each (As at 31 <sup>st</sup> March 2021 - 3,30,00,000 Shares)	3,300	3,300
1,00,000 Unclassified Shares of ₹100.00 each (As at 31 <sup>st</sup> March 2021 - 1,00,000 Shares)	100	100
<b>Issued, Subscribed and Fully Paid - Up:</b>		
(2,18,50,589 Equity Shares of ₹10 each ( Refer Notes below ) As at 31 <sup>st</sup> March 2021 - 2,18,50,589 Shares)	2,185	2,185

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

Particulars	31 <sup>st</sup> March 2022		31 <sup>st</sup> March 2021	
	No. of Shares	Amount (₹/Lacs)	No. of Shares	Amount (₹/ Lacs)
Outstanding as at the beginning of the year	2,18,50,589	2,185	2,18,50,589	2,185
Share issued during the year	-	-	-	-
Outstanding as at the end of the year	2,18,50,589	2,185	2,18,50,589	2,185

#### b) Rights, Preferences and Restrictions attached to Equity Shares

The Company has only one class of Equity Shares having a par value of 10/- per share. Each holder of the Equity Shares is entitled to one vote per share. The Company declares dividend in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the Shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holders of Equity Shares will be entitled to receive remaining assets of the Company after distribution of all preferential amounts. The distribution will be in proportion to the number of Equity Shares held by the Shareholders.

#### c) The details of Shareholders holding more than 5% Equity Shares:

S. No.	Name of Shareholder	31 <sup>st</sup> March 2022		31 <sup>st</sup> March 2021	
		%	No. of Shares	%	No. of Shares
1	Birla Group Holdings Private Limited	16.56	36,18,690	16.56	36,18,690
2	Century Textiles and Industries Limited	5.80	12,66,887	5.80	12,66,887

## NOTES

TO THE FINANCIAL STATEMENTS (Contd.)

### d) Shareholding of Promoters

S No.	Promoter Name	31 <sup>st</sup> March 2022		31 <sup>st</sup> March 2021		% of change during the year
		No. of shares	% of total shares	No. of shares	% of total shares	
<b>A.</b>	<b>Promoter</b>					
i	Basant Kumar Birla	71,360	0.33	71,360	0.33	-
ii	Aditya Vikram Kumarmangalam Birla HUF	29,760	0.14	29,760	0.14	-
iii	Rajashree Birla	26,080	0.12	26,080	0.12	-
iv	Vasavadatta Bajaj	8,930	0.04	8,930	0.04	-
<b>B.</b>	<b>Promoter Group</b>					
i	Birla Group Holdings Private Limited	36,18,690	16.56	36,18,690	16.56	-
ii	Century Textiles And Industries Ltd	12,66,887	5.8	12,66,887	5.8	-
iii	Prakash Educational Society	2,77,360	1.27	2,77,360	1.27	-
iv	Birla Education Trust	75,000	0.34	75,000	0.34	-
v	Padmavati Investment Private Limited	28,891	0.13	28,891	0.13	-
vi	B. K. Birla Foundation	15,090	0.07	15,090	0.07	-
vii	Jayantika Investment & Finance Limited (Formerly Parvati Tea Company Private Limited)	-	-	-	-	-
viii	Cygnat Industries Limited	-	-	-	-	-

e) No bonus shares have been issued during five years immediately preceding 31<sup>st</sup> March 2022

f) Dividend Proposed, Declared and Paid [Refer Note 39A]

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

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

- 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

### 18 NON-CURRENT BORROWINGS

₹/ Lacs

	As at 31 <sup>st</sup> March 2022	As at 31 <sup>st</sup> March 2021
<b>Secured:</b>		
Rupee term Loans from Banks	616	497
	<b>616</b>	<b>497</b>

### Nature of Security, Repayment Terms and Breakup of Current and Non-Current

Particulars	Terms of Repayment	Month in which last Instalment is due	Prevailing Interest Rate Per Annum %	Balance As at 31 <sup>st</sup> March 2022 ₹/ Lacs	Balance as at 31 <sup>st</sup> March 2021 ₹/ Lacs
<b>Secured:</b>					
Rupee Term Loans					
HDFC Bank	Annual	January 2023	7.30%	197	394
HDFC Bank	Annual	March 2025	7.30%	300	400
HDFC Bank	Annual	March 2027	6.80%	520	-
<b>Sub-Total</b>				<b>1,017</b>	<b>794</b>
Less: Current Maturities of Long Term Debt (Refer Note 24)				(401)	(297)
<b>Total</b>				<b>616</b>	<b>497</b>

## NOTES

TO THE FINANCIAL STATEMENTS (Contd.)

### Notes :

- Rupee Term Loans are secured by hypothecation of specific Plant and Machinery against which Loans have been taken.
- The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- The borrowings obtained by the company from banks and financial institutions have been applied for the purposes for which such loans were taken.
- There are no charges or satisfaction which are yet to be registered with the Registrar of Companies beyond the statutory period.

### 19 NON-CURRENT LEASE LIABILITY

₹/ Lacs

	As at 31 <sup>st</sup> March 2022	As at 31 <sup>st</sup> March 2021
Finance Lease Obligation (Refer Note 41)	457	504
Current Finance Lease Obligation (Refer Note 41)	(51)	(47)
Non Current Finance Lease Obligation	406	457

### 20 OTHER NON-CURRENT FINANCIAL LIABILITIES

₹/ Lacs

	As at 31 <sup>st</sup> March 2022	As at 31 <sup>st</sup> March 2021
Security Deposits	245	264

### 21 NON-CURRENT PROVISIONS

₹/ Lacs

	As at 31 <sup>st</sup> March 2022	As at 31 <sup>st</sup> March 2021
Provision for Employee Benefits		
Gratuity (Refer Note 42)	64	108
Compensated Absences	913	885
Provision for Disputed Matters	154	154
	<b>1,131</b>	<b>1,147</b>

### 22 DEFERRED TAX LIABILITIES (NET)

₹/ Lacs

	As at 31 <sup>st</sup> March 2022	As at 31 <sup>st</sup> March 2021
<b>The balances comprises of temporary differences attributable to:</b>		
Property, Plant and Equipments	7,228	7,496
Financial Assets at Fair value through Profit or loss	382	542
Others	(287)	(225)
Deferred Tax (Assets)/Liabilities	7,323	7,813

### Movement in Deferred Tax Liabilities

Description	Property, Plant and Equipments	Financial Assets at FVTPL	Others	Total
<b>As at 1<sup>st</sup> April 2020</b>	8,031	377	(133)	8,275
Charged / (Credited)				
- To Profit and Loss	(535)	165	(92)	(462)
- To OCI	-	-	-	-
<b>As at 31<sup>st</sup> March 2021</b>	<b>7,496</b>	<b>542</b>	<b>(225)</b>	<b>7,813</b>
Charged / (Credited)				
- To Profit and Loss	(162)	(160)	(62)	(384)
- To OCI	(106)	-	-	(106)
<b>As at 31<sup>st</sup> March 2022</b>	<b>7,228</b>	<b>382</b>	<b>(287)</b>	<b>7,323</b>

## NOTES

TO THE FINANCIAL STATEMENTS (Contd.)

### 23 OTHER NON-CURRENT LIABILITIES

₹/ Lacs

	As at 31 <sup>st</sup> March 2022	As at 31 <sup>st</sup> March 2021
Statutory Liabilities	19	-
Deferred Income on Government Grant	247	262
	<b>266</b>	<b>262</b>

### 24 SHORT TERM BORROWINGS

₹/ Lacs

	As at 31 <sup>st</sup> March 2022	As at 31 <sup>st</sup> March 2021
<b>Secured:</b>		
Current Maturity of Non-Current Financial Borrowings (₹ Term Loans)	401	297
Working capital borrowings repayable on demand	18	17
	<b>419</b>	<b>314</b>

#### Notes :

- Working Capital borrowings are secured by way of hypothecation of Inventories, Book Debts and Receivables, both present and future.
- Working Capital borrowings carry an average interest rate of 7.50% per annum (Previous Year 7.50% per annum).
- Working Capital Borrowings are renewed based on contract with bankers.
- Borrowings obtained by the company from banks have been applied for the purposes for which such loans were taken.
- Company has obtained borrowings from banks on the basis of security of current assets. The statements of current assets filed by the company with banks are in agreement with the books of accounts.

### 25 TRADE PAYABLES - TOTAL OUTSTANDING DUES OF

₹/ Lacs

	As at 31 <sup>st</sup> March 2022	As at 31 <sup>st</sup> March 2021
Micro and Small enterprises (Refer Note 49)	645	629
Others	11,415	12,092
	<b>12,060</b>	<b>12,721</b>

#### Trade Payable ageing schedule as at 31<sup>st</sup> March 2022

Particulars	Outstanding for following periods from due date of payment						Total
	Unbilled	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
<b>Undisputed trade payables</b>							
a) Micro and Small enterprises		540	105				645
b) Others	2,520	7,311	1,425	6	7	146	11,415
<b>Total</b>	<b>2,520</b>	<b>7,851</b>	<b>1,530</b>	<b>6</b>	<b>7</b>	<b>146</b>	<b>12,060</b>

#### Trade Payable ageing schedule as at 31<sup>st</sup> March 2021

Particulars	Outstanding for following periods from due date of payment						Total
	Unbilled	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
<b>Undisputed trade payables</b>							
a) Micro and Small enterprises		559	70				629
b) Others	2,976	8,036	896	28	111	45	12,092
<b>Total</b>	<b>2,976</b>	<b>8,595</b>	<b>966</b>	<b>28</b>	<b>111</b>	<b>45</b>	<b>12,721</b>

## NOTES

TO THE FINANCIAL STATEMENTS (Contd.)

### 26 OTHER CURRENT FINANCIAL LIABILITIES

₹/ Lacs

	As at 31 <sup>st</sup> March 2022	As at 31 <sup>st</sup> March 2021
Interest accrued but not due on borrowings	5	5
Unpaid Dividend Accounts *	197	192
Capital Goods Liability	2,189	53
Others	990	464
	<b>3,381</b>	<b>714</b>

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

### 27 OTHER CURRENT LIABILITIES

₹/ Lacs

	As at 31 <sup>st</sup> March 2022	As at 31 <sup>st</sup> March 2021
Advances from Customers	340	152
Others		
Statutory dues	545	514
Deferred Income on Government Grant	15	15
Other Liabilities	20	25
	<b>920</b>	<b>706</b>

### 28 CURRENT PROVISIONS

₹/ Lacs

	As at 31 <sup>st</sup> March 2022	As at 31 <sup>st</sup> March 2021
<b>Employee Benefits</b>		
Compensated Absences	247	187

### 29 CURRENT TAX LIABILITIES

₹/ Lacs

	As at 31 <sup>st</sup> March 2022	As at 31 <sup>st</sup> March 2021
Current Tax Payable (Net)	126	-
	<b>126</b>	<b>-</b>

### 30 REVENUE FROM OPERATIONS

₹/ Lacs

	Year Ended 31 <sup>st</sup> March 2022	Year Ended 31 <sup>st</sup> March 2021
<b>Revenue from Contract with Customers (Refer Note 51)</b>		
<b>Sale of Products</b>		
Finished Goods	1,99,153	1,17,712
Traded Goods	9,038	3,777
	<b>2,08,191</b>	<b>1,21,489</b>
<b>Other Operating Revenue</b>		
Scrap Sales	1,084	593
Export Incentives	508	198
<b>Revenue from Operations</b>	<b>2,09,783</b>	<b>1,22,280</b>

## NOTES

TO THE FINANCIAL STATEMENTS (Contd.)

### 31 OTHER INCOME

₹/ Lacs

	Year Ended 31 <sup>st</sup> March 2022	Year Ended 31 <sup>st</sup> March 2021
Interest Income		
Tax Refunds	4	16
From Customers	58	53
On Fixed Deposit with Banks and Financial Institutions	760	267
Others	37	8
	<b>859</b>	<b>344</b>
Profit on Sale of PPE (Net)	309	11
Profit on Sale of Current Investments (Net) ( Including Gain on Fair Valuation of Investments through Profit and (Loss) ₹(505) Lacs for the year ended 31 <sup>st</sup> March 2022 and ₹1013 Lacs for the year ended 31 <sup>st</sup> March 2021)	774	1,559
Dividend Received	-	1
Liabilities / Provisions no longer required written back	24	41
Government Grant	15	15
Insurance Claims	6	51
Miscellaneous Income	76	180
	<b>2,063</b>	<b>2,202</b>

### 32 COST OF MATERIALS CONSUMED

₹/ Lacs

	Year Ended 31 <sup>st</sup> March 2022	Year Ended 31 <sup>st</sup> March 2021
Opening Stock of Raw Materials	9,236	10,441
Add: Purchases	1,35,208	63,509
	<b>1,44,444</b>	<b>73,950</b>
<b>Less: Closing Stock of Raw Materials</b>	14,990	9,236
<b>Cost of Raw Materials Consumed</b>	<b>1,29,454</b>	<b>64,714</b>

### 33 CHANGE IN INVENTORIES OF FINISHED GOODS, STOCK-IN-PROCESS AND STOCK-IN-TRADE

₹/ Lacs

	Year Ended 31 <sup>st</sup> March 2022	Year Ended 31 <sup>st</sup> March 2021
Opening Stock		
Finished Goods	4,170	7,890
Stock-in-Process	3,133	2,612
	<b>7,303</b>	<b>10,502</b>
Less: Closing Stock		
Finished Goods	8,894	4,170
Stock-in-Process	3,983	3,133
	<b>12,877</b>	<b>7,303</b>
<b>(Increase) / Decrease in Stocks</b>	<b>(5,574)</b>	<b>3,199</b>

## NOTES

TO THE FINANCIAL STATEMENTS (Contd.)

### 34 EMPLOYEE BENEFITS EXPENSE

₹/ Lacs

	Year Ended 31 <sup>st</sup> March 2022	Year Ended 31 <sup>st</sup> March 2021
Salaries, Wages and Bonus	9,799	8,674
Contribution to Provident and other funds (Refer Note 42)	810	770
Workers and Staff Welfare Expenses	920	677
	<b>11,529</b>	<b>10,121</b>

### 35 FINANCE COSTS

₹/ Lacs

	Year Ended 31 <sup>st</sup> March 2022	Year Ended 31 <sup>st</sup> March 2021
Interest on borrowings	60	99
Interest on Lease Liabilities	39	34
Other (Including interest on deposits)	25	22
	124	155

### 36 OTHER EXPENSES

₹/ Lacs

	Year Ended 31 <sup>st</sup> March 2022	Year Ended 31 <sup>st</sup> March 2021
Stores and Spare Parts Consumed	4,110	3,386
Packing Material Consumed	3,725	2,294
Processing Charges	1,305	1,036
Building & Machinery Maintenance	2,425	1,865
Rent	83	80
Rates and taxes	118	103
Insurance	308	242
Directors' Sitting Fees	8	7
Directors' Commission	38	25
Auditors Remuneration (Refer Note 50)	50	47
Commission on Sales	1,267	710
Transport and Handling	2,571	1,757
Expenditure on Corporate Social Responsibility (CSR) Activities (Refer Note 48)	188	190
Allowances for Credit Losses	-	537
Impairment loss on Asset Held for Sale	200	83
Legal and Professional Fees	358	400
Miscellaneous Expenses	1,585	1,153
	<b>18,339</b>	<b>13,915</b>

### 37 FINANCIAL RISK MANAGEMENT OBJECTIVES (IND AS 107)

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

The Company's activities expose it to market risk, liquidity risk and credit risk. Company's overall risk management focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the company. The company uses derivative

## NOTES

TO THE FINANCIAL STATEMENTS (Contd.)

financial instruments, such as foreign exchange forward contracts, to hedge foreign currency risk exposure. Derivatives are used exclusively for hedging purposes and not as trading or speculative instruments.

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

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

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

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

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

### A. Market Risk Management:

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

#### 1) Foreign Currency Risk:

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

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

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.

## NOTES

TO THE FINANCIAL STATEMENTS (Contd.)

₹/ Lacs

Outstanding foreign currency exposure as at	As at 31 <sup>st</sup> March 2022	As at 31 <sup>st</sup> March 2021
<b>Trade receivables</b>		
USD	12	3
EURO	*	*
<b>Cash &amp; Cash Equivalent</b>		
USD	3	2
<b>Trade Payables (Incl. in-transit)</b>		
EURO	-	-
YEN	-	171
USD	88	100
<b>Total Foreign Currency - EURO</b>	*	*
<b>Total Foreign Currency - YEN</b>	-	171
<b>Total Foreign Currency - USD</b>	103	105

Out of USD 103 Lacs Foreign Currency Exposure as 31<sup>st</sup> March 2022, USD 84 Lacs was hedged and out of USD 105 Lacs as at 31<sup>st</sup> March 2021, USD 98 Lacs were hedged by forward contracts.

\*EURO 15502 receivable (net) as at 31<sup>st</sup> March 2022 ( EURO 11,824 as at 31<sup>st</sup> March 2021)

### Forward Exchange Contracts:

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

₹/ Lacs

Particulars	Purpose	Currency	As at 31 <sup>st</sup> March 2022	As at 31 <sup>st</sup> March 2021
Forward Contracts	Imports	USD	245	104
Forward Contracts	Imports	Euro	10	-
Forward Contracts	Imports	Yen	4,114	442

### Foreign currency sensitivity on unhedged exposure (Net):

100 bps increase in foreign exchange rates will have the following impact on profit before tax.

₹/ Lacs

Particulars	As at 31 <sup>st</sup> March 2022	As at 31 <sup>st</sup> March 2021
USD	8	3
Euro	-	-
YEN	-	(1)

Note: If the rate is decreased by 100 bps impact on profit will (increase)/decrease by an equal amount.

**Cash flow Hedge:** The company has foreign currency capital commitment and to mitigate the risk of foreign currency, the company has taken forward cover. The company is following hedge accounting for all the foreign currency capital commitment raised based on qualitative approach

The Company assesses hedge effectiveness based on following criteria:

## NOTES

TO THE FINANCIAL STATEMENTS (Contd.)

- (i) an economic relationship between the hedged item and the hedging instrument
- (ii) the effect of credit risk and
- (iii) assessment of the hedge ratio

The company designates the derivatives to hedge its currency risk and generally applies hedge ratio of 1:1. The company's policies is to match the critical terms of the forward exchange contracts to match with hedge item.

### Recognition of gain/(losses) under foreign exchange contracts designated under cash flow ₹/ Lacs

Particulars	As at 31 <sup>st</sup> March 2022		As at 31 <sup>st</sup> March 2021	
	Effective Hedge (OCI)	Ineffective Hedge (Profit and Loss)	Effective Hedge (OCI)	Ineffective Hedge (Profit and Loss)
Gain/(loss)	(423)	-	-	-

### 2) Interest rate risk:

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's short-term borrowing. The Company constantly monitors the credit markets and rebalances its financing strategies to achieve an optimal maturity profile and financing cost. Since all the borrowings are on floating rate, no significant risk of change in interest rate.

#### INR Interest rate exposure: ₹/ Lacs

Particulars	Total borrowings	Floating rate borrowings	Average Interest rate
<b>Total as at 31<sup>st</sup> March 2022</b>	1,035	1,035	7.05%
<b>Total as at 31<sup>st</sup> March 2021</b>	811	811	7.33%

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

₹/ Lacs

Particulars	As at 31 <sup>st</sup> March 2022	As at 31 <sup>st</sup> March 2021
INR	10	8

Note: If the rate is decreased by 100 bps profit will increase by an equal amount.

Interest rate sensitivity has been calculated assuming the borrowings outstanding at the reporting date have been outstanding for the entire reporting period.

### 3) Commodity price risk

Commodity price risk for the Company is mainly related to fluctuations of raw materials prices linked to various external factors, which can affect the production cost of the Company. Company actively manages inventory and in many cases sale prices are linked to major raw material prices. Energy costs is also one of the primary costs' drivers, any fluctuation in fuel prices can lead to drop in operating margin. To manage this risk, the Company enters into long-term supply agreement for power, identifying new sources of supply etc. Additionally, processes and policies related to such risks are reviewed and managed by senior management on continuous basis.

#### B. Credit Risk Management:

Credit risk arises when a customer or counterparty does not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing/ investing activities, including deposits with banks, mutual fund investments, and investments in debt securities, foreign exchange transactions and financial guarantees. The Company has two major customers which represents 67% receivables as on 31<sup>st</sup> March 2022 and company is receiving payments from these parties within due dates. Hence, the company has no significant credit risk related to these parties.

## NOTES

TO THE FINANCIAL STATEMENTS (Contd.)

### Trade receivables

Trade receivables are consisting of a large number of customers. The Company has credit evaluation policy for each customer and based on the evaluation credit limit of each customer is defined. Wherever the Company assesses the credit risk as high the exposure is backed by either letter of credit or security deposits.

As per simplified approach, the Company makes provision of expected credit losses on trade receivables using a provision matrix to mitigate the risk of default payments and makes appropriate provision at each reporting date wherever outstanding is for longer period and involves higher risk.

#### The Company makes provision for the trade receivable as per the following matrix:

Ageing of Trade Receivables	Provision (%)
Upto 1 Year	Nil
More than 1 Year but less than 2 years	25%
More than 2 Years but less than 3 Years	50%
More than 3 Years	100%

#### Movement in expected credit loss allowance on trade receivables:

₹/ Lacs

Particulars	As at 31 <sup>st</sup> March 2022	As at 31 <sup>st</sup> March 2021
Opening Balance	714	177
Add: Provision made during the year	-	537
Less: Provision utilization during the year	-	-
Closing Balance	<b>714</b>	<b>714</b>

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

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

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

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

Total Non-current and current investments as on 31<sup>st</sup> March 2022 is ₹25,987 Lacs (31<sup>st</sup> March 2021 - ₹30,209 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.



## NOTES

TO THE FINANCIAL STATEMENTS (Contd.)

₹/ Lacs

As at 31 <sup>st</sup> March 2022	Less than 1 Year	1 to 5 Years	More than 5 Years	Total
Borrowings (including short term borrowing)	419	616		1,035
Trade payables	11,901	159		12,060
Interest accrued but not due on borrowings	5			5
Other financial liabilities (excluding derivative liability)	2,906	245		3,151
Derivative liability/ (Assets)	470			470
Finance Lease Obligation	86	345	169	600
Investments	23,385	1,200	1,402	25,987

₹/ Lacs

As at 31 <sup>st</sup> March 2021	Less than 1 Year	1 to 5 Years	More than 5 Years	Total
Borrowings (including short term borrowing)	314	497	-	811
Trade payables	12,537	184	-	12,721
Interest accrued but not due on borrowings	5	-	-	5
Other financial liabilities (excluding derivative liability)	679	264	-	943
Derivative liability/ (Assets)	30	-	-	30
Finance Lease Obligation	86	345	255	686
Investments	28,888	-	1,321	30,209

### 37 (A) CLASSIFICATIONS OF FINANCIAL ASSETS AND LIABILITIES (IND AS 107)

₹/ Lacs

Particulars	As at 31 <sup>st</sup> March 2022	As at 31 <sup>st</sup> March 2021
<b>Financial Assets at amortised cost#</b>		
Trade receivables	23,933	23,236
Other Financial Assets	603	828
Cash and Cash Equivalents	559	826
Bank Balance other than Cash & Cash Equivalents	6,652	5,162
Fixed Deposits with Financial Institutions	7,800	5,889
<b>Financial Assets at fair value through profit or loss</b>		
Investments	16,803	23,014
<b>Financial Assets at fair value through other comprehensive income</b>		
Investments (non-current)	1,384	1,306
<b>Total</b>	<b>57,734</b>	<b>60,261</b>
<b>Financial Liabilities at amortised cost #</b>		
Term Loan from Banks	1,017	794
Finance Lease Obligation	406	457
Other Non-Current Finance Liabilities	245	264
Cash Credits/Working Capital Borrowings	18	17
Trade payables	12,060	12,721
Other financial liabilities (including finance lease obligation)	2,962	731
<b>Fair Value Hedging Instruments</b>		
Derivative liability/(Asset)	470	30
<b>Total</b>	<b>17,178</b>	<b>15,014</b>

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

## NOTES

TO THE FINANCIAL STATEMENTS (Contd.)

### 37 (B) CLASSIFICATIONS OF FINANCIAL ASSETS AND LIABILITIES (IND AS 113)

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The Company has established the following fair value hierarchy that categorizes the values into 3 levels. The inputs to valuation techniques used to measure fair value of financial instruments are:

Level 1: This hierarchy uses quoted (unadjusted) prices in active markets for identical assets or liabilities. The fair value of all bonds which are traded in the stock exchanges is valued using the closing price or dealer quotations as at the reporting date.

Level 2: The fair value of financial instruments that are not traded in an active market (For example traded bonds, over the counter derivatives) is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on company specific estimates. The mutual fund units are valued using the closing Net Asset Value. If all significant inputs required to fair value an instrument are observable, the instrument is included in Level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3.

₹/ Lacs

Particulars	Fair Value	
	As at 31 <sup>st</sup> March 2022	As at 31 <sup>st</sup> March 2021
<b>Financial Assets at fair value through profit or loss</b>		
Investments -Level 1	102	-
Investments -Level 2	16,701	23,014
<b>Total</b>	<b>16,803</b>	<b>23,014</b>
<b>Financial Assets at fair value through other comprehensive income</b>		
Investments -Level 1	1,384	1,306
<b>Total</b>	<b>1,384</b>	<b>1,306</b>
<b>Fair Value derivative</b>		
Derivative liability/ (Asset) -Level 2	470	30
<b>Total</b>	<b>470</b>	<b>30</b>

The management assessed that fair value of cash and bank balances, trade receivables, trade payables, cash credits and other financial assets and liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

The following methods and assumptions were used to estimate the fair values:

- The fair values of the quoted investments/units of mutual fund schemes are based on market price/net asset value at the reporting date.
- The fair values of unquoted investments are based on net asset value at the reporting date.
- The fair value of forward foreign exchange contracts is calculated as the present value determined using forward exchange rates and interest rate curve of the respective currencies.
- The fair value of the remaining financial instruments is determined using discounted cash flow analysis or based on the contractual terms. The discount rates used is based on management estimates.

### 38 SEGMENT REPORTING (IND AS 108)

The Company is exclusively engaged in the business of synthetic yarn related products primarily in India. As per Ind AS 108 "Operating Segments", specified under Section 133 of the Companies Act, 2013, there are no reportable operating or geographical segments applicable to the Company.

## NOTES

TO THE FINANCIAL STATEMENTS (Contd.)

### 39(A) DISTRIBUTION MADE AND PROPOSED (IND AS 1)

₹/ Lacs

Particulars	Year Ended 31 <sup>st</sup> March 2022	Year Ended 31 <sup>st</sup> March 2021
<b>Cash dividends on equity shares declared and paid:</b>		
Final dividend for the year ended on 31 <sup>st</sup> March 2021: ₹8.00 per share (31 <sup>st</sup> March 2020: ₹8.00 per share)	1,748	1,748
<b>Proposed dividends on Equity shares:</b>		
Final dividend for the year ended on 31 <sup>st</sup> March 2022: ₹10.00 per share. (31 <sup>st</sup> March 2021: ₹8.00 per share)	2,185	1,748

Proposed dividends on equity shares are subject to approval at the annual general meeting and are not recognized as a liability.

### 39(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 <sup>st</sup> March 2022	As at 31 <sup>st</sup> March 2021
Total Debt (Bank and other borrowings)	1035	811
Equity	1,25,068	1,08,889
<b>Debt to Equity (Net)</b>	<b>0.01</b>	<b>0.01</b>

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.

### 40 INCOME TAXES (IND AS 12)

#### (i) Reconciliation of Effective Tax Rate:

Particulars	Year ended 31 <sup>st</sup> March 2022	Year ended 31 <sup>st</sup> March 2021
Profit before Tax (₹/ Lacs)	24,406	9,175
Tax Expense (₹/ Lacs)	5,990	2,083
Effective Tax Rate (in %)	24.540	22.702
Effect of Non-Deductible expenses (in %)	(0.194)	0.521
Effect of Allowances for tax purpose (in %)	-	-
Effect of Previous year adjustments (in %)	0.520	2.136
Effect of (Increase)/Decrease in Tax Rate (in %)	-	-
Others (in %)	0.302	(0.191)
<b>Applicable Tax Rate (in %)</b>	<b>25.168</b>	<b>25.168</b>

## NOTES

TO THE FINANCIAL STATEMENTS (Contd.)

### 41 LEASES (IND AS 116)

(i) Lease Expenses recognized in the Statement of Profit and Loss not included in the measurement of lease liabilities: ₹/ Lacs

Particulars	Year Ended 31 <sup>st</sup> March 2022	Year Ended 31 <sup>st</sup> March 2021
Variable lease payments	-	-
Expenses relating to leases of low value assets, excluding short term lease of low value assets	(5)	(18)

(ii) Maturity analysis of lease liabilities - Contractual undiscounted cash flows: ₹/ Lacs

Particulars	Year Ended 31 <sup>st</sup> March 2022	Year Ended 31 <sup>st</sup> March 2021
Less than one year	86	86
One to five years	345	345
More than five years	169	255
<b>Total undiscounted lease liabilities</b>	<b>600</b>	<b>686</b>
<b>Discounted lease liabilities included in the statement of financial position</b>	<b>457</b>	<b>504</b>
Current lease liability	51	47
Non-current lease liability	406	457

(iii) The weighted average incremental borrowing rate of 8.5% p.a. has been applied for measuring the lease liability at the date of initial application.

(iv) The total cash outflow for leases for year ended 31<sup>st</sup> March 2022 is ₹86 lacs (31<sup>st</sup> March 2021 is ₹69 lacs).

General description of leasing agreements:

- Leased assets: Land, Plant & Machinery, Godowns, Offices.
- Future lease rentals are determined based on agreed terms.
- At the expiry of lease terms, the Company has an option to return the assets or extend the term by giving notice in writing.
- Lease agreement are generally cancellable and are renewed by mutual consent on mutually agreed terms.

### 42 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	2021-22	2020-21
Employer's Contribution to Provident Fund and Employee's Pension Scheme, 1995	525	483
Employer's Contribution to Superannuation Fund	47	49
Employer's Contribution to Employee's State Insurance	15	20
<b>Total</b>	<b>587</b>	<b>552</b>

## NOTES

TO THE FINANCIAL STATEMENTS (Contd.)

### 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	As at 31 <sup>st</sup> March 2022	As at 31 <sup>st</sup> March 2021
Opening DBO	3,820	3,793
Current Service Cost	185	183
Interest on DBO	242	246
Remeasurement due to:		
Actuarial loss/ (gain) arising from change in financial assumption	(81)	(255)
Actuarial loss/ (gain) arising from change in demographic assumption	6	(18)
Actuarial loss/ (gain) arising on account of experience change	(20)	117
Benefits Paid	(269)	(351)
Acquisition Adjustment		105
<b>Closing DBO</b>	<b>3,883</b>	<b>3,820</b>

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

₹/ Lacs

Particulars	As at 31 <sup>st</sup> March 2022	As at 31 <sup>st</sup> March 2021
Opening Fair Value of Plan Assets	3,712	3,613
Interest on Plan Assets	235	235
Remeasurement due to:		
Actuarial loss/ (gain) arising on account of experience change	26	(70)
Contribution by the Employer	115	180
Benefits Paid	(269)	(351)
Acquisition Adjustment		105
<b>Closing Fair Value of Plan Assets</b>	<b>3,819</b>	<b>3,712</b>

Fair value of Plan Assets for gratuity represents the amount as confirmed by the Insurer Managed Funds.

#### iii) Amount recognised in Balance Sheet including a reconciliation of the present value of the defined benefit obligation in b (i) and the fair value of the plan assets in b (ii) to the assets and liabilities recognised in the balance sheet:

₹/ Lacs

Particulars	As at 31 <sup>st</sup> March 2022	As at 31 <sup>st</sup> March 2021
Present value of Defined Benefit Obligation	3,883	3,820
Fair value of Plan Assets	(3,819)	(3,712)
<b>Net Liability recognised in the Balance Sheet</b>	<b>64</b>	<b>108</b>
<b>Long Term Provisions</b>	<b>64</b>	<b>108</b>

## NOTES

TO THE FINANCIAL STATEMENTS (Contd.)

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

₹/ Lacs

Particulars	As at 31 <sup>st</sup> March 2022	As at 31 <sup>st</sup> March 2021
Current Service Cost	185	183
Interest Cost on defined benefit liability / (assets)	7	12
<b>Total</b>	<b>192</b>	<b>195</b>

### v) Amount recorded in Other Comprehensive Income:

₹/ Lacs

Particulars	As at 31 <sup>st</sup> March 2022	As at 31 <sup>st</sup> March 2021
Remeasurement due to:		
Changes in financial assumptions	(81)	(255)
Changes in demographic	6	(18)
Experience Adjustments	(20)	117
Actual return on plan assets less interest on plan assets	(26)	70
Closing amount recognised in OCI outside profit and loss	(121)	(86)

### vi) Maturity Profile of defined benefit obligation:

₹/ Lacs

Particulars	As at 31 <sup>st</sup> March 2022	As at 31 <sup>st</sup> March 2021
Weighted average duration (based on discounted cashflows)	5 Years	5 Years
Within the next 12 months	694	452
Above 1 and within 5 years	2,232	2,110
Above 5 and within 10 years	1,294	1,483
10 years and above	1,793	1,761

### vii) For each major category of plan assets, following is the percentage that each major category constitutes of the fair value of the plan assets:

Particulars	As at 31 <sup>st</sup> March 2022		As at 31 <sup>st</sup> March 2021	
	Amount (₹/ Lacs)	Rate (%)	Amount (₹/ Lacs)	Rate (%)
Insurer Managed Funds	3,819	100%	3,712	100%
<b>Total</b>	<b>3,819</b>	<b>100%</b>	<b>3,712</b>	<b>100%</b>

### viii) The overall expected rate of return on assets is based on the expectation of the average long term rate of return expected on investments of the fund during the estimated term of the obligations.

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

Rate %

Particulars	As at 31 <sup>st</sup> March 2022	As at 31 <sup>st</sup> March 2021
Discount Rate	6.90%	6.35%
Salary Escalation Rate	7.00%	6.00-7.00%
Attrition Rate (Average Rate of 4 Age Groups in 20-21)	6.00%	6.00%
Mortality Rate	100% of IALM 2012-14	100% of IALM 2012-14

## NOTES

TO THE FINANCIAL STATEMENTS (Contd.)

x) **Amounts recognised to Gratuity:**

Particulars	₹/ Lacs	
	As at 31 <sup>st</sup> March 2022	As at 31 <sup>st</sup> March 2021
Defined Benefit Obligation	3,883	3,820
Plan Assets	3,819	3,712
Surplus / ( Deficit )	(64)	(108)
Experience Adjustment on Plan Liabilities	(20)	117
Experience Adjustment on Plan Assets	26	(70)

xi) **Expected Contribution to the Funds in the next year:**

Particulars	₹/ Lacs	
	2022-23	
Gratuity	231	
Provident Fund and Employee's Pension Scheme, 1995	470	

xii) **Sensitivity Analysis:**

Particulars	Rate %	
	As at 31 <sup>st</sup> March 2022	As at 31 <sup>st</sup> March 2021
Impact of increase in 50 bps on discounting rate on DBO	(2.6%)	(2.7%)
Impact of decrease in 50 bps on discounting rate on DBO	2.70%	2.90%
Impact of increase in 50 bps on salary escalation rate on DBO	2.60%	2.80%
Impact of decrease in 50 bps on salary escalation rate on DBO	(2.5%)	(2.7%)
Impact of increase in 50% of attrition rate on DBO	0.40%	0.20%
Impact of decrease in 50% of attrition rate on DBO	(0.5%)	(0.3%)

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

xiv) **Asset liability matching strategy:**

The money contributed by the Company to Gratuity Fund has to be invested. The trustee have outsourced management of investment to an Insurance Company. The Insurance Company in turn manage these funds as per mandate provided by the trustees and the asset allocation which is with in permissible limits prescribed in insurance regulations. Due to restrictions in type of investments that can be held by the fund it is not possible to explicitly follow asset liability matching strategy. There is no compulsion on the part of company to fully prefund liability of the plan. The Company fund these benefit based on known liability and Level of underfunding of the plan.

**Provident Fund:**

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

Particulars	₹/ Lacs	
	As at 31 <sup>st</sup> March 2022	As at 31 <sup>st</sup> March 2021
Present value of Defined Benefit Obligation	11,537	12,956
Fair value of Plan Assets	(11,537)	(12,956)
Net Liability recognised in the Balance Sheet	-	-

## NOTES

TO THE FINANCIAL STATEMENTS (Contd.)

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

Particulars	Rate %	
	As at 31 <sup>st</sup> March 2022	As at 31 <sup>st</sup> March 2021
Discount Rate	6.97%	6.34%
Expected rate of return on Plan Assets	6.97%	8.50%
Discount Rate for the remaining term to Maturity of the Investment Portfolio	6.95%	6.44%
Average Historic Yield on the Investment Portfolio	7.67%	7.78%
Guaranteed Rate of Return	8.10%	8.50%
Mortality Rate	100% of IALM 2012-14	100% of IALM 2012-14
Attrition Rate	6.00%	6.00%

c) **Amount recognised as an expense in respect of Compensated Absences is ₹220 lacs (Previous year ₹378 lacs)**

**43 RELATED PARTY DISCLOSURES (IND AS 24)**

(A) **Related Parties with whom there were transactions during the year:**

Parties	Relationship
Mrs. Rajashree Birla - Non-Executive Director	Key Management Personnel (KMP)
Mr. S. K. Jain - Independent Director	Key Management Personnel (KMP)
Mr. K. S. Thar - Independent Director	Key Management Personnel (KMP)
Ms. Krupa R. Gandhi - Independent Director	Key Management Personnel (KMP)
Mr. Suresh Sodani - Managing Director	Key Management Personnel (KMP)
Mr. Devajyoti N. Bhattacharya - Additional Director	Key Management Personnel (KMP)
Century Enka Ltd Employee's Provident Fund	Post-Employment Benefit Plan

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

Nature of Transaction/Relationship	₹/ Lacs	
	Year Ended 31 <sup>st</sup> March 2022	Year Ended 31 <sup>st</sup> March 2021
<b>Services received from:</b>		
KMP (Director's Sitting Fees and Commission)	46	32

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

Nature of transaction/relationship	₹/ Lacs	
	Year Ended 31 <sup>st</sup> March 2022	Year Ended 31 <sup>st</sup> March 2021
Short-term employee benefits	242	251
Other long-term benefits	41	22
<b>Total compensation paid to key management personnel</b>	<b>283</b>	<b>273</b>

Expenses towards gratuity and leave encashment provision are determined by actuary on an overall Company basis at the end of each year and accordingly have not been considered in the above information for previous year.

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.

## NOTES

TO THE FINANCIAL STATEMENTS (Contd.)

(c) **Contribution to:**

₹/ Lacs

Nature of transaction	Year Ended 31 <sup>st</sup> March 2022	Year Ended 31 <sup>st</sup> March 2021
Post-Employment Benefit Plan	212	196

**44 EARNINGS PER SHARE (EPS) (IND AS 33)**

Particulars	As at 31 <sup>st</sup> March 2022	As at 31 <sup>st</sup> March 2021
<b>Basic/Diluted EPS:</b>		
(i) Net Profit attributable to Equity Shareholders (₹/ Lacs)	18,416	7,092
(ii) Weighted average number of Equity Shares outstanding (Nos.) [For Basic & Diluted EPS]	2,18,50,589	2,18,50,589
<b>Basic/ Diluted EPS in ₹ Per share (Face Value ₹10 per share) (i)/(ii)</b>	<b>84.28</b>	32.46

**45 EXCEPTIONAL ITEM : IMPAIRMENT OF ASSETS (IND AS 36)**

During the previous year ended 31<sup>st</sup> March 2021 Based on Management's assessment with respect to future use of some of spinning machine at Bharuch plant, the company has made impairment provision of ₹819 lacs. The same have been shown under Exceptional Item in financial statement.

**46 CONTINGENT LIABILITIES (TO THE EXTENT NOT PROVIDED FOR) (IND AS 37)**

(a) **Claims against the Company not acknowledged as debt:**

₹/ Lacs

Particulars	Brief Description	As at 31 <sup>st</sup> March 2022	As at 31 <sup>st</sup> March 2021
(i) Excise, Service Tax & Custom Matters	Matters relates to valuation, disallowances of input tax credit	326	326

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

(b) Excise Department had issued an order dated 31<sup>st</sup> December 2013 denying the applicability of Notification No. 6/2000 dated 1<sup>st</sup> March 2000 and raised a demand of ₹22,927 lacs plus interest thereon and penalty equivalent to duty demand amount. In this matter, CESTAT in its order dated 20<sup>th</sup> December 2019, upheld the denial of aforesaid notification and remanded back the matter to Central Excise Department to redetermine quantum of duty short paid, imposition of equal amount of penalty on redetermined amount of duty demand and applicable interest. The Commissioner, CGST & Central Excise, Raigad has re-determined assessable value pursuant to order of CESTAT and confirmed the demand amounting to ₹730 lacs (as against above demand of ₹22,927 lacs), interest at appropriate rate on the duty and equal amount of penalty vide its order dated 8<sup>th</sup> September 2020. Against the said order of the Commissioner, CGST & Central Excise, Raigad, Department has filed an appeal before the Appellate Tribunal.

The Company's appeal in the matter is pending before the hon'ble Supreme Court of India. The Company has deposited the amount of duty of ₹730 Lacs under protest. The Company has been advised by legal experts that it has a fair chance of ultimately succeeding in the matter and accordingly no provision is required to be made in the accounts.

(c) **Foreseeable Losses:** The Company has a process whereby periodically all long term contracts are assessed for material foreseeable losses. At the year end, the Company has reviewed and ensured that adequate provision as required under any law/ applicable accounting standards for material foreseeable losses on such long term contracts has been made in the books of account.

(d) **Pending litigations:** The Company has reviewed its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed the contingent liabilities where applicable, in its financial statements. The Company does not expect the outcome of these proceedings to have a materially adverse effect on its financial statements.

## NOTES

TO THE FINANCIAL STATEMENTS (Contd.)

**47 CAPITAL AND OTHER COMMITMENTS**

- (a) Estimated amount of contracts remaining to be executed on capital account, not provided for (net of advances) as on 31<sup>st</sup> March 2022 is ₹17429 Lacs. (31<sup>st</sup> March 2021 – ₹511 Lacs).
- (b) Other Commitments: The Company has renewed non-cancellable agreement with Gas Utility Company on 17<sup>th</sup> November 2021 for purchase of LNG. Under this agreement, the Company is committed to purchase certain annual minimum quantity of LNG upto 16<sup>th</sup> November 2026 failing which it will pay the seller for any shortfall in offtake of LNG based on an agreed formula. The cost of the minimum committed quantity as at 31<sup>st</sup> March 2022 for the remaining period of the contract at current market prices approximates ₹5,012 Lacs (Previous Year ₹542 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.

**48 CORPORATE SOCIAL RESPONSIBILITY**

₹/ Lacs

Particulars	Year Ended 31 <sup>st</sup> March 2022	Year Ended 31 <sup>st</sup> March 2021
Total amount excess / shortfall pertaining to previous year	Nil	Nil
Gross amount required to be spent under section 135 of the Companies Act, 2013	188	190
Total amount spent during the year (Refer Note- 36)		
(i) Construction/ acquisition of any asset		
(ii) On purpose other than (i) above	188	190
Total amount excess / shortfall at the end of year out of the required amount to be spent	Nil	Nil

**Amount of Corporate Social Responsibility is spent towards:**

Particulars	Year Ended 31 <sup>st</sup> March 2022	Year Ended 31 <sup>st</sup> March 2021
Vocational Training	19	25
Promotion of School Education	74	93
Health Care, Medical facility and drinking water	32	33
Disaster Management	25	19
Rural Infrastructure Development other than mentioned above	38	20
<b>Total</b>	<b>188</b>	190

**49 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	2021-22		2020-21	
	Principal	Interest	Principal	Interest
Principal Amount and Interest due thereon remaining unpaid at the end of the year	105	-	69	-
The amount of interest paid as per terms of section 16 of the MSMED Act along with the amount of payment made beyond the due date	921	1	987	4
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the due date during the year) but without adding the interest specified under the act		2	-	7
Interest amount due and unpaid as at the end of the year		2	-	7
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.		-	-	-

The above information has been determined to the extent such parties have been identified on the basis of information available with the Company and the same has been relied upon by the auditors.

## NOTES

TO THE FINANCIAL STATEMENTS (Contd.)

### 50 AUDITORS' REMUNERATION (EXCLUDING TAXES) AND EXPENSES

₹/ Lacs

Particulars	As at 31 <sup>st</sup> March 2022	As at 31 <sup>st</sup> March 2021
<b>(a) Statutory Auditors:</b>		
Audit fees (including quarterly Limited Review)	43	41
Tax audit fees	6	5
Fees for other services	1	1
Expenses reimbursed	-	-
	<b>50</b>	<b>47</b>
<b>(b) Cost Auditors:</b>		
<b>Audit fees</b>	<b>3</b>	<b>3</b>

### 51 REVENUE FROM CONTRACTS (IND AS 115)

The Company is primarily in the business of manufacture and sale of Synthetic Yarn. Sales are made at a point in time and revenue from contract with customer is recognised when goods are dispatched and the control over the goods sold is transferred to customers. The Company does not expect to have any contracts where the period between the transfer of goods and payment by customer exceeds one year. Hence, the Company does not adjust revenue for the time value of money.

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

₹/ Lacs

Particulars	As at 31 <sup>st</sup> March 2022	As at 31 <sup>st</sup> March 2021
Closing Contract liability	340	152

The Contract liability outstanding at the beginning of the year has been recognised as revenue during the year ended March 31st, 2022.

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

₹/ Lacs

Particulars	As at 31 <sup>st</sup> March 2022	As at 31 <sup>st</sup> March 2021
Revenue as per Contract Price	2,09,989	1,22,290
Less: Discounts	714	208
Revenue as per statement of profit and loss	<b>209,275</b>	1,22,082

## NOTES

TO THE FINANCIAL STATEMENTS (Contd.)

### 52 ANALYTICAL RATIOS

Ratio	Numerator	Denominator	31 <sup>st</sup> March 2022	31 <sup>st</sup> March 2021	% change	Reason
Current Ratio	Current Assets	Current Liability	5.33	5.51	(3.3)	
Debt Equity Ratio	Total Debt	Total Equity	0.01	0.01	11.1	
Debt Service Coverage Ratio	Earning before Interest Depreciation and Tax + Loss/Profit on sale Assets+ Impairment + Allowance of credit loss	Repayment of short Term, long term, lease + Finance Cost	60.78	13.46	351.5	Higher EBIDTA and lower Servicing amount
Return on Equity	Net Profit	Average Total Equity	15.7%	6.7%	134.6	Higher net profit
Inventory Turnover Ratio	Sales of Products	Average Inventory	9.38	6.48	44.6	Higher Sales
Debtors Turnover Ratio	Sales of Products	Average Trade Receivable	8.83	6.32	39.8	Better debtors management
Creditors Turnover Ratio	Total Purchase	Average Trade Payable	12.05	6.39	88.6	Better Credit Management
Net capital turnover ratio	Sales of Products	Average Working Capital	2.96	1.96	51.1	Higher Sales
Net profit Ratio	Net profit	Sale of Products	8.9%	5.8%	51.5	Higher Profit
Return on Capital employed	Profit before tax and interest	Average Capital employed	19.6%	8.9%	121.3	Higher profit
Return on Investment	Income from Mutual Fund + Interest Income	Current investment+ Fixed Deposits	4.7%	6.1%	(22.6)	

### 53 OTHER STATUTORY INFORMATION

- No proceedings have been initiated on or are pending against the company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.
- The Company have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
  - directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
  - provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries
- The Company has no transactions with the companies struck off under Companies Act, 2013.
- The Company has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.
- There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.
- The company has not traded or invested in crypto currency or virtual currency during the current or previous year.
- There are no charges or satisfaction which are yet to be registered with the Registrar of Companies beyond the statutory period.
- The Company have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:



## NOTES

### FINANCIAL HIGHLIGHTS

#### OPERATING RESULTS

₹ / Lacs

FINANCIAL YEAR	2021-22	2020-21	2019-20	2018-19	2017-18
<b>INCOME</b>					
Revenue from Operations (Net)	209783	122280	142348	179138	141648
Other Income	2063	2202	4223	2163	1775
	211846	124482	146571	181301	143423
<b>EXPENDITURE</b>					
Materials & Overheads ( + / - Stock Adj. )	183354	110245	133027	164087	130477
<b>PROFIT BEFORE EXCEPTIONAL ITEM, FINANCE COST, DEPRECIATION AND TAX</b>	<b>28492</b>	<b>14237</b>	<b>13544</b>	<b>17214</b>	<b>12946</b>
Exceptional Item	-	(819)	-	(454)	2491
<b>PROFIT BEFORE FINANCE COST, DEPRECIATION AND TAX</b>	<b>28492</b>	<b>13418</b>	<b>13544</b>	<b>16760</b>	<b>15437</b>
Less : Finance Cost	124	155	349	346	340
<b>PROFIT BEFORE DEPRECIATION AND TAX</b>	<b>28368</b>	<b>13263</b>	<b>13195</b>	<b>16414</b>	<b>15097</b>
Less : Depreciation / Amortisation	3962	4088	4550	4504	4194
Less : Tax Expenses	5,990	2,083	(908)	4252	3894
<b>NET PROFIT</b>	<b>18416</b>	<b>7092</b>	<b>9553</b>	<b>7658</b>	<b>7009</b>
DIVIDEND ( % )	100%	80%	80%	70%	70%
EARNING PER SHARE (₹)	84.28	32.46	43.72	35.05	32.08
CASH EARNINGS PER SHARE (₹)	100.66	52.80	51.37	57.63	56.01
BOOK VALUE PER SHARE (₹)	572.39	498.35	468.99	437.01	412.31

#### STATEMENT OF ASSETS AND LIABILITIES

₹ / Lacs

	As on 31.03.2022	As on 31.03.2021	As on 31.03.2020	As on 31.03.2019	As on 31.03.2018
<b>A. ASSETS</b>					
Property Plant Equipment and Intangible Assets	54450	49337	53073	55010	57858
Non-Current Investments	2602	1321	315	1039	1541
Long Term Loans and Advances	234	209	219	207	231
Other Non Current Assets	2399	1100	1127	938	1020
Current Assets	92574	82051	71653	65928	55721
<b>( A )</b>	<b>152259</b>	<b>134018</b>	<b>126387</b>	<b>123122</b>	<b>116371</b>
<b>B. EQUITY AND LIABILITIES</b>					
<b>Equity</b>					
Share Capital	2185	2185	2185	2185	2185
Other Equity	122883	106704	100289	93302	87905
	125068	108889	102474	95487	90090
<b>Non-Current Liabilities</b>					
Long Term Borrowings	616	497	974	2102	3061
Deferred Tax Liabilities (Net)	7323	7813	8275	11153	11177
Long Term Liabilities & Provisions	2048	2130	2014	1487	1546
	9987	10440	11263	14742	15784
<b>Current Liabilities</b>					
Short Term Borrowings	419	314	22	-	1
Trade Payables, Liabilities and Provisions	16785	14375	12628	12893	10496
	17204	14689	12650	12893	10497
<b>( B )</b>	<b>152259</b>	<b>134018</b>	<b>126387</b>	<b>123122</b>	<b>116371</b>





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