



Secretary

Minutes of the Fifty-Second Annual General Meeting of the Shareholders of **Century Enka Limited** held at Pudumjee Hall, Maharashtra Chamber of Commerce, Industries and Agriculture, Tilak Road, Pune-411 002 on Saturday, the 14th July, 2018 at 12.30 P.M.

The following Directors, Secretary, CFO and the Members of the Company were present:

A) (i) Directors :

Mr. B. S. Mehta
Mr. S. K. Jain
Mr. K. S. Thar
Mr. O.R. Chitlange (Managing Director)

(ii) Mr. C.B. Gagrani - Secretary

(iii) Mr. K.G. Ladsaria - CFO

B)	<u>Members</u>	<u>Number</u>	<u>Signature</u>
1)	In Person	96	As per signatures obtained on Attendance Slips
2)	By Proxy	10	As per signatures obtained on Attendance Slips

Mr. Ankit Bhansali, authorized representative of M/s Khimji Kunverji & Co., the Statutory Auditors of the Company, Mr. Sanjay Sangani, Secretarial Auditor and Mr. Chetan Maru, Scrutinizer were present at the Meeting.

The Secretary informed the members that the Board of Directors in its meeting requested Mr. B.S. Mehta to chair the Annual General Meeting. Accordingly, Mr. B.S. Mehta occupied the chair and presided over the meeting.

The Chairman informed the members that Mr. B.K. Birla, conveyed his good wishes and blessings and his continued support to the management and shareholders of the Company for improving performance.

He also on his own behalf and on behalf of the Board of Directors of the Company informed that Mr. B.K. Birla has been the inspiring force of the Company and his vision and work have created the value that the Company currently carries.

The Chairman initiated the business of the meeting and declared that the required quorum of 30 Members in person being present, the Meeting could proceed with the stipulated business.

It was announced by the Chairman that 14 valid Proxies representing 52,09,667 Equity Shares had been received in the prescribed Form.

The Register of Directors and Key Managerial Personnel and their Shareholding maintained under Section 170, Register of Contracts in which Directors are interested and maintained under Section 189 of the Companies Act, 2013, Auditors' Report and Secretarial Audit Report were placed before the Meeting and kept open and accessible for inspection by the members during the continuance of the meeting.

With the consent of the Members present, the Notice dated 3rd May, 2018 convening the 52nd Annual General Meeting was taken as read.

The Chairman informed the members that there is no qualification, observation, comment or remark in Auditors' Report and Secretarial Audit Report. He also informed the members that under the Companies Act, 2013, if there is any qualification, observation or comment in the Auditor's Report then, only that part of the report needs to be read. Since there was no such qualification, observation or comment, he informed the members that under the current law there is no need to have the Auditors' Report read out at the meeting.

The Chairman announced that remote e-voting had already been conducted as per the Notice of 52nd Annual General Meeting dated 3rd May, 2018 during the period 11th July, 2018 (9.00 A.M.) to 13th July, 2018 (5.00 P.M.).

The Chairman further announced that arrangements had been made for e-voting at the venue of the Annual General Meeting, so that those shareholders who did not cast their vote through remote e-voting can cast their vote, after all the resolutions are moved.

Thereafter, the Chairman requested Mr. O.R. Chitlange, the Managing Director to give his observations on the operations of the Company.

The observations of Mr. O.R. Chitlange, in brief were as under:

The Company, to strengthen its presence in Nylon Filament Yarn (NFY), converted some more polyester spinning machines into nylon spinning machines at Bharuch Site and were commissioned as per planned schedule. This is, as a result, a quantitative jump and increased



in NFY sales volume by 17%, and would help the Company to maintain its lead over competition and consolidate its position in market.

The Company expects Nylon Tyre Cord Fabric (NTCF) usage to continue with marginal growth driven by farm and mining vehicles as well as upswing in 2-wheelers and 3-wheelers.

During the year an exceptional income of Rs.25 Crs. arised out of sale of office premises at Mumbai which had been lying vacant for some time.

In the last annual report as well as at the last AGM, it was mentioned about inventory gains which had contributed to better performance of the Company for the year 2016-17 and also it was stated that this will see reversal of the trend in 2017-18 as prices of Caprolactam and Nylon Chips both, had witnessed substantial fall in the first half of the current year. In line with these observations, the performance of 2017-18 has been lower.

Introduction of Goods & Services Tax (GST) from 01st July, 2017, just after few months of demonetisation had adversely impacted NFY business. This has affected deliveries of NFY for about 3 – 4 months.

The high cost inventory and low deliveries due to GST, had impacted the performance of the Company in the first half of 2017-18. However, there was good recovery in the performance of the Company in the second half of 2017-18 which was the result of various proactive initiatives introduced by the Management.

The existing anti-dumping duties on NTCF imports from certain countries continue to provide protection to some extent. However, to circumvent levy of anti-dumping duty, significant imports of NTCF are coming from Free Trade Agreement countries (FTA) with zero / concessional duty. This continues to put pressure on NTCF margin.

Both the Plants of NTCF are working at full capacity.

The trials for dipping of Polyester Tyre Cord Fabrics were carried out and the samples provided to the tyre companies have been approved. The Company is planning for commercial proposition for conversion of Polyester Tyre Yarn into Dipped Polyester Tyre Cord Fabric.

The Company is also pursuing to provide dipping services for Rayon Tyre Cord Fabric and proposes to undertake trials. Once successful, it would commercially explore this.



The Company intends to fully integrate its NTCF capacity to strengthen its competitive position. With focus on enlarging customer base and integration of NTCF capacity, the Company expects better and optimum capacity utilisation.

The profitability of NFY continues to remain under pressure owing to raw material price volatility, competition from fragmented small and medium producers and imports from FTA countries.

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

ORDINARY BUSINESS :

Item No.1

AS AN ORDINARY RESOLUTION

"RESOLVED THAT the audited financial statements of the Company for the year ended 31st March, 2018 together with the Reports of the Auditors and the Directors as circulated amongst the Members and placed before the Meeting be and are hereby adopted."

Proposed By : Mr. Mahendra B Kapadia

Seconded By : Mr. Rajiv Shrikrishna Baheti

The Chairman thereafter invited the members for their comments. Some of the members participated in the discussions and sought some clarifications. The gist of clarifications sought by the Members and the clarifications given by Mr. O.R. Chitlange, the Managing Director, are given herebelow :

Clarifications sought by the Members :

- The status of excise duty demand of Rs.229.27 Crs.
- Plans for utilisation of Mahad site.
- Return on Capital and Return on Investment is low.
- Share of Working Capital for NTCF and NFY products.



- Increase in exports that would meet part of import cost and ultimately saving in cost of hedging import payment.
- For manufacture of Polyester Tyre Cord Fabric and Rayon Tyre Cord Fabric, whether existing NTCF capacity would be utilised or new capacity would be added.
- Can inventory be managed better to reduce blocking of working capital and consequently improvement in margins.
- CSR on water conservation and potable water to be undertaken around Pune.
- Remote E-voting period to be communicated by SMS before commencement of e-voting.

Clarifications given by the Managing Director :

- As regards excise duty demand matter, the Company has already made an application to Appellate Authority (CESTAT) for early hearing and the matter has been taken up in current cause list.
- The process to set up a new project is constantly pursued.
- The Company is in commodity business of petroleum based raw material. Return on capital and return on investment is fluctuating with the fluctuation in raw material prices and demand supply position.
- NTCF and NFY is one activity and as such no separate detail of Working Capital utilisation is maintained.
- There is a stiff competition for NFY and NTCF in international market. The Company is making strong efforts to increase its exports and at the same time remains competitive. Every increase in exports will help in setting off hedging cost of imports.
- There would be new capacity addition for conversion of Polyester Tyre Yarn into dipped Polyester Tyre Cord Fabric. For Rayon Tyre Cord Fabric, it would be a dipping services.
- The Company is continuously making its efforts to add new sources of supply of raw material at competitive price at reduced lead time. This would result into savings in working capital cost.
- The Company will look for any project on water conservation and safe drinking water that can be taken up in rural area of Pune District.
- The Company will explore the possibility to communicate its shareholders through SMS before the commencement of e-voting.



Item No.2

AS AN ORDINARY RESOLUTION

“RESOLVED THAT Mr. B.K. Birla, (DIN 00055856) a Director of the Company, who retires by rotation and, being eligible, offers himself for re-appointment, be and is hereby re-appointed as a Director of the Company.”

Proposed By : Mr. Bansidhar S. Mehta

Seconded By : Mr. Shashikant Gajanan Marathe

Item No.3

AS AN ORDINARY RESOLUTION

“RESOLVED THAT as recommended by the Board of Directors, dividend at the rate of Rs.7.00 per Equity Share (Rupee Seven) on 2,18,50,589 Equity Shares of Rs.10/- each in the Company for the year ended 31st March, 2018 be and is hereby declared and the same will be paid subject to the provisions of Section 126 of the Companies Act, 2013 to those Members or their Mandatees whose names stand registered :

- i) as Beneficial Owners as per the lists furnished by National Securities Depository Limited and Central Depository Services (India) Limited for the purpose of payment of dividend in respect of the shares held in dematerialised form; and
- ii) as Members in the Register of Members of the Company on 7th July, 2018.”

Proposed By : Mr. Vasant Raghunath Godbole

Seconded By : Mr. Hemant Keshav Joshi

Item No.4

AS AN ORDINARY RESOLUTION

“RESOLVED THAT pursuant to the provisions of Section 139 and other applicable provisions of the Companies Act, 2013, the appointment of M/s. Khimji Kunverji & Co., Chartered Accountants, Sunshine Tower, Level 19, Senapati Bapat Marg, Elphinstone Road, Mumbai-400013 (having its Firm Registration Number – 105146W) be and is hereby ratified as Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the 53rd Annual General Meeting of the Company.”

Proposed By : Mr. Subhash Bansilal Bangad

Seconded By: Mr. Ashok M. Dixit



Item No.5

AS ORDINARY RESOLUTION

"RESOLVED THAT remuneration of Rs.2,75,000/- (Rupees two lacs seventy five thousand only) plus Goods and Services Tax (GST) and reimbursement of out-of-pocket expenses to M/s. D.C. Dave & Co., Cost Accountants, appointed as the Cost Auditors of the Company and fixed their remuneration by the Board of Directors, pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 for the conduct of the audit of the cost records of the Company's products Nylon and Polyester as covered under the head "Textiles" in the Notification dated 31st December, 2014 issued by the Ministry of Corporate Affairs, Government of India for the financial year ended 31st March, 2018 be and is hereby ratified."

Proposed By : Mr. Mahendra Bhimji Kapadia

Seconded By : Mr. Ajay V. Bagwe

The Meeting concluded at 02.30 P.M. with a vote of thanks to the Chair.

Results of Remote e-voting and e-voting at AGM venue

All the resolutions as set out in item No. 1 to 5 in the Notice of Annual General Meeting of the Company and as described herein above had been passed with the requisite majority. The results of Remote e-voting and e-voting at AGM venue as announced are annexed herewith.

Sd/-
13.08.2018
Mumbai
(Chairman)

Annexure : Results of Remote e-voting and e-voting at AGM venue.



Annexure

Results of remote e-voting conducted between 11th July, 2018 (9.00 A.M.) to 13th July, 2018 (5.00 P.M.) and e-voting on 14th July, 2018 at the venue of Annual General Meeting (Pudumjee Hall) of the Shareholders of the Company.

Resolutions of the 52 nd Annual General Meeting	No. of equity shares	No. of votes polled	No. of Votes in favour	No. of Votes Against	% of Votes in favour	% of Votes against
Item No.1 – Ordinary Resolution Consider and adopt the Reports of the Auditors, Directors and Audited Financial Statements for the year ended 31st March, 2018.	21850589	9964388	9963528	860	99.99	0.01
Item No.2 – Ordinary Resolution Re-appointment of Mr. B.K. Birla as a Director of the Company, liable to retire by rotation.	21850589	9964392	9334232	630160	93.68	6.32
Item No.3 – Ordinary Resolution Declaration of Dividend on equity shares @ Rs.7/- per equity share of Rs.10/- each face value for the Financial Year ended 31st March, 2018.	21850589	9964392	9963532	860	99.99	0.01
Item No.4 – Ordinary Resolution Ratification of appointment of M/s. Khimji Kunverji & Co. Chartered Accountants as Statutory Auditors of the Company from the conclusion of 52 nd Annual General Meeting until the conclusion of 53 rd Annual General Meeting.	21850589	9963692	9962827	865	99.99	0.01
Item No.5 – Ordinary Resolution Ratification of remuneration of M/s.D.C. Dave & Co., Cost Accountants for the financial year ended 31st March, 2018.	21850589	9964392	9963417	975	99.99	0.01

