



TRANSCRIPT OF THE PROCEEDINGS OF THE 59TH ANNUAL GENERAL MEETING (“AGM”) OF THE MEMBERS OF CENTURY ENKA LIMITED (“THE COMPANY”) HELD ON TUESDAY, 12TH AUGUST, 2025 AT 2:30 P.M. THROUGH VIDEO-CONFERENCE (“VC”) / OTHER AUDIO-VISUAL MEANS (“OAVM”)

Participants

Mrs. Rajashree Birla- Non-Executive Director, Chairperson
Mr. Ashish Razdan - Independent Director
Mr. Jayant Dhobley- Non-Executive Director
Mr. Ravindra Kastia - Independent Director
Mrs. Krupa R. Gandhi- Independent Director
Mr. Suresh Sodani- Managing Director
Mr. Yogesh R. Shah- Chief Financial Officer
Mr. Rahul Dubey- VP Legal & Company Secretary
Other Key Executives, Senior Management, Statutory Auditors, Secretarial Auditor and Shareholders.

– **Moderator:**

– Good afternoon, everyone. Welcome to the 59th Annual General Meeting of Century Enka Limited. We will commence the proceeding of the meeting. Thank you and over to you, Sir.

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

– Good afternoon. Dear shareholders, warm welcome to the 59th Annual General Meeting of Century Enka Limited being held through video conferencing and webcast. We trust that you and your family members are safe and in good health. Pursuant to various circulars issued by Ministry of Corporate Affairs, Government of India and the Securities and Exchange Board of India (SEBI), companies have been permitted to conduct their Annual General Meeting through video conferencing or other audiovisual means, thereby dispensing with the requirement of physical presence of shareholder at a common venue.

– The facility for attending the AGM through video conferencing is being made available to 1,000 shareholders on first-come, first-served basis. To ensure the smooth and seamless conduct of the meeting, the audio and video bridge of the shareholders will remain muted until they are invited to speak, in accordance with the preregistration process for interaction with the Directors

– Please note that in compliance with the applicable legal requirements, the proceedings of this Annual General Meeting are being recorded. The transcript will be made available on the company website in due course. All directors are present.

- Mrs. Rajashree Birla, Chairperson, will chair the 59th Annual General Meeting.
- Mrs. Krupa Gandhi, Chairperson of Audit Committee and Nomination and Remuneration Committee, is present at the meeting.



- Mr. Ashish Razdan, Chairperson of Stakeholder Relationship Committee, is also present.
- The representatives of the Statutory auditor and the Secretarial auditor are also present.
- Now, we request the Board members to complete their roll call. Mrs. Rajashree Birla Madam.
- **Mrs. Rajashree Birla - Chairperson, Century Enka Limited:**
- I am Rajashree Birla, attending this Annual General Meeting from my office at Bombay and I have got all the papers. Thank you.
- **Mr. Rahul Dubey - Company Secretary, Century Enka Limited:**
- Mr. Suresh Sodani, MD.
- **Mr. Suresh Sodani - Managing Director, Century Enka Limited:**
- I am Suresh Sodani, Managing Director, attending the Annual General Meeting from registered office at Plot No. 72 and 72A, MIDC, Bhosari, Pune, Maharashtra. I am a member of Risk Management Committee, Stakeholders Relationship Committee and Corporate Social Responsibility Committee.
- **Mr. Yogesh R. Shah - Chief Financial Officer, Century Enka Limited:**
- Sir, you are on mute.
- **Mr. Suresh Sodani - Managing Director, Century Enka Limited:**
- You are on mute, Mr. Dhobley.
- **Mr. Jayant Dhobley - Non-Executive Director, Century Enka Limited:**
- Okay, I am sorry. Can you hear me now?
- **Mrs. Rajashree Birla - Chairperson, Century Enka Limited:**
- Yes.
- **Mr. Suresh Sodani - Managing Director, Century Enka Limited:**
- Yes.
- **Mr. Jayant V. Dhobley - Non-Executive Director, Century Enka Limited:**
- So, I am Jayant V. Dhobley. I am a Non-Executive Director in Century Enka. I am attending this Annual General Meeting from my office at the Aditya Birla Centre in Worli. I am the Chairperson of the Risk Management Committee and I can see and hear all my colleague Directors well.



- **Mr. Rahul Dubey - Company Secretary, Century Enka Limited:**
- Ms. Krupa Gandhi.
- **Ms. Krupa Gandhi - Independent Director, Century Enka Limited:**
- I am Krupa Gandhi, an Independent Director of Century Enka Limited, attending this Annual General Meeting from my office at New Marine Lines, Mumbai. I am Chairperson of Audit Committee, Nomination and Remuneration Committee, Corporate Social Responsibility Committee and Share Transfer Committee.
- **Mr. Rahul Dubey - Company Secretary, Century Enka Limited:**
- Mr. Ashish Razdan.
- **Mr. Ashish Razdan - Independent Director, Century Enka Limited:**
- Good afternoon. I am Ashish Razdan, an Independent Director on the Board of Century Enka Limited. I am the Chairperson of the Stakeholders Relationship Committee and a member of the Audit Committee, Nomination and Remuneration Committee, the Risk Management Committee and the Corporate Social Responsibility Committee. Thank you.
- **Mr. Rahul Dubey - Company Secretary, Century Enka Limited:**
- Mr. Ravindra Kastia.
- **Mr. Ravindra Kastia - Independent Director, Century Enka Limited:**
- Good afternoon. I am Ravindra Kastia, an Independent Director, attending the Annual General Meeting from my residence in Mumbai. I am a member of Audit Committee, Nomination and Remuneration Committee, Stakeholder Relationship Committee and Share Transfer Committee.
- **Mr. Rahul Dubey - Company Secretary, Century Enka Limited:**
- The quorum is present. Total 60 number of shareholders have joined till 2.30 pm. We now invite our Chairperson, Mrs. Rajashree Birla, to initiate the proceeding. Over to you, Madam.
- **Mrs. Rajashree Birla - Chairperson, Century Enka Limited:**
- Ladies and Gentlemen, I am joining this Annual General Meeting from my office in Mumbai. It gives me immense pleasure to welcome you all to the 59th Annual General Meeting of your company, Century Enka Limited, and this is conducted through video conferencing and webcast/website. As requisite quorum is present, I hereby call the meeting to order.
- I now request, Mr. Rahul Dubey, Company Secretary, to kindly make the statutory announcements.



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

- Thank you, Madam. Good afternoon, dear shareholders. This meeting is being conducted through video conferencing and webcast in accordance with the provision of the Companies Act and the various circular issued by the Ministry of Corporate Affairs and the Securities and Exchange Board of India. The integrated Annual Report, which includes the Board report along with annexures, the Corporate Governance Report, the Business Responsibility and Sustainability Report, the Independent Auditor's Report, financial statement, standalone as well as consolidated, and other relevant reports along with the notice of the Annual General Meeting have already been circulated to all shareholders at their registered email address.
- Pursuant to SEBI's regulation, a letter containing the web link, QR code, key details regarding dividend payment and AGM along with the link for KYC updation have been sent to the shareholders whose email id are not registered. These shareholders can access the notice and Integrated Annual Report for the FY24-25 through the provided link and QR code. We urge such shareholders whose email id are not registered to complete their KYC formalities at the earliest to ensure seamless communication in the future.
- We trust that you have received the 59th Annual Report and the AGM notice. With your permission, we take the Annual Report as read.
- Since the Statutory auditor report for the financial year ended 31st March, 2025 does not contain any qualifications, observations, comments or remarks, we take liberty of not reading the report at this meeting in the interest of time.
- In order to facilitate voting on the resolutions, the company has provided E-Voting facility through NSDL platform. The remote E-Voting commenced on Saturday, 9th August, 2025 at 9 am and concluded on Monday, 11th August, 2025 at 5 pm. The voting rights of shareholders were determined based on shares held as on the cut-off date Tuesday, 5th August, 2025.
- As the shareholders have been provided with the facility of E-Voting in accordance with the applicable statutory provisions, voting by show of hands will not be conducted during the meeting.
- Shareholders who have not exercised their voting rights through the remote E-Voting facility are requested to cast their vote now while watching the AGM proceedings.
- The E-Voting facility will remain open for 15 minutes after the conclusion of the Annual General Meeting.
- The statutory document, register and report that are required to be placed at the Annual General Meeting for inspection are available electronically. Any shareholder who wishes to inspect these documents may do so through the link provided under the 'AGM Documents' tab in the shareholder login on NSDL website.
- We now invite our Chairperson, Mrs. Rajashree Birla, to address the shareholders.



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

- Ladies and gentlemen, good afternoon. I extend a warm welcome to all of you at the 59th Annual General Meeting of your company, Century Enka Limited. I hope this message finds you in good health and high spirits. With 'force for good' as the overarching theme at the Aditya Birla Group, we reflect on a year marked by resilience, resolve and responsible growth. Amidst competitive global markets and evolving geopolitical challenges, we made meaningful progress anchored in the group's purpose. We remain confident that our collective actions today are shaping a stronger and more equitable tomorrow.
- At Century Enka Limited, we are committed to evolving with global demands while keeping sustainability at our core. As a force woven with purpose, we strive to create lasting societal and environmental value while contributing meaningfully to the vision of Viksit Bharat.
- To meet growing market demand, we have scaled our production capacity and continue to engage with our customers delivering product innovations, assured supply and future-ready solutions. Our foray into the Polyester Tire Cord Fabric (PTCF) last year is expected to yield desired results in the year ahead unlocking new growth avenues. We also remain committed to offering superior, differentiated synthetic yarn products that are aligned with emerging fashion trends and customers' needs.
- With strong governance, prudent risk management and deep stakeholder trust, we remain committed to being a force for good. At CEL, our mission transcends business as we strive to create enduring societal and environmental value while contributing to a larger, stronger, more resilient economy.
- I extend my heartfelt thanks and gratitude to our leadership, employees, partners and stakeholders for your commitment and trust. You inspire us to continue our journey with dignity, excellence and purpose.
- Now, I would like to hand over the proceedings to Mr. Suresh Sodani, the Managing Director.

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

- Thank you, Madam. As this meeting is being conducted through video conferencing and the resolutions set out in the notice of the AGM have been placed for voting through the E-Voting facility, there will be no requirement for proposing and seconding of the resolutions as was customary in physical meetings.
- We will now brief you on the resolutions that have been proposed for the approval of shareholders in the notice of Annual General Meeting.
 1. To receive, consider and adopt, A, the audited standalone financial statements of the company for the financial year ended 31st March, 2025 together with the reports of the Board of Directors and auditors thereon. And the audited consolidated financial statements of the company for the financial year ended 31st March, 2025 along with the report of the auditors thereon.



2. To declare a dividend on equity shares of the company for the financial year ended 31st March, 2025.
 3. To appoint a Director in place of Mr. Jayant V. Dhobley, who retires by rotation in accordance with the provisions of the Companies Act, 2013 and the Articles of Association of the company and being eligible offers himself for reappointment.
 4. Reappointment of Mrs. Krupa R. Gandhi as an Independent Director.
 5. Reappointment of Mr. Suresh Sodani as a Managing Director of the company.
 6. Appointment of M/s. Sanjay Sangani & Co., Practicing Company Secretaries, as Secretarial auditors.
 7. Ratification of remuneration of Cost auditors for the financial year ending 31st March, 2026.
- We will now invite shareholders who have registered themselves as speakers to ask questions to the management. They will be unmuted and allowed to speak when called upon by the Moderator. Shareholders who are not registered as speakers but still wish to ask a question may do so by posting their queries in the chat box available on their screen.
 - We will address the queries raised by registered speaker shareholders as well as the questions received through the chat box collectively in one go.
 - In the interest of time, we request all speaker shareholders to keep their questions brief and avoid repeating questions that have already been raised by fellow shareholders. This will help ensure that more shareholders have opportunity to speak and raise their concerns during the AGM.
 - After the conclusion of the voting, the scrutinizer will compile the results of both the remote eVoting and eVoting conducted during AGM and will submit the consolidated report to the company within 2 working days.
 - Based on the scrutinizer's report, the resolutions will be deemed approved or rejected as the case may be.
 - The results will be disseminated to the stock exchanges and also published on the company's website as well as NSDL website.
 - May we now request the Moderator to please invite the shareholders one by one.

Q&A Session

- **Mr. Rahul Dubey - Company Secretary, Century Enka Limited:**
- Thank you so much, Sir. We have the first question from Mr. Kaushik Narendra Sahukar. Kindly unmute your audio, switch on your camera and speak.



- **Mr. Kaushik Narendra Sahukar – Shareholder:**

- Hello am I audible Sir,

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

- Yes, you are audible,

- **Mr. Kaushik Narendra Sahukar – Shareholder:**

- Good afternoon to respected Chairman, Executive Directors and key management personnel. I hope you all are in good health. It gives immense pleasure to interact with you once again this year. I am also deeply grateful to our Company Secretary for granting me this opportunity. Coming to the agenda of the meeting, I would like to seek only clarification.

- Given the global shift towards sustainable textile and stricter ESG compliance, what strategic initiatives is Century Enka undertaking to transition towards bio-based or recycled raw materials?

- And how does the company plan to manage the associated R&D and capital costs with maintaining profitability?

- One suggestion from my side, the company could explore collaborations with apparel brands and recycling firms to create a closed-loop polyester and nylon recycling program, which would not only strengthen ESG credentials but also open up a premium product segment in the global market.

- Before concluding, I would like to share a thought that in my view beautifully reflects the personality and potential of our company. Like strong fibers woven into enduring fabric, Century Enka innovation and resilience can view a future where sustainability and growth go hand in hand.

- And on a lighter note, with Century Enka's durable fibers, even my old sofa cover is starting to think it is a family heirloom. I repeat again, with Century Enka's durable fibers, even my old sofa cover is starting to think it is a family heirloom. I am personally committed to putting my best efforts but with organization support the journey becomes even more meaningful. In that spirit, I humbly request the management, our CFO, our MD and our Chairman to consider me with a potential opportunity to work with the company in the area of Certification Audit, including those related to foreign payments. Such an opportunity would not only help me remain professionally resilient but also make me feel truly connected with our company as a part of our company family. No matter I am specially abled but my mind is still fragile, that is why I am requesting you to please help me with some work, rather than asking for free money. If our company helps somebody needy or maybe even shareholders, it will be counted as CSR activity, which our company is known for. Ma'am, I just received a call last year but there was no proper steps taken after that. So, I request you to please help me with some kind of work.



- Lastly, I humbly request the management to consider organizing a site visit or a CSR initiative site visit, which will help us to see impactful work done by our company at the grassroots level and celebrate the positive change we created through our CSR initiative. Additionally, I suggest the savings from conducting virtual AGM be thoughtfully utilized for shareholders' welfare, perhaps through memento reinforcing our emotional bond with our company.
- Thank you all for your time, attention and continued support. I look forward to engaging with you next year. Ma'am, please take care of your health. Thank you so much.
- **Mr. Rahul Dubey - Company Secretary, Century Enka Limited:**
- Thank you so much, Mr. Kaushik Narendra Sahukar. We have the next question from Mr. Yusuf Yunus Rangwala. Kindly unmute your audio, switch on your camera and speak.
- **Mr. Yusuf Yunus Rangwala - Shareholder:**
- Good afternoon, Sir. Am I audible?
- **Mr. Rahul Dubey - Company Secretary, Century Enka Limited:**
- Yes, You are audible,
- This is Yusuf Rangwala from Bombay. I am a long-time shareholder of the Century Enka. Sir, this company is of Birla Group. The way Madam handles everything, there's nothing to ask.
- Sir, what is the total number of staff who work in our factories?
- Sir, you gave handsome dividend.
- Sir, oblige me by sending the Annual Report copy, Chairman.
- I wanted to know when was the last time you declared bonus?
- I wanted to know about new orders received by Century Enka. What orders we have at present?
- Where do we import to and export from?
- Chairman Sir, I want to do factory visit. It has been many years since you took us for the factory visit. Sir, if possible, take us for the factory visit.
- The fragrance of flowers, the spring of buds, may we always be together. Wishing you good luck, Sir. Best wishes for upcoming festivals, Ganesh Chaturthi. I hope you would take us for the factory visit. Thank you very much, Sir. Thanks to Madam also because this is a Birla Group company and no comments to be made. When Madam is there, no need to ask any questions. Jai Hind, Madam. Wishing you good luck. Wishing you Happy Janmashtami. Thank you very much, Sir. Wish Sir also on our behalf. Pass on my Janmashtami greetings to Sir also. Thank you very much.



- **Mrs. Rajashree Birla - Chairperson, Century Enka Limited:**
- Thank you.
- **Mr. Rahul Dubey - Company Secretary, Century Enka Limited:**
- Thank you so much, Mr. Yunus. We have the next question from Mr. Himanshu Trivedi. Kindly unmute your audio, switch on your camera and speak.
- **Moderator:**
- The speaker shareholder is not connected, we can move to the next speaker.
- **Mr. Rahul Dubey - Company Secretary, Century Enka Limited:**
- We have the next question from Mr. Manjit Singh. Kindly unmute your audio, switch on your camera and speak. Mr. Manjit Singh.
- **Moderator:**
- Sir, request sent to you, please unmute the mic.
- **Mr. Manjit Singh -Shareholder:**
- Yes-yes. Am I Audible?
- **Mr. Rahul Dubey - Company Secretary, Century Enka Limited:**
- Yes, audible.
- **Mr. Manjit Singh -Shareholder:**
- Company's management team, secretarial team and my co-shareholders, I welcome you all. Good afternoon to all. Sir, the problems that our company is facing, what safety measures have we taken for the future? This year we spent ₹127 crores 60 lakhs employee benefit expenses and last year we spent ₹121 crores 61 lakhs, so we have increased our spent in this area, that shows large-heartedness of the company and that the company thinks about the employees' interests.
- Madam, I would want to know, last year we added new employees and addressed the problem of unemployment. If so, tell us about that.
- Our Earnings Per Share has increased from ₹21 to ₹ 30.71. A quarter has passed, what are the future growth plans so that there's increase in Earnings Per Share.



- Our company is in textile products and tariff rules applies, so are we thinking of discontinuing dealing with few countries and entering new countries? Is there anything with regards to that in our orderbook? Or any such orders that we expect to get from new countries? Like we discontinue with countries where tariff is high and move to other countries.
- We hope that you would do good work in future. I pray to God that our company is running since '1967 and when company's performance gets better, we would demand for bonus. Face value of share is ₹10, in coming future company should have more profits and maybe in Board-Meeting there's discussion about bonus. That's would be really good.
- I was able to join you, that's because of the hard work of Moderator and Secretarial department. Our company is listed in BSE and NSE, BSE code is 500280. With due respect given to Century Enka's symbol and good corporate governance the Secretarial department has prepared the Balance Sheet well in time. Thanks to them.
- We hope, expect from you and pray to God that company prospers in future. Thank you, management team. Thank you, Secretarial department.
- **Mr. Rahul Dubey - Company Secretary, Century Enka Limited:**
- Thank you so much, Mr. Manjit Singh. We have the next question from Mr. Mahesh Kumar Bubna. Kindly unmute your audio, switch on your camera and speak.
- **Moderator:**
- The speaker shareholder is not connected, we can move to the next speaker.
- **Mr. Rahul Dubey - Company Secretary, Century Enka Limited:**
- We have the next question from Mr. Reddeppa Gundluru. Kindly unmute your audio, switch on your camera and speak.
- **Moderator:**
- Sir, please unmute the mic and speak.
- **Mr. Reddeppa Gundluru - Shareholder:**
- **Am I Audible Sir Now?**
- **Moderator:**
- Yes Sir, go ahead.
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- **Mr. Reddeppa Gundluru - Shareholder:**



- Chairman, Board of Directors, Rajashree Birla Ma'am, Company Secretary, and my fellow members, Good Afternoon, Namaste, myself Reddeppa Gundluru. I am attending this AGM from Hyderabad. I am a shareholder of Century Enka, am very happy and proud of this company for FY 25, _____. I received the Annual Report, thank you Company Secretary. I gone through the Annual Report, Sir, number, figures and facts. As per statutory guidance, everything is great. You did a wonderful task of governance and, _____ We are maintaining the high standards in our balance sheet. I am very happy and proud.

- I have a few questions to ask you about the business performance.
 - What is the demand outlook for Nylon Tyre Cord Fabric and Polyester products in FY2026?
 - How is the company coping the cheap imports and pricing pressure from other Asian markets?
 - Are there plans to diversify into higher margin technical textile to specialty fibers?
 - Another question for capacity and operations. What is the current capacity utilization and manufacturing plans?
 - Any plans for capacity expansion or modernization in the near future?
 - How is the company reducing the dependency on the import and new markets?
 - R&D; how much is being invested in R&D?
 - What new products are in the pipeline?
 - Any development in recycling or eco-friendly fiber production?
 - What is the dividend policy for FY25 and beyond?
 - Are there any rate reduction or cost optimization initiatives planned?
 - How does the company plan to improve the EBITDA margins?

- These are my views, Sir. I support all the regulations strongly. No questions on the resolutions. I strongly support the resolutions, Rajashree Ma'am. Please continue VC, we will be able to attend from anywhere. Madam, I am travelling, that's why there's disturbance, but I am able to attend. So, please continue in the future with VC also.

- I would like to appreciate the Company Secretarial team for the corporate governance and Annual Report, _____. Congratulations to the Company Secretary from my side. We have faith in Birla Group, we have faith in Rajashree Ma'am, we have faith on the Board. So, hopefully, coming financial year we will achieve minimum, _____. I wish you all the best and also, I pray to God to give wisdom, strength, power to achieve the best for the financial year for management members and hard-working employees of my company. Thank you so much, Madam. At Diwali time, please send some greetings to all the speaker shareholders. God bless you all. Stay blessed. Always remember your good deeds, good efforts; always remember. This is Reddeppa Gundluru. I am travelling, Madam. Namaste, Madam.

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

- Namaste.

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



- Thank you so much, Mr. Reddeppa Gundluru. We have next question from Mr. Dev Kumar Agrawal. Kindly unmute your audio, switch on your camera and speak.
- **Moderator:**
- Sir, request sent, please unmute the mic.
- **Mr. Dev Kumar Agrawal – Shareholder:**
- **Hello, Am I Audible?**
- **Moderator:**
- Yes Sir, go ahead.
- **Mr. Dev Kumar Agrawal – Shareholder:**
- Good afternoon, Ma'am. My name is Dev Kumar Agrawal. I am calling from Delhi. Thank you so much for giving me the opportunity to speak. We could meet you through means of VC. Otherwise, I am holding the shares since IPO and till date haven't got a chance to connect with you. Thank you so much to the Ministry because of which we are able to meet you and connect with you through VC.
- In my view, you gave a very good dividend on 5 August, 2025 when you declared ₹10 dividend. Our family members are very happy because we this is an old investment on which this dividend was received.
- My question is, Ma'am, that on 7th October, 1991 you had given bonus shares in the ratio of two for five; thereafter is there any new plan of the company to give bonus shares?
- Another question is whether the company has any plan for a rights issue because for old shareholders it feels like an extra benefit or like getting a jackpot on our investment.
- One more point is that our share price which had reached a lifetime high of ₹864.90 is now trading at ₹498, so what is the main reason for this? The market goes up and down but we are invested in a company like Aditya Birla and we are shareholders in all the 5-6 Aditya Birla companies. We are also original IPO shareholders in many of them. Thank you very much for keeping our investments safe. We feel we have put our money in a safe place which in future will benefit our children and future generations, Ma'am. Thank you very much, Ma'am.
- **Mr. Rahul Dubey - Company Secretary, Century Enka Limited:**
- Thank you, Mr. Dev Kumar Agrawal. We have the next question from Mr. Anil Mehta. Kindly unmute your audio, switch on your camera and speak.
- **Mr. Anil Mehta – Shareholder:**



- Hello, Am I Audible?
- **Mr. Rahul Dubey - Company Secretary, Century Enka Limited:**
- Yes, Audible.
- **Mr. Anil Mehta - Shareholder:**
- Thank you, Good Afternoon, this is Anil Mehta attending this meeting from my residence Kandivali, Mumbai. We have a few questions.
 - Question number one, looking at the trade war and the present situation with our neighboring country and also the present repo rate, how much growth can we expect in FY 2025-26?
 - Second question, when we are in the digital world then why are we keeping cash on hand of ₹5 lakh?
 - Third question, why are we keeping ₹90 lakh balance in the current account where we are not getting any interest from the bank?
 - And the last question is, what is the yearly yield in the Mutual Fund investment?
- With this, we are supporting all resolutions and thanks to the Secretarial department for cooperation and support. And all the best for the bright future of our company.
- **Mr. Rahul Dubey - Company Secretary, Century Enka Limited:**
- Thank you so much, Mr. Anil Mehta. We have the next question from Mr. Amit Kumar Banerjee. Kindly unmute your audio, switch on your camera and speak.
- **Moderator:**
- Sir, you are unmuted, please speak.
- **Mr. Amit Kumar Banerjee - Shareholder:**
- Good afternoon to everyone. Respected Chairperson of the meeting, other Board members present, myself Amit Kumar Banerjee from city of Kolkata. Thank you for getting me connected and giving me an opportunity to speak in such a wonderful meeting today organized by our company Century Enka Limited. It is our 59th Annual General Meeting of the company. Outside there is heavy rain in Kolkata, so there might be some background noise.
- Regarding the performance, it is very good and excellent presentation, good growth, strong financials. Total revenue is about ₹2,039 crore in comparison with last year's ₹1,778 crore, as visible in the Balance Sheet under review. Profit After Tax about ₹67 crore from ₹46 crore, EPS is ₹30.71, dividend is ₹10, market price of the shares quoted around ₹497; of today price.
- Madam, borrowings are still there, non-current about ₹20 crore, current about ₹14 crore. As there are debts so Kindly plan how to reduce such types of debt. Kindly focus.



- What is the market trend of the industry?
 - Please consider arranging one plant visit, if it is possible, so that we can observe how developed infrastructure is over there.
 - Are there any plans to split the equity shares?
 - Madam, is there any plan to reduce power cost by installing a solar plant to generate renewable energy?
- I hope our company will definitely perform much better results in the years ahead, maintain necessary technology infrastructure and definitely keeping in mind shareholders' rewarding policy. I thank all team members for such a wonderful video conferencing meeting today. Myself Amit Kumar Banerjee. Over to you for further proceedings. Thank you Sir. Thank you, Madam.
- **Mr. Rahul Dubey - Company Secretary, Century Enka Limited:**
- Thank you so much, Mr. Amit Kumar Banerjee. We have the next question from Mr. Bharat Raj. Kindly unmute your audio, switch on your camera and speak.
- **Moderator:**
- Sir, request sent to you, please unmute the mic.
- **Mr. Bharat Raj - Shareholder:**
- Very good afternoon, Madam Chairman. Good Afternoon am I Audible?
- **Mr. Rahul Dubey - Company Secretary, Century Enka Limited:**
- **Yes, Audible.**
- **Mr. Bharat Raj - Shareholder:**
- I am speaking from Hyderabad. Madam Chairman, first of all, wonderful performance. Under your leadership my company is growing.
- Madam Chairman, what is the future of my company for the next 3 years CapEx plan?
 - Regarding the American tariff, what will be the impact on my company? Please let me know.
 - Madam Chairman, regarding Europe and Asian markets also there's a lot of turbulence, so what would be the impact on my company? Please, let me know.
- Madam Chairman, you are Chairman of my company. Last year also I was the speaker shareholder and I requested a plant visit. You told, 'Yes, Bharat, we will arrange the plant visit'. But last year in November I forwarded a mail to the Company Secretary that 'I am coming to Pune, please arrange plant visit'. Immediately he reverted and told me 'No need to come, Bharat. We will send you ticket, we will send you the mail and then you come'. Ma'am, 8 months are over. When I called the secretarial department, his assistant picked the call and told 'Sir, is busy. Is in meeting. I will ask him to call you'. I asked the executive 'What's your name?'. 'I am from



secretarial department'. What is this, Madam? There is no respect given for the words of the chairman. We believe in you, Madam, we respect you. If you say no also, we won't ask, Madam. If you say, 'No, Bharat, I can't', we will respect your words. You have accepted, you have sanctioned then why respected CS is making issues?

- Madam, my company's Balance Sheet takes care of expenses, everything. CFO and CS, I don't know why they are stopping this plant visit. I don't know, Madam. This is not a big issue, Madam. It may cost ₹1-₹2 lakhs. My company's Balance Sheet will take care. Please, Madam, at least this time arrange the plant visit.
- Also, I want the detailed breakup of travel expenses and other expenses. Travel expenses, legal expenses and miscellaneous expenses, Madam. Please, arrange it, Madam. Please.
- Once again, my best wishes to you. I support all the resolutions, Madam. Thank you for giving this opportunity. I am Bharat Raj signing off from Hyderabad.
- **Mrs. Rajashree Birla - Chairperson, Century Enka Limited:**
- Thank you.
- **Mr. Rahul Dubey - Company Secretary, Century Enka Limited:**
- Thank you so much, Mr. Bharat Raj. We have the next question from Gaurav Kumar Singh. Kindly unmute your audio, switch on your camera and speak.
- **Mr. Gaurav Kumar Singh – Shareholder:**
- Hello, Am I Audible?
- **Mr. Rahul Dubey - Company Secretary, Century Enka Limited:**
- Yes, you are Audible.
- **Mr. Gaurav Kumar Singh – Shareholder:**
- Okay, Thankyou so much for the confirmation, Respected Chairperson, Board of Directors and fellow shareholders, good afternoon to all of you. My name is Mr. Gaurav Kumar Singh joining this AGM from New Delhi. First of all, I would like to thank you all for giving me the opportunity to express my views on this platform.
- My questions to the management are –
 - What is the target amount for CSR activity for the current financial year?
 - How many legal cases are on our company and what steps have been taken to reduce them?
 - What is the impact of GenAI on our business operations?



- As far as agenda of this AGM is concerned, I support all the resolutions along with all my family members. Also, I wish to convey my greetings for the upcoming festive season and also request you to kindly send greetings to speaker shareholders during future festival season ahead.
- In the end, I wish a bright future for the company and great health to all of you. Thank you, Ma'am. Jai Hind.
- **Mr. Rahul Dubey - Company Secretary, Century Enka Limited:**
- Thank you so much, Mr. Bharat Raj. We have the next question from Mr. Nilesh Limaye. Kindly unmute your audio, switch on your camera and speak.
- **Moderator:**
- Sir, please unmute the mic and speak. Sir, request sent to you, please unmute the mic.
- **Mr. Rahul Dubey - Company Secretary, Century Enka Limited:**
- Limaye ji, you are on mute, please unmute your mic.
- **Mr. Nilesh Limaye - Shareholder:**
- Hello, am I Audible?
- **Mr. Rahul Dubey - Company Secretary, Century Enka Limited:**
- Yes.
- **Mr. Nilesh Limaye - Shareholder:**
- I would like to ask, what will be the impact of the 50% tariff imposed by the USA on our company? And what is our CSR plan for FY2025-26? Thank you so much.
- **Mr. Rahul Dubey - Company Secretary, Century Enka Limited:**
- Thank you so much, Mr. Nilesh Limaye. We have the next question from Mr. Maheshwari. Kindly unmute your audio, switch on your camera and speak.
- **Moderator:**
- The speaker shareholder is not connected, we can move to the next speaker.
- **Mr. Rahul Dubey - Company Secretary, Century Enka Limited:**
- We have the next question from Mr. Keshav Garg. Kindly unmute your audio, switch on your camera and speak.
- **Moderator:**



- Sir, request sent to you, please unmute the mic.
- **Mr. Keshav Garg – Shareholder:**
- Hello, I hope I'm Audible.
- **Moderator:**
- Yes, Sir go ahead.
- **Mr. Keshav Garg – Shareholder:**
- Sir, thank you so much for the opportunity. Sir, I've sent my list of questions and I will ask them for the benefit of other shareholders as well.
 - What is the outlook for FY26 and FY27 in terms of top line and bottom line?
 - What is the steady-state EBITDA margin that we should expect going forward and what kind of improvement can we see over the next 2-3 years?
 - Sir, what kind of volume growth can we expect in FY26 and FY27?
 - Sir, we have got ₹325 crore cash on our books, how do we plan on utilizing this?
 - Sir, are there any plans to forward integrate into fabric or technical textile manufacturing as those are better-margin products and we can better utilize our captive production?
 - What were the volumes of NTCF and NFY during FY25? And when did we achieve peak volumes of these products? If you can't give me the volume, at least tell me when we will achieve the peak volumes of these products.
 - What is our current PTCF, NTCF, NFY capacity and as well as utilization levels?
 - What is our land of our properties in Raigad, Bhosari and Bharuch? And what would be the value of the same?
 - What was the import duty on NTCF and NFY? And when did anti-dumping or import duty expire on these products?
 - Are we in discussions or is the industry representing to the government for further renewal or additional duty?
 - Are there quality control or BIS norms on NTCF, PTCF, and NFY, currently? And what is the likelihood of implementation, if not?
 - Why were our volumes down in Q1 FY26? Were these due to Chinese dumping or increased radialization affecting NTCF demand?
 - What mix of NTCF demand comes from CV, tractor, passenger vehicle, 2-wheelers and other segments?
 - What is the total demand from light commercial vehicles, MHCV, PV for NTCF and PTCF?
 - Sir, do we expect our PTCF business to breakeven in FY26 or will it continue to be loss-making segment?
 - And at steady state, what kind of margins should we expect from this business?
 - What percentage of our domestic consumption is met by import?
 - What is the radialization percentage of the replacement tyre market in India?
 - Sir, we have done ₹500 crores CapEx over the past 5 years but our EBITDA is at similar range, so when can we expect improvement in our EBITDA?



- Sir, what is the replacement cost of our existing facility and maintenance CapEx?
 - What kind of CapEx are we envisaging for the next 2-3 years?
 - What is the USP of our company?
 - Sir, do we sell our product at a premium or discount to other manufacturers?
 - What reduction in working capital days can we expect over the next 2-3 years?
 - What is the IRR payback we will be expecting before embarking on new CapEx or investment?
 - Where do we see our business growing over in the next 3-5 years?
- Sir, these were my questions, if you could just help us understand that we have done capex of ₹500 crores, our EBITDA margins have similar level as FY21...Sorry, the EBITDA level is at similar ₹120 crores and our margins have declined. And when can we expect some relief and when can shareholders expect some improvement?
- That was from my side. Thank you so much and all the best. I hope you can answer my questions.
- **Mr. Rahul Dubey - Company Secretary, Century Enka Limited:**
- Thank you so much, Mr. Keshav Garg. We have the next question from Mr. Ramesh Shanker Golla. Kindly unmute your audio, switch on your camera and speak.
- **Moderator:**
- The speaker shareholder is not connected.
- **Mr. Rahul Dubey - Company Secretary, Century Enka Limited:**
- There is no further speaker. Managing Director, Mr. Suresh Sodani, will reply to queries of the shareholders. Over to you, Sir.
- **Mr. Suresh Sodani - Managing Director, Century Enka Limited:**
- Thank you, all the respected shareholders for your queries, suggestions, compliments, and encouragements. I will try and answer all questions that have been asked. However, in case some questions remain unanswered, please do reach out to our Company Secretary or our office on the website and we will send you a reply by email.
- Also, I want to just inform that we are also conducting quarterly meetings as Investor calls after every quarterly result. So, in case some of the questions are not getting addressed, please do join such calls. After every quarter we are able to interact more directly with each of the shareholder, each of the person present in such Investor calls.
- So, first, regarding plant visits, I sorry and regret that one of the shareholders had to face difficulty. We will try & see how plant visits of shareholders who want to come can be arranged. There could have been some reasons or some issues which would have resulted in such a reply but we are open to shareholders coming to our plant and witnessing and understand the



process and contributing and supporting the business and the management in whatever they can.

- There were few questions on sustainability part of textiles and what is the company trying to do to become more sustainable. One is that we are working on reducing our drawl of power from thermal sources. And as you would have seen in our Annual Report, more than 50% of our power and fuel is from renewable sources. So, we are contributing by reducing our carbon footprint by using more green power and fuel as possible at both the sites.
- Secondly, we are already in process where we recycle our waste to make it back to our raw materials, which is called depolymerized chips and these are sold mainly in export markets, both in form of chips as well as converted into yarns which are classified as GRS yarns. We are trying to increase that volume but since that is sold at a premium to virgin material, usage and sale of such products are linked to economic cycles even in advanced economies.
- We work with some of the apparel brands but since we do not have integrated facility for converting our yarns into finished fabric, we have to work with some of the process houses to get integrated with certain apparel brands. That does not allow us to participate wholesale with certain apparel brands. However, we are trying to make our yarns to be nominated by the process houses; that ecosystem is getting established in India and hopefully in coming years we would directly be working and we can report that our yarns are getting used in certain leading apparel brands.
- With respect to site visits, I have already clarified.
- There was a question on number of staff. We have already captured the data on Page 86 and 87 of Annual Report. But just to give a summary, we have 453 permanent staff and 1,016 permanent workmen as on 31st March, 25. And in addition to that, along with the contract workman we have close to 2,700+ workman, which keep on varying depending on the level of operations. Last year, about 83 people joined this company in staff category and about 75 left either by retirement or resignation for better prospects.
- There was a question on safety, which is obviously related to the fire incident which happened at the Bharuch in February end. And, yes, it was an unfortunate incident. It happened in one of the oldest plant which was established somewhere in '1999-'2000. And the management at the site had taken a lot of measures to build in safety protocols but obviously there were some gaps which led to a short circuit. And since this old plant did not have sufficient monomer exhaust system, the fire entered the entire facility of one spinning plant. We have already completed all the repairs to this plant and the plant has started at full capacity towards the end of June. We have also written, learning from this incident, new safety of record, the preventive measures, to ensure that the exhaust system that was not existent in the original design of this plant when established in late '90s by modification of the existing infrastructure building. Our team has ensured that the exhaust is improved and the monomer deposition does not happen inside the plant. We are also engaging with outside safety consultants, including safety consultants or experts from the Group who have also suggested certain additional measures which are being taken. And these are being parallelly, horizontally deployed both at Bharuch as well as the Pune operating plants so that we reduce this risk which is more with respect to old plant & equipment.



- There are a few questions on the world tariff scenario as well as particularly the high tariff which has been imposed by U.S. We have a very little direct exposure to U.S. and that also part of it will not get impacted in terms of the depoly chips because that being a green product has been kept out of the tariff structure. However, we could get impacted by sales of our yarns and fabric to the customers like tyre companies as well as the apparel makers who do exports to USA. It is too early to understand how much is the impact and whether the tyre companies as well as the apparel companies who send their finished goods to U.S. market would be able to identify and get alternate markets. But, still, we are keeping a close watch on what are the developments happening and we are also planning to find out if we can also start our sales of some of the yarns to markets which are having less tariff and where we could get some market shares by sending our differentiated or value-added products like the yarns, particularly in South America as well as in certain European countries.
- There were some questions, some suggestions and expectations with respect to bonus, which was given last time in '1991'. The bonus; since entire Board is on the call and they heard you in firsthand and they will obviously take appropriate call when the bonus can be given to the shareholders. Our aim as management is to continue to add value to grow this business, make it sustainable and not just completed 50 years but also complete 100 years and justify the name Century.
- There were some questions with respect to PTCF. PTCF was a diversification to get into tyre cords, which are consumed in the passenger car tyres. And this primarily was getting imported, still a large portion of Polyester Tyre Cord is imported. And we got into this segment and since it is a new product and since it is used in passenger car tyres, it goes through a very stringent approval process by the tire companies. Our approvals process has already begun. We are a bit late in what we have set as an internal timeline but we hope that by end of this financial year we would've started commercial sales to at least 2-3 tyre companies to utilize our capacity. Based on this projection, we expect that PTCF should breakeven in the current financial year and should yield about 6%-8% operating EBITDA margin once we stabilized and utilized the full capacity.
- Similarly, questions on what are we doing to increase our sales of products. So, we have added many values added products in our NFY category and we are targeting certain specific segments and working closely with customers to make customized products, which give us better value and has lesser competition intensity, particularly from China.
- There were questions as well, on Chinese imports. Yes, Chinese imports have significantly gone up in the previous year and we could sustain our volumes despite this high import from China mainly because we have now started giving more differentiated products, we have given more consistent and good services to our customers and we have been able to capture or sustain our market share in the domestic market despite a significant surge in Chinese imports.
- There were a few questions on the debt. I will address that. So, we have taken debt only to take benefit of the centralized TUF scheme, which is the Textile Upgradation Facility, where subsidies are available from the central government for upgradation on new investments made in textile segment. And we have taken this because the scheme requires that we have to take loans to justify the capital expenditure being done on those. So, that is the only reason that these



loans were taken and they are being repaid as per the terms of the loans they were taken. Otherwise, we have a net surplus, which is reported in our Balance Sheet as well as we reported in our quarterly Investor call as well.

- EBITDA margins have been under stress and challenge mainly because the demand side from the tyre segment, particularly from NTCF, has not been very encouraging because of regularization as well as overall lower demand from the automobile segment. You would've seen the sales of cars, 2-wheelers, 3-wheelers as well as truck and bus segment which have not been growing even at the GDP levels, except last year in the first half when we also utilized our full capacity of expanded capacity and supplied highest volume. Company, as a whole, achieved the highest sales volume in the last year on the back of expansions that we had done in the previous years.
- As already mentioned, we have surplus funds already on the Balance Sheet, so there is no chance or no planning for any rights issue at present. And the share price movements are, I mean, it's a market which drive/determines on multiple factors. As mentioned earlier, our role is to ensure that we continue to focus on future to deliver sustainable growth, sustainable profitability and grow the company bigger, establish new markets, new products and continue to be considered as one of the key suppliers and a reputed and reliable supplier in both the segments that we currently operate.
- As far as some questions regarding FY25-26, we do not give any forward-looking statements but we are optimistic subject to obviously the geopolitical challenges that are facing all of us, the entire country. And how does it pan out in the next 2-3 quarters is going to determine our growth for FY25-26. However, since majority of our sales is in domestic market, we will continue to engage with our customers to deliver superior products and differentiated products which help create value creation at the customer end so that we create a pull from our customers on a regular basis.
- Last year, our yield on the surplus funds was about 7.9% and overall return was just over 8%.
- I have already addressed on the equity shares, I mean, the rights issue.
- Plant visit; welcome. Please, please do connect with our Secretarial department.
- There was a question on reduction on power cost, which is already captured in our Balance Sheet. But just to reiterate our commitment to reducing power cost, we are invested in getting hybrid power, which is a mix of solar plus wind power for our Bharuch facility. And I'm happy to say that along with that we have also sourced some solar power from the open access. And last year, more than 35% of our total power requirement at Bharuch was from renewable power, which is cheaper power compared to the grid power rate. It may not be showing overall power cost or the rate because the grid rates have been increased year on year by both Maharashtra as well as Gujarat. But had we not taken the steps to get more power on renewable basis, our power rates and the total cost would've been much higher.
- We are continuing to look at more opportunities even for the Pune plant and increasing our renewable power purchase or sourcing for Bharuch plant as well in the current year as well in the future.



- There were questions about future CapEx. So, we do not have any large CapEx as of which is lined up like foray to PTCF or expansion of NTCF but we will continue to, as our stated policy, to increase our share on value added products in NFY and we will continue to add small CapEx ranging overall in between ₹50-₹70 crores per year in terms of either to reduce our cost to add value to our existing product portfolio as also replacement CapEx and statutory CapEx to make the operations more safe.
- Our target CSR for next year is about ₹1.8 crores, which we are utilizing as per the 2% formula which is being continuing there. We've already given the major legal cases that are there on the company in our Balance Sheet but the major one which is related to the excise is being mentioned every time and has already been given in the Balance Sheet in detail. And we are also updating it in every quarter. There has been no change as far as that case is concerned. Where we are in appeal, we have already, I mean, the, our liability was reduced, basic liability, from ₹229 crores to ₹7.3 crores, which has been deposited under protest because we feel that we have a strong case and we are under appeal at Supreme Court. It has not come up for hearing as yet. Because this was an order of the Commissioner, the department has also gone into appeal with CESTAT and they have also questioned the calculation of ₹7.3 crores. Both the appeals have not come up for hearing even as on date. However, as per the legal opinion we have been assured that we have a strong case at Supreme Court and the entire liability of even ₹7.3 crores should not be coming on the company.
- We do not have any direct threats of GenAI particularly but, yes, as Artificial Intelligence keeps growing, we are also exploring how we can use the same. We have also shown one case where we have installed AI enabled camera to look at the defects in our dipped fabric and that is helping us to ensure that only good quality material is dispatched to the customers.
- I already spoke about U.S. tariff as well as the CSR.
- There were some questions which we had received in writing and I would address the relevant ones because, as I mentioned, we do not give any forward-looking statement but we continue to work in ensuring that the future is more stable and sustainable for the company. We expect margins, operating EBITDA margins, in the range of 6%-8% in a normalized scenario. However, volatility in raw materials as well as the geopolitical challenges keep this numbers in a lot of stress. As of March, we are close to ₹350 crores of surplus cash and we keep looking for opportunities to utilize that for growth of the company and the Board of Directors give us guidance on proposals that are being evaluated. And as and when anything is finalized, it'll be announced through routine stock exchange filing as well as informing to all the shareholders.
- There was a question on the volumes. We achieved the highest ever sales volume of 78,425 metric tons last year, which is highest in the history of Century Enka's over 50 years. And this is against the installed capacity of 92,000 metric tons. This capacity increase is post our expansion of NTCF, as well as includes PTCF, which has still not reached this commercial sales position. So, our utilization was about 87%. And as I mentioned earlier, we utilized our capacity to a very large extent in the first two quarters last year when the demand for NTCF was good and we hope that we will get some good quarters and even in this year we are able to utilize full capacity in the coming quarters.



- There were questions regarding land at Pune, Raigad, Mahad as well as Bharuch. The Pune land is approximately 42 acres, Bharuch is about 140 acres and Mahad is about 66 acres. We do not track the market value since these plots are being used for manufacturing activities. So, we have not tasked out tracking the market value of these.
- There was a question on import duty on NTCF and NFY. The import duty currently on NTCF is 20% and NFY is 5%. And there was an anti-dumping duty on NTCF, which was revoked in December 3, 2020. Similarly, there was anti-dumping duty on NFY, which was revoked on January 12th, 2018. We have, through association again, filed a petition for anti-dumping duty on NFY due to very low-priced imports and heavy imports coming from China and it has moved to a stage of stakeholder meetings where the DGTR interacts with all the concerned stakeholders to understand the injury and to arrive at the final recommendation. We expect some positive outcome from this in this financial year.
- Similarly, question on QCO of BIS, we have initiated QCO on both our products, mainly for NFY. However, the government has changed the process and it has now been referred to a larger committee of bureaucrats. So, it'll go through its process but we are pursuing, again through the association for Quality Standards, both on NTCF and NFY. As and when we commission our PTCF, we will also initiate, provided other players agree to initiate and there is sufficient capacity to do that. But we'll definitely work with our association to look at PTCF as well in future.
- Yes, I had already mentioned about imports of China. Last year, Chinese imports were almost 50% higher than FY24 and the Chinese imports continue to be high mainly because their domestic demand of drawn yarns in China as well as fabric has been lower and the excess capacity is being dumped in markets like India where the duty protection is low.
- There was question on where does the NTCF demand come from? So, commercial vehicles is the largest in terms of volumes, about 60% of total volumes come from commercial and heavy and medium light commercial vehicles. About 20%-25% is from 2- wheelers and 3-wheelers and balance is from farm as well as the OTR segment.
- The total demand in India, as per our estimates, there is no confirmed figures on that. Range for NTCF is between 1,20,000 tons per annum to 1,40,000 tons per annum and for PTCF it is between 30,000-35,000 tons per annum.
- We do expect approvals for PTCF in FY26 and, as I mentioned, we are expecting commercial sales in this year itself. And based on those projections, we hope to breakeven at EBITDA level in PTCF.
- In the interim, we continue to sell polyester industrial yarns so that we can fine tune our spinning facilities.
- In terms of how much of the domestic consumption is met by imports. In NFY, it is about 25% and ranges between 20% and sometimes even 30% of the total demand. In NTCF also, it is between 20%-25%. Mostly in NTCF the imports are against advanced license to export of tyres.



- Radialization, as per the ATMA report, which attracts the radialization, is between 60%-65%; closer to 65%. But this is now almost flat. I mean, we are not seeing a significant increase in reports from ATMA. About 3 years back, this was about 55% and it has increased to 65% but not growing at the same pace in last few quarters or last year as well.
- There was a question on the investments that we have made close to ₹500 crores, out of which about ₹400 crores were on return based schemes and the balance was on statutory as well as replacement CapEx, including certain housing projects for our employees, which were short on housing particularly at Bharuch.
- Except for the PTCF, which has not reached its commercial sales stage, the returns that we have generated from this is almost in line with what we had projected. Why it is not reflecting in our EBITDA? Because the other costs have gone up. Had we not invested and, as I mentioned earlier, in the first 2 quarters we could not have serviced the market, that opportunity, had we not expanded our NTCF capacity. Similarly, the value-added products that we made, the new investments that we made in Mother yarn, the DTY machines in our NFY, we would've not have been able to sustain competition from China had these investments not been made. So, maybe it is not reflecting in our overall EBITDA but had these not been done, the company's performance would've been severely hit. This performance also includes our investments that we made, equity investment we made, in the SPV for hybrid power to take 26% stake to get benefits of the captive power. And that has given good results which have reduced our cost by a significant amount. However, since the grid rates at both Gujarat and Maharashtra have increased, it is not getting reflected. So, had it not been done, would've been much worse condition. However, we are hopeful that once the geopolitical situation stabilizes and the projected GDP growth that the country aims at, most of our investments will start paying and that will start reflecting in bottom line as well as in EBITDA margin.
- There was a question on the replacement cost. We understand that the best way to understand that is the insurance cover that we take on reinstatement. This is for our plant and machinery building, colony, etc., which is close to about ₹2,700 crores. So, that could be a good proxy for the replacement cost of our existing facility.
- Our plants run in all three shifts, there is no stoppage of plants. So, they are continuous operating plants.
- Last year, CapEx spend was about ₹51 crores. We would be spending similar or slightly higher in the current year as well. But most of these are small either energy savings or value additions to our NFY portfolio. And also, statutory requirements to safeguard or to build more safety in our operations after our learnings from the fire incident at Bharuch.
- And in terms of how do we position our company? We are considered as one of the most reliable suppliers in both the categories in the Tyre Cord Fabric as well as filament yarn. And our prices are at market prices or even better than market in terms of competition. But we are nowhere inferior in terms of pricing. And we have close to 23%-25% market share in both the segments, which keeps varying depending on the mix of the customers as well as the demand for certain products.



- Working capital has been a bit high especially towards the end of the year mainly because demand, especially in March and February 25, particularly from the tyre company, suddenly was reduced. We now get only monthly projections. Nobody gives us quarterly or larger production, so we had to also curtail our production. So, both finished goods as well as raw materials. Since our dependence on raw materials is mainly for imports, we have to maintain a minimum 2-month inventory including the in-transit inventory. So, that inventory remain in hand but it is already coming down in the Q1 and, hopefully, in the coming quarters we will be closer to our normal inventory levels of working capital.
- In our internal systems and based on, I mean, also the group processes as well as boards' guidance to us are strategic CapEx, where we are making an entry into certain new segments. Normally, we targeted IRR of over 15% and in case of non or regular CapEx or non-strategic CapEx, or return based CapEx, it is over 20%. That's the norm where we get an approval from the Board as well as from internal senior management.
- I guess that would probably address most of the questions. What were the expenses on travel? So, we spent about ₹95 lakhs total on the travel last year.
- We are proud that we try and become one of the preferred employers and that is the reason that we continue to try and attract talent at market rates. However, we are also cognizant that we need to keep our employee cost in control, so we optimize as well on the numbers. And as you would've seen, in last few years total numbers have not gone up. In fact, on permanent workman, we have actually reduced the number of people. And despite our expansions that we have done, we have managed with a lean workforce which will remain as a continuing exercise in going forward.
- As I mentioned earlier, in case some of the questions have not been addressed, we would be happy to respond to you over email. And I encourage all of you to please join us on our quarterly Investor calls where it is possible to interact on one-on-one basis and we can respond more directly to you.
- I Thank you all for your questions, suggestions and encouragement. We are committed to keep working in the best interest of the company for all the stakeholders and I hope we can continue to deliver good results in the coming years as well.
- So, thank you, shareholders. And this was the last question. May I request now the Chairperson to thank the shareholders and close the meeting.
- **Mrs. Rajashree Birla - Chairperson, Century Enka Limited:**
- Thank you, Mr. Suresh Sodani, for meticulously addressing all the questions raised by the shareholders.
- As there are no further matters to discuss and all queries have been duly answered, we shall now proceed to conclude the meeting. We once again request the shareholders who have not yet cast their votes, to kindly complete their voting at the earliest. The voting window will remain open for the next 15 minutes.



- Thank you, all, for attending and wish you all the best. Stay safe and stay healthy. Thank you.

END OF TRANSCRIPT