

## 56<sup>th</sup> Annual General Meeting of Century Enka Limited

– **Mr. Rahul Dubey- Company Secretary, Century Enka Limited**

Dear members, good afternoon and warm welcome to all of you to the 56<sup>th</sup> Annual General Meeting of Century Enka Limited being held through video conferencing and webcast. I hope all of you and your family members are safe and in good health. This meeting is being held through video conferencing in accordance with the circular issued by the Ministry of Corporate Affairs and SEBI. The facility for attending the AGM through videoconferencing is being provided to 1,000 shareholder on first come first serve basis for the smooth and seamless conduct of the meeting. The bridge of audio and video of members for interaction with the directors will be closed until they are allowed to speak to the AGM as per the pre-registration. Please note that as per the requirements of the law, the proceeding of the Annual General Meeting will be recorded and the transcript will be uploaded on the website of the company. Total 40 number of shareholder had joined till 2:29 PM, The quorum is present. We now invite our Chairperson, Mrs. Rajashree Birla, to initiate the proceeding. Over to you, ma'am.

– **Mrs. Rajashree Birla - Chairperson, Century Enka Limited:**

– Ladies and gentlemen, I'm joining the Annual General Meeting from my office at Bombay. It gives me a great pleasure to welcome you all to the 56<sup>th</sup> annual general meeting of Century Enka Limited held through video conferencing and webcast. The quorum is present and I declare the meeting to order. Now, I request respected board members to briefly introduce themselves. Mr. Jain?

– **Mr. S. K. Jain - Independent and Non- Executive Director, Century Enka Limited:**

– I am advocate Sohanlal Kundalmal Jain. I am Independent Director of Century Enka. I have received all the documents. I'm participating from my Pune office. I can see each and every one. And I'm participating from here. I welcome to all of you. Thank You.

– **Mrs. Rajashree Birla - Chairperson, Century Enka Limited:**

– Mr. Thar.

– **Mr. Krishna Thar – Independent and Non- Executive Director, Century Enka Limited:**

– Good afternoon, members. I am Krishna Thar, Independent Director. And I'm joining the meeting online from the Corporate Office at Bombay.

– **Mrs. Rajashree Birla - Chairperson, Century Enka Limited:**

– Mrs. Krupa Gandhi.

– **Mr. Suresh Sodani – Managing Direct, Century Enka Limited:**

– Not yet join, ma'am. I'll introduce myself. Good afternoon. I'm Suresh Sodani, Managing Director of the Company. I'm joining the meeting from conference room of Pune office.

– **Mrs. Rajashree Birla - Chairperson, Century Enka Limited:**

- Ladies and gentleman. Now for statutory announcements. I pass over to Mr. Rahul Dubey, our company secretary.
- **Mr. Rahul Dubey - Company Secretary, Century Enka Limited:**
- Good afternoon, dear members. Once again, this meeting is being conducted through video conferencing and webcast as per the procedure of the companies act and various circulars issued by MCA and SEBI. The integrated annual report containing the board report including annexures, corporate governance report, business responsibility and sustainability report, Independent auditors report, financial statements and other reports along with notice of this meeting have already been circulated to the members at their registered email ID. I hope you all have received a copy of the 56th Annual Report and AGM notice. With your permission, I take the annual report as read. Since there is no qualification, observation, comment or remark in the statutory auditors and secretarial auditor's report for the year ended 31st March, 2022, I take liberty to not to read the report in the interest of time.
- In order to enable the shareholder to vote on the resolution, we have provided evoting facility through NSDL platform. The voting commenced on Monday 15th August 2022 at 9 AM and ended on Wednesday 17 August, 2022 at 5 PM. The voting rights were reckoned on the shares held as on the cut-off date 11th August, 2022. Since the shareholders are provided with evoting facility, there will be no voting by show of hands at the meeting as per the statutory provisions. In case you have not yet exercised your voting rights through remote evoting facility, we request you to do so now while watching the AGM proceeding. Voting will remain open up to 30 minutes from closing of AGM. The statutory document registers and reports which are required to be placed at the AGM for inspection are open for inspection electronically. Any member interested can take inspection through a link provided on the website of the NSDL under AGM Document tab in shareholders login. I now invite our Chairperson, Mrs. Rajashree Birla to address the members.
- **Mrs. Rajashree Birla - Chairperson, Century Enka Limited:**
- Ladies and gentlemen, I would once again like to welcome you all to the 56th annual general meeting of your company. I hope you and your families are all doing well and keeping good health. The year gone by has been very 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 deadly COVID-19 variants put the brakes, which led 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 two onwards, backed by massive fiscal and monetary initiatives, robust consumer spending, and a better business front, we witnessed the resurgence of the economy. India GDP is estimated to have explain expanded over 8.5% and in FY22 vis-à-vis a contraction of 6.6% in FY21. The resilience of our employees and the team SGL 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, nylon tyre cord fabric and nylon filament yarn, along with overall profitability. I'm happy to record that work on the ambitious expansion projects undertaken by your company is well underway. Our vision is to be the leader in the business of tyre enforcement and manmade textile yarn, which 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 by doing some extremely environment sensitive, conscious of our obligations to multiple stakeholders, and factoring all aspects of governance, transparency as well as accountability. This year your company has taken a step forward in environmental, social, and governance journey. We have engaged as key stakeholders to understand issues material to them. This will help reach out from the direction for our sustainability endeavours.

- This year's integrated annual report presents the financial and the ESG performance of your company. I would like to thank all of our colleagues for their valuable commitments, and dedication and all of you, our stakeholders, for your support. The trust and faith posed by all of you in your management is deeply valued. Here's wishing you all a great year ahead.
- Now I would like to hand over the proceedings to Mr. Suresh Sodani, our Managing Director.
- **Mr. Suresh Sodani – Managing Director, Century Enka Limited:**
- Thank you ma'am. Good afternoon, dear members. Since this meeting is held through video conference, and the resolutions provided in the notice have been put to vote by evoting. There will be no proposing and seconding on the resolutions as we used to have in the physical meetings. I will now brief you on the resolutions that have been proposed for the approval of the shareholders in the notice of annual general meeting.
- Item number one, to receive, consider and adopt the audited financial statements for the financial year ended 31st, March 2022 and the report of the Board of Directors and Auditors thereon.
- Item number two, to declare dividend on equity shares of the company for the financial year ended 31st, March 2022.
- Item number three, to appoint a director in place of Mr. Devajyoti Nirmal Bhattacharya who retires by rotation and being eligible, offers himself for reappointment as a director of the company.
- Item number four, to ratify the remuneration of the cost auditors for the financial year ended 31st, March 2021.
- Item number five, to ratify the remuneration of cost auditors for the financial year ended 31st, March 2022.
- And item number six, to ratify the remuneration of cost auditors for the financial year ending on 31st, March 2023.
- We will now invite the members who have registered themselves to ask any questions to the management. They will be unmuted and will be allowed to ask questions when called upon by the moderator. Members who have not registered themselves as a speaker, but still want to ask any question may do so by posing questions in the chat box available on their screen. We will respond to the queries of the speaker shareholders and the queries received in the chat box in one go.

- In the interest of time, I request all the speaker shareholders to please keep the questions brief and do not repeat the questions which have been asked by their fellow members. This will ensure that other members get a chance to speak at the AGM and raise any concern. Once the voting is completed, the scrutinizer will compile the results of both remote voting and voting at the AGM and will submit the final report to the company within two working days. The combined results will be placed on the website of the company and website of NSDL. The results will also be submitted to the stock exchanges. On the basis of the report of the scrutinizer the resolutions will be considered as approved or rejected. May I now request the moderator to please invite the members one by one?
- **Mr. Rahul Dubey - Company Secretary, Century Enka Limited:**
- Thank you so much sir. We have the first question from Mr. Kaushik Narendan Sahukar. Sir, you may go ahead with your question, please.
- **Mr. Kaushik Sahukar - Shareholder:**
- Hello, I'm audible.
- **Moderator:**
- Yes, you are audible.
- **Mr. Kaushik Sahukar - Shareholder:**
- Good afternoon, everyone. First of, I would like to thank the board of directors for giving me the opportunity again to speak on the forum. Many of you will remember me from the conversations in past, through I'll keep both my task and introduction brief. I hope I am audible. Hello?
- **Mr. Suresh Sodani – Managing Director, Century Enka Limited:**
- Yes, Mr. Sahukar. You are audible.
- **Mr. Kaushik Sahukar - Shareholder:**
- Myself Kaushik Sahukar, a qualified Chartered Accountant from Mumbai, I have been suffering from dystonia, which is under 55% of upper body paralyzed, impacting my right hand, my right leg and speech. While I have not let that come in my way of becoming a chartered accountant and practicing. I'd request your support helping me continue to be self-reliant. I hope I'm clearly audible now.
- **Mr. Suresh Sodani – Managing Director, Century Enka Limited:**
- Yes. Mr. Kaushik.
- **Mr. Kaushik Sahukar - Shareholder:**
- Thank you. I will appreciate after our conversation we had last time about me working for our company on certification work including Form 15cb, however, nothing has progressed since. Well, certain things may not have progressed due to pandemic situation last year. I do hope after conversation today, our organization who's trying to engage me in this area as soon as possible. Once again, thank you for the opportunity to speak today. And I hope

to see a positive response for my task. I support all the resolution. It's appreciated. If you can please provide the word reply for my task. And also it will appreciate if a company can support me with work. Sir, finally, what -- is there impact on China-Plus-One on our country? Thank you.

– **Mr. Suresh Sodani – Managing Direct, Century Enka Limited:**

– Thank you, Mr. Kaushik.

– **Mr. Rahul Dubey - Company Secretary, Century Enka Limited:**

– Thank you so much, Mr. Kaushik. We have the next question from Mr. Shashikant Gajanan Marathe. Please go ahead.

– **Moderator:**

– The person with the said name is not connecting at this meeting, sir.

– **Mr. Rahul Dubey - Company Secretary, Century Enka Limited:**

– We have the next question from Mr. Pavan Nahar.

– **Moderator:**

– The person with the said name is not connecting at this meeting, sir.

– **Mr. Rahul Dubey - Company Secretary, Century Enka Limited:**

– We have the next question from Mr. Yusuf.yunus Rangawala.

– **Mr. Yusuf.yunus Rangawala - Shareholder:**

– Yeah, good afternoon, sir. Speaking from Mumbai. Rajashree Birla, good afternoon. Please accept my wish.

– **Mrs. Rajashree Birla - Chairperson, Century Enka Limited:**

– Namaste.

– **Mr. Yusuf.yunus Rangawala - Shareholder:**

– Madam, I am talking from Mumbai where your Birla Company is situated. I don't have to say anything. You gave very good dividend. Your rate is three times in market. I salute your for your hard working. I am very with your hard working. I am proud for being shareholder of company. It is not enough how much thank you for your hard work. We are lucky that we have hard working secretary like Raghu. Till now I have not visited your factory. It is my humble to visit you, madam. Can you see me now?

– **Mrs. Rajashree Birla - Chairperson, Century Enka Limited:**

– No. I can't see.

– **Mr. Yusuf.yunus Rangawala - Shareholder:**

- Can you see it now? I want to know the total number of staff. I have no complaint regarding dividend. I pray for your good health and best wishes for Govinda. I wish for all festivals. Thank you.
- **Mrs. Rajashree Birla - Chairperson, Century Enka Limited:**
- Thank you so much. Thank you.
- **Mr. Rahul Dubey - Company Secretary, Century Enka Limited:**
- Thank you so much, Mr. Rangawala. We have the next question from Mrs. Swarnlata. Please go ahead.
- **Moderator:**
- The person with the said name is not connected in this meeting, sir.
- **Mr. Rahul Dubey - Company Secretary, Century Enka Limited:**
- We have the next question from Mr. Mukesh Mohan Chandiramani.
- **Moderator:**
- The person with the said name is not connected in this meeting, sir.
- **Mr. Rahul Dubey - Company Secretary, Century Enka Limited:**
- We have the next question from Mrs. Trupti Ulhas.
- **Mr. Ullhas Paymaster - Shareholder:**
- Yeah, my name is Ullhas Paymaster. I just want to raise some questions about the working of the first quarter ending June 30th, 2022. I was comparing your results with the segment wise working of one of your competitors SRF. Now SRF has reported nearly 25% growth in the profit for the quarter ended June as compared to the previous quarter that is March. Now, where is in case of our company, there is a decline of nearly 10% to 15% in the profit between the two quarters that is March and June 2022. So, can you give the reasons why our profit has shown de-growth as compared to one of your major competitor in this industry.
- Similarly, if you look at the return on capital employed, the return of on capital of our company is much lower than the return on capital of the technical textile business of SRF. Again, if you can give the reasons why our ROC is lower than our competitor. Second question I wish to raise about your dividend policy. Now you have declared a dividend of 100% for this year. Now if you look at the overall marginal taxation, which is nearly 35% to 36% including the surcharge, the shareholders are unnecessarily being punished or penalized for the higher taxation. On the other hand, if the company was to give even a small bonus issue, the shareholders who want liquidity from their investment in your company, they can always sell the bonus shares and create the liquidity and the overall tax impact on the shareholder would be much lower than what he is paying now on the dividend. So can you elaborate what are your views on the dividend as well as the bonus policy?

- And the third question would be can you please tell me what is the land in terms of acres in your Pune plant? Thank you.
- **Mr. Rahul Dubey - Company Secretary, Century Enka Limited:**
- Thank you so much, Mr. Ullhas. We have the next person from Mr. Om Prakash Kejriwal. Please go ahead.
- **Mr. Om Prakash Kejriwal - Shareholder:**
- Am I audible, sir?
- **Moderator:**
- Yes.
- **Mr. Om Prakash Kejriwal - Shareholder:**
- Thank you, sir. Good afternoon, Madam Ji.
- **Mrs. Rajashree Birla - Chairperson, Century Enka Limited:**
- Good afternoon.
- **Mr. Om Prakash Kejriwal - Shareholder:**
- And good afternoon to everybody attending the AGM. Thank you, Madam Ji for providing me the platform to speak before something, to speak before you something in the AGM. Thanks to Rahul sir and his team for helping me in registration as a speaker shareholder. Thank you, Madam Ji, I am fortunate to able to attend AGM because it is held online. Otherwise, I am talking from Kolkata, my name is Om Prakash Kejriwal. I am one of the oldest shareholder. It is an opportunity for me to attend this due to online. Otherwise to go to Pune and attend was very difficult.
- **Mrs. Rajashree Birla - Chairperson, Century Enka Limited:**
- Yeah.
- **Mr. Om Prakash Kejriwal - Shareholder:**
- Madam Ji, your father-in-law, Basant Kumar ji Birla, who was the Founder and Chairman of this company, people would call him fondly Basant Babu or BK Babu. He was very social. In Kolkata, during AGM of Keshoram and Jayshree, after AGM he came down from stage and stands between us shareholders. He ask meet each and every one and ask about their wellbeing. He used to say that our shareholders are pillar of our company. They are like our younger brother. Jayshree's AGM, D K Babu or Birju Babu, who was key team of Brijmohan Khetaji, they were always together and talked with shareholder. It is right we are like your younger brother. You are the majority shareholder and we are minority shareholder. But yesterday I was a little disappointed when I didn't get permission to speak for UltraTech Cement AGM due to physical shareholder. I have physical share and that is my portfolio. I mail two three times, I called also two three times, he picked up phone and talked also but ultimately I didn't get permission to speak. I was not registered. I want to ask politely, was it right, madam? We are the shareholder, and we will complain to you. If there is problem

with physical shareholder then convert my share to demat. I have three folio, and 11 divided is still pending which I have not received, please make that payment also. This is my humble request as a senior citizen shareholder. Madamji, your company's performance is very good. It's very good, no complaint. Standalone revenue increased INR 1,244 Cr to INR 2,118 Cr. And standalone EPS from INR 32 to INR 84, more than excellent, no doubt, madamji. You increased dividend from INR 8 to INR 10. It is appreciable. I have no complaint. Performance is super. During this environment, Russia - Ukraine war, an uncertain environment, I congratulate for good performance. Your whole team which is working for country is appreciable. You made so many educational institutes, temple and guest house for society. Small example, I was attending Bharat Forge' AGM, it is also in Pune. His owner is Baba Kalyani, you must have heard his name. He is the product Brij Pilani. I was surprised you made institutes which is helping India going forward. Directly and indirectly, you and your forefathers have done lot of work for India. You are the real patriot no one can deny that, madamji.

– **Mrs. Rajashree Birla - Chairperson, Century Enka Limited:**

– Thank you.

– **Mr. Om Prakash Kejriwal - Shareholder:**

– For that thank you to you and your forefather as well. Your company's two main product, nylon filament yarn and nylon tyre cord fabric. I just want to know whether nylon filament yarn is same as acrylic yarn, first thing. And second, what is the in-house consumption, both Grasim and Century Textile. And do you also export? And second, nylon tricot fabric. Now we have boom in auto sector industry. How much growth do we expect in this product? If you can tell about this a little bit. At last, please maintain your smile. We will remain with you always as a long-term investor. Please adopt BK Babu's culture and finally Happy Janmashtami. Thank you, Madam Ji.

– **Mrs. Rajashree Birla - Chairperson, Century Enka Limited:**

– Happy Janmashtami.

– **Mr. Rahul Dubey - Company Secretary, Century Enka Limited:**

– Thank you so much, Mr. Om Prakash. We have the next question from Mr. Niranjana Sarda. Please go ahead.

– **Mr. Niranjana Sarda – Shareholder:**

– Hello, yeah. Good afternoon, everybody. I'm Niranjana Sarda. Sir, I have seen in annual report that companies leveraging IT platforms very well. Various applications has been developed, strengthening information security practices, designed automotive business dashboard to monitor various KPIs, etc. My question is, what are companies focus areas towards digital transformation? Thank you, sir.

– **Mr. Rahul Dubey - Company Secretary, Century Enka Limited:**

– Thank you so much Mr. Sarda There is no further speaker. Now we request Managing Director to reply queries of shareholder. Over to you, sir.

- **Mr. Suresh Sodani – Managing Director, Century Enka Limited:**
- Thank you, Rahul. I will try and respond to all the queries, questions and suggestions given by the Honourable members. First of all, thank you for all the kind words about Rajashree ma'am and directors and the management. We are committed to work towards growth of the company on a continuous basis, and we look forward to your continued support. With respect to engagements of certain members for professional work, we will evaluate it on merit basis and we'd certainly like to help concern members to the extent possible, within policy guidelines of the company. A member had requested for factory visit. We can arrange that. Please connect with our secretarial department or on the website and we'll try and arrange for a visit to the factory.
- Regarding number of staff in the factory on a combined basis between the two sides. We have 423 staff and 1,168 permanent workmen. There is a query on quarter one performance of FY23 and comparison with competitors' technical fibre business. While we do not want to get into details of what is real answers, but I will give a broad reason for the queries raised. The segments that the competitor works on technical fibres versus the two segments of your company are different. The competitor does not have nylon filament yarn, and we do not operate in belting fabrics, plus there are other sub segments which are different. So, they are not technical or completely comparable, only the nylon tyre cord fabric is a common product between the two companies and we do not have breakup of them, their nylon tyre cord performance versus ours. So, we will not be able to give exact reasons for that. But this is the broad reason that the quarter-on-quarter or quarter four versus quarter one performance with your competitor would be different. The same reason applies to return on capital employed and it is not completely comparable with the competitor.
- There was a question on dividend policy. We appreciate the concerns of the members and also acknowledge that due to the change in the taxation on dividends, our members having higher income tax rates and the reduction on dividends declared by the company is higher compared to the past, time to time these points are discussed in the board with respect to bonus with respect to other mods to ensure that the total shareholder returns are higher. And your suggestions will be again put up with the board and in the judgment of the board on a combined basis as and when a new decision is taken. This will be conveyed to all the members.
- There was a question on the land area in Pune Plant, we have 38 acres at Pune. A question was asked about one is while it is not fair to us -- for us to comment on issues related to UltraTech but we will communicate your concern to the company through our connections and we'll request them to help you and de-materialization, we will also check if there is anything pending to be Demat, your shares to be Demated at Century Enka and we'll help you support you in getting them demand.
- Question was asked about different between nylon filament yarn and acrylic yarn. Both are manmade fibres, which are produced from a petrochemical base but are used in different applications. Nylon filament yarn is particularly used for garments, women as well as men innerwear, athleisure and such segments are also used in technical fibres like parachutes, the technical fibres are used for applications like parachutes, tents, backpacks, and defence application.

- Acrylic also has different applications, it goes along with wool and multiple elements and hence the two segments are quite distinct and their underlying reasons for growth or differentials are very different.
- There is a question on the other segment which is nylon tyre cord fabric. We expect the nylon tricot fabric to grow at about 3% to 4%. And the reason is that nylon tyre cord fabric is primarily used in truck and bus bias tyres. And as and when reutilization of this segment increases the demand for nylon tricot fabric would not remain or would to be reduced. However, nylon tyre cord fabric is also used in segments like two wheeler and three wheeler tires and tractor tires in OTR vehicles which are expected to grow and hence on an overall basis we expect about 3% to 4% growth in the medium term.
- There was a question about IT platform usage and a compliment to the management on utilizing it platform. We thank you -- thank the member for the compliment. Yes, we are utilizing, we are on SAP and utilize the features of SAP to the extent possible both for seamless recording of our business activities as well as analysis and reporting on real time basis. This helps us to analyse the data with accuracy and on timely basis. We are also focused on increasing the digitalization and continuously adopting and evaluating digital platforms for improving efficiency, company is also working on a transformation roadmap through digital to excel in customer experience, operational experience, optimum asset utilization and possibly also in e-revenue generation. We are hopeful that digital would drive future growth and bring more efficiency in company operations.
- Some of the registered speakers have not joined. So, this is the complete list of queries and questions which have been raised. We have not received any question in the chat box until now. So I assume that we are through with the total questions that were asked during the AGM, and we try to respond to it in the best possible manner, in case any member still feels that his queries have not been fully satisfied, they are free to contact us right on either on the website or contact the secretarial office to post their queries and we will reply to them individually.
- I would now request the Chairperson to thank the members and close the meeting.
- **Mrs. Rajashree Birla - Chairperson, Century Enka Limited:**
- My thanks to Mr. Suresh Sodani for taking up queries of the shareholders appropriately. And since there are no other matters, and all the queries have been answered, we can now close the meeting. In case, some of the members have not completed the voting, I request them to complete the voting as quickly as possible. The voting window will remain open for the next 30 minutes. Thank you all for attending and wish you all the best. Thank you.
- **Mr. Suresh Sodani – Managing Direct, Century Enka Limited:**
- Thank you.
- **END OF TRANSCRIPT**