



CENTURY ENKA LIMITED



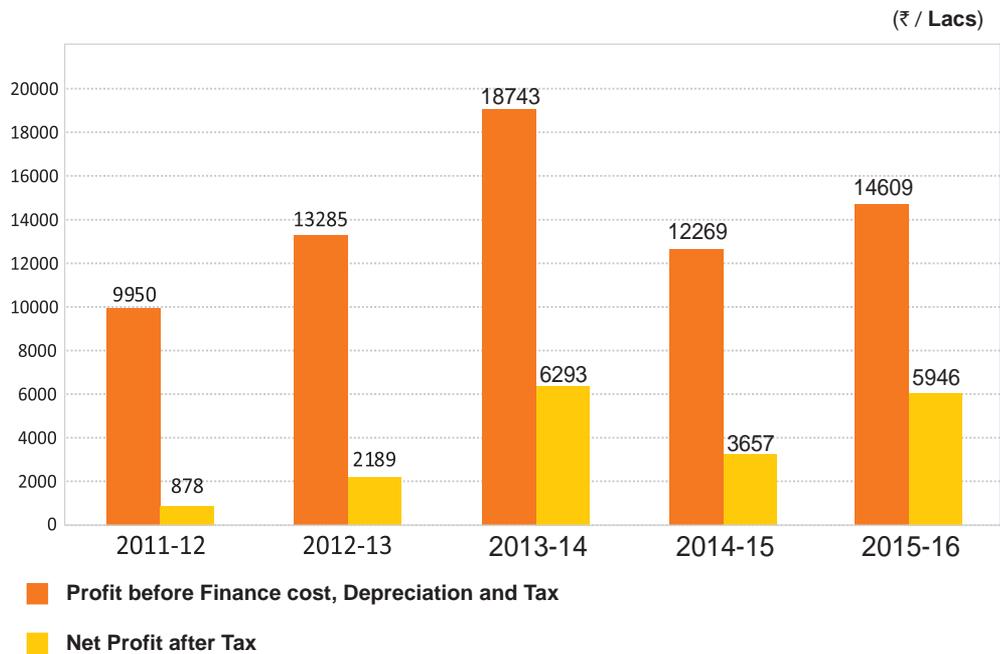
50th Annual Report 2015-2016

QUALITY driven!



Mr. B.K. Birla - Chairman

PROFIT





Fiftieth Annual Report 2015-16
CENTURY ENKA LIMITED

BOARD OF DIRECTORS

Mr. B. K. Birla (Chairman)
Mrs. Rajashree Birla (Vice Chairperson)
Mr. B. S. Mehta
Mr. S. K. Jain
Mr. K. S. Thar
Mr. G. M. Singhvi (Whole-time Director)

KEY MANAGERIAL PERSONNEL

Mr. S. Thapliyal - President
Mr. D. B. Roonghta - Chief Financial Officer
Mr. C. B. Gagrani - Company Secretary

AUDITORS

Messrs. Price Waterhouse

BANKERS

Bank of Maharashtra	HDFC Bank
State Bank of India	The Royal Bank of Scotland N.V.
Axis Bank	

REGISTERED OFFICE

Plot No. 72 & 72-A,
MIDC, Bhosari,
Pune - 411 026.
Tel. No. 020-66127300 / 27120423
Fax No. 020-27120113

MUMBAI OFFICE

Industry House, 3rd Floor
159, Churchgate Reclamation,
Mumbai - 400 020.
Tel. No. 022-4321 5300 / 2202 7375
Fax No. 022-4321 5353 / 2287 3952

FACTORIES

Bhosari, Pune-411 026
Tel. No. 020-66127300 / 27120423
Fax No. 020-27120113

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

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

Konkan Synthetic Fibres
(Not in Production)
Plot No. C-61, Part-B, MIDC Area
Mahad-402 309, Dist.: Raigad
Tel. No. 02145-232137

SHARE TRANSFER AGENT

LINK INTIME INDIA PRIVATE LIMITED

C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (West), Mumbai-400 078
Tel. No.: 022-2594 6970; Fax No.: 022-2594 6969

CONTENTS

Directors' Report	02-13
Management's Discussion and Analysis	14-17
Corporate Governance Report	18-26
Secretarial Audit Report	27
Independent Auditors' Report	28-31
Balance Sheet	32
Statement of Profit and Loss	33
Cash Flow Statement	34
Notes to the Financial Statements	35-48

**DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH, 2016****Dear Shareholders,**

Your Directors present the 50th Annual Report and Audited Financial Statements of the Company for the year ended 31st March, 2016.

Profit after Finance Cost but Before Tax has increased by 42% during the year. This was due to overall improvement in all spheres, be it plant operations including reduction in energy cost, higher sales in quantitative term and lower finance cost.

FINANCIAL RESULTS

	₹ / Lacs	
	This Year	Previous Year
Net Sales / Income from Operations (Less Excise Duty)	114364	121853
Profit before Depreciation, Finance Cost, Exceptional Item and Tax	14609	12269
Add / (Less) :		
Depreciation	(4024)	(4275)
Finance Cost	(956)	(1732)
Exceptional Item (Note - 1)	(754)	--
Taxation (Net)	(2929)	(2605)
Net Profit	5946	3657
Add : Balance brought forward from previous year	29179	27470
Profit available for appropriation	35125	31127
Less :		
Dividend	1639	1311
Tax on Dividend	333	267
General Reserve	600	370
Balance carried forward to next year	32553	29179

Note 1: Value of Continuous Polyester Polymerisation Unit (CPU) write down.

DIVIDEND

We recommend a dividend at the rate of 75% (i.e. ₹ 7.50 per Equity Share of ₹ 10/- each) for the year ended 31st March, 2016 which includes Special Dividend at the rate of 15% (i.e. ₹ 1.50 per Equity Share) to commemorate Golden Jubilee Year (Previous year at the rate of 60% i.e. ₹ 6/- per Equity Share of ₹ 10/- each).

COURSE OF BUSINESS AND OUTLOOK

The Management's Discussion and Analysis Report as required under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 is forming a part of this report and gives the state of affairs of the business of the Company. The performance of your Company improved in line with the business engineering work undertaken in the previous year. Few more polyester spinning lines at Bharuch site were converted for producing Nylon Filament Yarn. The demand of Nylon Filament Yarn has

witnessed a good growth due to lower raw material prices. In case of Nylon Tyre Cord Fabric, after conversion of two step process machines into one step process machines and enhanced dipping capacity, the Company has been able to increase its customer base and could sell higher quantity. One of the important factor which improved the performance of the Company was savings in energy cost due to access to open power purchase at Pune site and generation of power from own DG sets at Bharuch site.

EXCISE DUTY DEMAND

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

EXPANSION AND MODERNISATION

The Company is cautiously watching development in Synthetic Yarn Industry, imports from China, high dependency on raw material imports and single source of domestic supply and with this background, the Company is evaluating various options which could be available to it for its growth strategy. Until such time, it will continue to put its thrust on re-engineering of its existing operations and carry on balancing investment in modification of existing equipments and some fresh investments in energy conservation schemes.

HEALTH, SAFETY AND ENVIRONMENT

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

All Plant sites of the Company are environment regulations compliant.

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

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

CORPORATE GOVERNANCE

Your Company reaffirms its commitment to Corporate Governance and is fully compliant with the conditions of



Corporate Governance stipulated in Clause 'C' of Schedule V on Annual Report pursuant to Regulations 34(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. A separate section of disclosure on Corporate Governance and a Certificate from the firm of Practising Company Secretaries dated 4th May, 2016 in this regard is annexed herewith and forms a part of the Report.

POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION :

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

Policy on Directors' Appointment

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

Policy on Remuneration

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

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

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

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

DECLARATION OF INDEPENDENCE BY THE INDEPENDENT DIRECTORS

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

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirements of Section 134(1)(c) of the Companies Act, 2013 and on the basis of explanation and compliance certificate given by the executives of the Company, and subject to disclosures in the Annual Accounts and also

on the basis of discussions with the Statutory Auditors of the Company from time to time, we state as under :

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

DIRECTORS

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

Mr. G.M. Singhvi, Whole-time Director of your Company whose tenure of 3 (three) years comes to an end on 15th May, 2016 has been re-appointed by the Board of Directors in its meeting held on 2nd February, 2016 for a period of 1 (one) year commencing from 16th May, 2016, subject to approval of the shareholders of the Company at the forthcoming Annual General Meeting.

NUMBER OF MEETINGS OF BOARD OF DIRECTORS

The Board of Directors have met five times and Independent Directors once during the year ended 31st March, 2016.

DETAILS OF COMMITTEE OF DIRECTORS

Composition of Audit Committee of Directors, Nomination and Remuneration Committee of Directors and Stakeholders Relationship/Grievance Committee of Directors, number of meetings held of each Committee during the financial year 2015-16 and meetings attended by each member of the Committee as required under the Companies Act, 2013 are provided in Corporate Governance Report and forming part of the report.

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



KEY MANAGERIAL PERSONNEL

Mr. G.M. Singhvi the Whole-time Director of the Company has been re-appointed w.e.f. 16th May, 2016, subject to approval of the shareholders.

The other Key Managerial Personnel of the Company are Mr. S. Thapliyal, President of the Company, Mr. D.B. Roonghta, Chief Financial Officer and Mr. C.B. Gagrani, Company Secretary.

PARTICULARS OF CONTRACT OR ARRANGEMENT WITH RELATED PARTY

There is no transaction with Related Party which requires disclosure under Section 134(3)(h) of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014.

LOANS, INVESTMENTS AND GUARANTEES BY THE COMPANY

There is no loan given, investment made, guarantee given or security provided by the Company to any entity under Section 186 of the Companies Act, 2013.

INTERNAL FINANCIAL CONTROLS

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

FIXED DEPOSITS

Your Company has not accepted any fixed deposits from the public during the financial year ended 31st March, 2016.

RISK MANAGEMENT

Your Company has developed and implemented a Risk Management Policy, including identification of element of risk and the risk that may threaten the existence of the Company. The Company has constituted a Risk Management Committee of Senior Executives to evaluate the risk and mitigation plan and monitor them. The Risk Management Committee evaluated various risks and mitigation plans and monitored them. There is no element of risk identified by the Management that may, in the opinion of the Board, threaten the existence of the Company.

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

WHISTLE BLOWER MECHANISM

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

COROPRATE SOCIAL RESPONSIBILITY

Information on Corporate Social Responsibility (CSR) Policy and initiative taken by the Company during the financial year 2015-16, pursuant to Section 135 of the Companies Act,

2013 read with Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 is annexed herewith and forming part of the report. (Annexure-II).

ANALYSIS OF REMUNERATION

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

AUDITORS

The tenure of M/s.Price Waterhouse, the Statutory Auditors of the Company, appointed in 49th Annual General Meeting of the Company, will come to an end on the conclusion of 50th Annual General Meeting of the Company.

Indian Accounting Standard (Ind AS) has become effective from 1st April, 2016 and keeping in view the changing profile of your Company's business with decline in Polyester Textile Yarn business and considering all aspect of the matter, your Board has decided to recommend the appointment of M/s. Khimji Kunverji & Co. as Statutory Auditors of the Company under Section 139 of the Companies Act, 2013. The Board placed on record its appreciation of the services of the retiring Auditors M/s. Price Waterhouse who have been Auditors of the Company right from the inception.

SECRETARIAL AUDIT REPORT

A Secretarial Audit Report for the year ended 31st March, 2016 in prescribed form duly audited by the Practising Company Secretary M/s. Sanjay Sangani & Co. is annexed herewith and forming part of the report.

PARTICULARS OF EMPLOYEES

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

EXTRACT OF ANNUAL RETURN

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

For and on behalf of the Board of Directors

Place : Mumbai
Date : May 04, 2016

RAJASHREE BIRLA
G.M. SINGHVI
Directors



ANNEXURE TO DIRECTORS' REPORT

Annexure - I

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

(A) CONSERVATION OF ENERGY

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

i. Steps taken or impact on conservation of energy

Steps taken	Impact (Annualised Savings)
Electricity	KWh/ Lacs
a. Installation of energy efficient compressor.	17.50
b. Replacement of conventional lights with LED lights	3.29
c. Power optimization of HTM heater	2.60
d. Installation of Fan less cooling tower for compressed air system.	2.52
e. Installation of heat pump in DG jacket water preheating.	1.88
f. Pumping power optimization in cooling tower	1.12
g. Optimisation of compressed air pressure in lactam melter	1.05
h. Conversion of Industrial Yarn Spinning machine from two step to one step process	12.50
i. Conversion of electrical heating to thermic fluid heating of Dow system	4.90

ii. Steps taken for Utilisation of alternate sources of energy

- Conversion of electrical heating to thermic fluid heating for Dowtherm system.
- Installation of heat pumps for water preheating system.

iii. Capital investments on energy conservation equipments during 2015-16: ₹ 280 Lacs (previous year ₹ 313 Lacs)

(B) TECHNOLOGY ABSORPTION

i Efforts made towards technology absorption:

- Modification in air conditioning system to improve process conditions.

- Modification in existing machines for high value and new products developments including process simplification.
- Modification in Industrial Yarn Spinning machine for process improvement from two step to one step.
- Installation of PLC based control system for Boiler.
- Upgradation of switch yard transformer for auto operation.
- Upgradation of control system of after-treatment machines.

ii Benefits derived as a result of the above efforts :

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

iii Information regarding imported technology

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

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

iv Expenditure on Research & Development

(₹ / Lacs)

Particulars	2015-16	2014-15
1. Capital	See Note Below	
2. Recurring	161	221
3. Total	161	221
4. Total R & D expenditure as a Percentage of total revenue from Operation (Net)	0.14%	0.18%

Note: The Company has spent ₹ 324 Lacs (Previous year ₹ 253 Lacs) and shown as normal Capital Expenditure, although it is also used for R&D activities.

(C) FOREIGN EXCHANGE EARNINGS AND OUTGO

Total foreign exchange used and earned is contained in Note 42(c),(d),(e) and (f) to the financial statement.



ANNEXURE TO DIRECTORS' REPORT

Annexure - II

Statement containing information as per Section 135 read with the Rule 8 of the Companies (Corporate Social Responsibility) Rules, 2014 and forming part of Directors' Report for the year ended 31st March, 2016.

1. The Company's Corporate social Responsibility (CSR) policy is multifaceted to cover projects and programmes in the field of education, healthcare, rural infrastructure and development, sanitation and environment. The Company's CSR projects and programmes are carried out within the CSR policy framework. The core focus area of the Company remains on supporting educational facilities more specifically for skill development (vocational training). The Company continued to support the establishment of a Government recognised Industrial Training Institute (ITI) near its Bharuch site in Gujarat. In Maharashtra, support was provided for development of school infrastructure in Thane district. Under healthcare, the Company carried out camps for blood donation, eye checkup & cataract operations, dental checkup & primary treatment for tribal children near its Bharuch site. Rural community welfare projects such as street lighting, building roads & pathways, descaling of ponds and water bodies, etc were carried out in the villages near the Company's Bharuch site.

The company's CSR policy is available on www.centuryenka.co.in/CE/investor/csr_policy.pdf.

2. Composition of CSR Committee:
 Mr. B.S. Mehta (Independent Director and Chairman),
 Mr. S.K. Jain (Independent Director) and
 Mr. G.M. Singhvi (Whole-time Director).

3. The Average Net Profit of the Company for last three financial years is ₹ 6587 Lacs.
 4. Prescribed CSR Expenditure for the financial year 2015 – 16 is ₹ 131.74 Lacs (Previous Year ₹ 90.92 Lacs) (Being two percent of the amount as in item 3 above)
 5. Details of CSR spent during the year

(₹ / Lacs)

S No	Particulars	Financial Year		Cumulative
		2015 – 16	2014 – 15	
i.	Total amount to be spent for the financial year	131.74	90.92	222.66
ii.	Amount Spent	131.14	94.37	225.51
iii.	Amount (Unspent)/ Overspent, if any	(0.60)	3.45	2.85
iv.	Manner in which the amount is spent during the Financial Year is detailed in statement herein below.			

6. Reasons for shortfall in prescribed CSR expenditure: On account of necessary approval not being received by the educational institutions from the concerned authorities.
 7. The CSR committee confirms that the implementation and monitoring of the CSR policy is in compliance with the CSR objectives and policy of the Company.

G.M. Singhvi
 (Whole-time Director)

B.S.Mehta
 (Chairman CSR Committee)

Place: Mumbai
 Date: May 04, 2016

DETAILS OF CSR ACTIVITIES

(₹ /Lacs)

(1) Sr No.	(2) CSR Project/ Programme	(3) Sector in which the Project/ Programme is covered	(4) Projects / programmes (1) Local area or other (2) Specify the State and district where projects or programmes were undertaken	(5) Amount outlay (budget) project /programme wise	(6) Amount spent on the project/ programme sub heads : (1) Direct expenditure on project/ programme (2) Overheads	(7) Cumulative expenditure upto the reporting period i. e. 31.03.2016	(8) Amount spent : Direct or through implementing agency	
1	a) Vocational & Technical Education: Contribution towards setting up of new Vocational Training Institute b) School Education Projects: Distribution of Stationery items at various Schools c) School Infrastructure: Financial Assistance in upgradation of infrastructure.	Education	Gujarat - Bharuch Gujarat - Bharuch Maharashtra - Thane	95.00 2.50 20.00	105.00 2.47 12.00	} 119.47	Cenka Samaj Kalyan Sanstha Direct Century Rayon Education Society	
				117.50	119.47			
2	Curative Health Care Programme : Blood donation, Eye / Dental checkup & Treatment camps.	Health	Gujarat - Bharuch	4.00	3.64			3.64
3	Tree Plantation	Environment & livelihood	Gujarat - Bharuch	0.50	0.17	0.17	Direct	
4	Rural Infrastructure Development other than for the purpose of Health / Education/ Livelihood, Roads and Path ways, Street Lights, Cleaning of Water bodies, Descaling of Canal / Ponds, Drinking Water new resources (Hand pumps), Celebration of Yuva Mahotsav	Rural development & social empowerment	Gujarat - Bharuch	10.00	7.86	7.86	Direct	
			TOTAL	132.00	131.14			



ANNEXURE TO DIRECTORS' REPORT

Annexure - III

Details pertaining to remuneration as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 for the year ended 31st March, 2016

- i. The percentage increase in remuneration of each Director, President, Chief Financial Officer and Company Secretary during the financial year 2015-16, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2015-16 and the comparison of remuneration of each Key Managerial Personnel (KMP) against the performance of the Company are as under:

Sr. No.	Name of Director / KMP	Designation	2015-16 (₹ / Lacs)			2014-15 (₹ / Lacs)		
			Remuneration* of Director / KMP for the Financial Year	% Increase in Remuneration in the Financial Year	Ratio of Remuneration of each Director to Median Remuneration of Employees	Remuneration* of Director / KMP for the Financial Year	% Increase in Remuneration in the Financial Year	Ratio of Remuneration of each Director to Median Remuneration of Employees
1	Mr. B.K. Birla	Chairman	5.45	2.83	1.44	5.30	(1.85)	1.46
2	Mrs. Rajashree Birla	Vice Chairman	4.99	**	1.32	-	-	-
3	Mrs. Saraladevi Birla	Director	-	-	-	4.78	**	1.31
4	Mr. B.S. Mehta	Independent Director	11.55	2.39	3.05	11.28	87.92	3.10
5	Mr. S.K. Jain	Independent Director	6.40	3.23	1.69	6.20	6.90	1.70
6	Mr. K.S. Thar	Independent Director	6.45	**	1.70	2.19	**	0.60
7	Mr. R.A. Shah	Independent Director	-	-	-	3.50	**	0.96
8	Mr. G.M. Singhvi	Whole time Director	191.58	14.94	50.55	166.68	23.19	45.79
9	Mr. S. Thapliyal	President	101.27	17.32	NA	86.32	34.58	NA
10	Mr. D.B. Roonghta	Chief Financial Officer	70.05	22.72	NA	57.08	42.26	NA
11	Mr. C.B. Gagrani	Company Secretary	36.96	18.39	NA	31.22	36.56	NA

* Directors Remuneration is including sitting fees

** Details not given as these directors were on the Board only for the part of the financial year 2015-16 or 2014-15

- ii. The median remuneration of employees of the Company during the financial year was ₹ 3.79 Lacs (Previous Year ₹ 3.64 Lacs)
- iii. During the financial year, there was an increase of 4.00% in the median remuneration of employees (Previous Year 21.90%)
- iv. Number of permanent employees on the rolls of the Company as on 31st March, 2016 was 1500 Nos. and as on 31st March, 2015 was 1496 Nos.
- v. Relationship between average increase in remuneration and Company performance:- (See Note vi (a), (b) & (c))
- During the financial year, the Profit before Interest, Depreciation, Exceptional items and Tax increased by 19.07% whereas the increase in median remuneration was 4.00%. In the previous year, the Profit before Interest, Depreciation, Exceptional Item and Tax was decreased by 35.30% whereas the increase in median remuneration was 21.90%.
- The average increase in median remuneration was in line with remuneration policy of the Company.
- vi. Comparison of Remuneration of the Key Managerial Personnel against the performance of the Company: (See Note (a), (b) & (c))
- In the current financial year, the total remuneration of Key Managerial Personnel increased by 17.16% from ₹ 341.31 lacs to ₹ 399.86 lacs whereas the Profit after Tax increased by 62.59% from ₹ 3657 lacs to ₹ 5946 lacs. In the previous financial year, the total remuneration of Key Managerial Personnel increased by 30.06% from ₹ 262.42 lacs to ₹ 341.31 lacs whereas the Profit after Tax decreased by 41.89% from ₹ 6293 lacs to ₹ 3657 lacs.
- (a) Remuneration to employees and directors of the Company is in line with remuneration policy of the Company as per competitive market scenario and sustainability in the medium to long run.
- (b) There is no direct relationship between the remuneration and average increase in the remuneration of employees and Key Managerial Personnel with year to year financial performance of the Company.
- (c) For computing average increase in remuneration, only employees who have worked for the complete



- Financial Year 2014-15 and 2015-16 have been considered to make the figures comparable.
- vii. (a) Variations in the market capitalisation of the Company: The market capitalisation as on 31st March, 2016 was ₹ 38002.35 lacs, vis-a-vis ₹ 33087.25 lacs as on 31st March, 2015. In the previous financial year, market capitalisation as on 31st March, 2015 was ₹ 33087.25 lacs, vis-a-vis ₹ 30916.39 lacs as on 31st March, 2014.
- (b) Price Earnings Ratio of the Company was 6.39 as at 31st March, 2016 and was 9.04 as at 31st March, 2015.
- (c) Percentage increase over decrease in the market quotations of the shares of the Company in comparison to the rate at which the Company came out with last public offer (in the year 1967 at par) as on 31st March, 2016 : 1639.20% and 1414.30% as on 31st March, 2015.
- viii Average percentage increase made in the salaries of employees other than the managerial personnel in the financial year 2015-16 and 2014-15 was 11.66% and 19.52% respectively and the increase in the managerial remuneration for the financial year 2015-16 and 2014-15 was 14.94% and 23.19% respectively.
- ix. There are no variable component of remuneration to the directors during the financial year 2015-16 and 2014-15.
- x. The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year: None of the employees has remuneration more than the highest paid director during the financial year 2015-16 and 2014-15.
- xi. It is hereby affirmed that the remuneration paid is as per the Remuneration Philosophy / Policy of the Company.

ANNEXURE TO DIRECTORS' REPORT

Annexure - IV

Statement containing information as per Section 197(12) read with the Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and forming part of Directors' Report for the year ended, 31st March, 2016.

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

- (a) Employed throughout the financial year and was in receipt of remuneration for the year in aggregate of not less than ₹ 60,00,000.
- G. M. Singhvi, Whole-time Director, ₹ 19158107, Contractual, B. Com., LL.B., F.C.A., 50, 11.09.1997, 74, Practicing Management Service, NIL.
 - Sanjay Thapliyal, President, ₹ 10126968, Non-Contractual, B. Tech (Textile), 29, 16.02.2006, 52, Pioneer Embroideries Limited, NIL.
 - D. B. Roonghta, Chief Financial Officer, ₹ 7004817, Non-Contractual, B. Com., C. A., 28, 01.05.1989, 51, Nandi Palace, NIL (Number of Equity Shares held 4).
 - Atul Bhadri, Executive President-Commercial, ₹ 6216581, Non-Contractual, B.Sc., 36, 02.06.2007, 57, NRC Ltd., NIL .
- (b) Employed for a part of the financial year and was in receipt of remuneration at a rate in aggregate not less than ₹ 5,00,000 per month.
- NIL
- (c) Employed throughout the financial year or part thereof, was in receipt of remuneration in the year which, in the aggregate or at a rate which in the aggregate was in excess of that drawn by the Whole time Director and holds by himself or along with his spouse and dependent children, not less than 2% of the equity shares of the Company.
- NIL

NOTES:

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

For and on behalf of the Board of Directors

RAJASHREE BIRLA
G.M. SINGHVI
Directors

Place : Mumbai
Date : May 04, 2016



**Form No. MGT-9
EXTRACT OF ANNUAL RETURN**

Annexure - V

as on the financial year ended on 31st March, 2016
[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies
(Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

(i)	CIN	L24304PN1965PLC139075
(ii)	Registration Date	17 th November, 1965
(iii)	Name of the Company	Century Enka Limited
(iv)	Category / Sub-Category of the Company	Company limited by shares/ Indian Non-Government Company
(v)	Address of the Registered Office and contact details	Plot No. 72 & 72-A, MIDC, Bhosari, Pune – 411026 (Maharashtra) Tel. No. : 020-66127300 E-mail id : regdoffice@centuryenka.com
(vi)	Whether listed company Yes / No	Yes
(vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	Link Intime India Pvt. Ltd. C-13, Pannalal Silk Mills Compound L.B.S. Marg, Bhandup (West) Mumbai – 400078 (Maharashtra) Tel. No. : 022-2596 3838 e-mail id : rnt.helpdesk@linkintime.co.in

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sl. No.	Name and Description of main products/ services	NIC Code of the Product/ Service	% to total turnover of the company
1	Nylon Tyre Cord Fabric	1399	63.15 %
2	Polyester/ Nylon Filament Yarn	2030	35.83 %

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES –

Sl. No.	Name and Address of the Company	CIN / GLN	Holding / Subsidiary / Associate	% of Shares Held	Applicable Section
NIL					

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)**(i) Category-wise Share Holding.**

Category of Shareholders	No. of shares held at the beginning of the year 01.04.2015				No. of shares held at the end of the year 31.03.2016				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(I) Indian									
a) Individual/HUF	136130	---	136130	0.62	136130	---	136130	0.62	---
b) Central Govt.	---	---	---	---	---	---	---	---	---
c) State Govt(s)	---	---	---	---	---	---	---	---	---
d) Bodies Corp.	6722598	---	6722598	30.77	5381918	---	5381918	24.63	(6.14)
e) Banks/FI	---	---	---	---	---	---	---	---	---
f) Any Other	---	---	---	---	---	---	---	---	---
Sub-Total (A) (1) :	6858728	---	6858728	31.39	5518048	---	5518048	25.25	(6.14)



Category of Shareholders	No. of shares held at the beginning of the year 01.04.2015				No. of shares held at the end of the year 31.03.2016				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(2) Foreign									
a) NRI/Individuals	---	---	---	---	---	---	---	---	---
b) Other-Individuals	---	---	---	---	---	---	---	---	---
c) Bodies Corp.	---	---	---	---	---	---	---	---	---
d) Banks/FI	---	---	---	---	---	---	---	---	---
e) Any Other	---	---	---	---	---	---	---	---	---
Sub-Total (A) (2) :	---	---	---	---	---	---	---	---	---
Total Shareholding of Promoter (A)=(A)(1)+(A)(2)	6858728	---	6858728	31.39	5518048	---	5518048	25.25	(6.14)
B. Public Shareholding									
I. Institutions									
a) Mutual Funds	227	8610	8837	0.04	219	8610	8829	0.04	---
b) Banks/FI	18852	17405	36257	0.17	1676048	18255	1694303	7.76	7.59
c) Central Govt	---	---	---	---	---	---	---	---	---
d) State Govt(s)	---	---	---	---	---	---	---	---	---
e) Venture Capital Funds	---	---	---	---	---	---	---	---	---
f) Insurance Companies	1687842	930	1688772	7.73	173390	80	173470	0.79	(6.94)
g) FIs	265006	5430	270436	1.23	136863	5430	142293	0.65	(0.58)
h) Foreign Venture Capital Funds	---	---	---	---	---	---	---	---	---
i) Others (Specify Foreign Portfolio Investor)	---	---	---	---	17799	---	17799	0.08	0.08
Sub -Total (B)(1):	1971927	32375	2004302	9.17	2004319	32375	2036694	9.32	0.15
2. Non-Institutions									
a) Bodies Corp.									
(i) Indian	1027290	36940	1064230	4.87	2514037	36655	2550692	11.67	6.80
(ii) Overseas	237159	1255100	1492259	6.83	237159	1255100	1492259	6.83	---
(b) Individuals									
(i) Individual Shareholders holding nominal share capital upto ₹ 1 lakh	6203672	781321	6984993	31.97	6658487	758301	7416788	33.95	1.9
(ii) Individual Shareholders holding nominal share capital in excess of ₹ 1 lakh	3187187	95685	3282872	15.02	2673857	31964	2705821	12.38	(2.64)
(c) Other Clearing Members	163205	--	163205	0.75	130287	---	130287	0.60	(0.15)
Sub-Total (B)(2) :	10818513	2169046	12987559	59.44	12213827	2082020	14295847	65.43	5.99
Total Public Shareholding (B)=(B)(1)+(B)(2)	12790440	2201421	14991861	68.61	14218146	2114395	16332541	74.75	6.14
C. Shares held by custodian for GDRs & ADRs	---	---	---	---	---	---	---	---	---
Grand Total(A+B+C)	19649168	2201421	21850589	100.00	19736194	2114395	21850589	100.00	---



(ii) Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year 01.04.2015			Shareholding at the end of the year 31.03.2016			% change in share holding during the year
		No. of Shares	% of total shares of the company	% of shares Pledged/encumbered to total shares	No. of Shares	% of total shares of the company	% of shares Pledged/encumbered to total shares	
1	TGS Investment And Trade Pvt. Ltd.	3114970	14.26	--	3114970	14.26	--	--
2	Kesoram Industries Limited	1340680	6.14	--	--	--	--	(6.14)
3	Century Textiles And Industries Ltd.	1266887	5.80	--	1266887	5.80	--	--
4	Prakash Educational Society	277360	1.27	--	277360	1.27	--	--
5	Trapti Trading And Investments Pvt. Ltd.	260820	1.19	--	260820	1.19	--	--
6	Turquoise Investment And Finance Pvt. Ltd.	242900	1.11	--	242900	1.11	--	--
7	Jayantika Investment & Finance Limited (Formerly Parvati Tea Company Pvt. Ltd.)	100000	0.46	--	100000	0.46	--	--
8	Birla Education Trust	75000	0.34	--	75000	0.34	--	--
9	Smt. Saraladevi Birla	49000	0.22	--	--	--	--	(0.22)
10	Aditya Vikram Kumarmangalam Birla HUF	29760	0.14	--	29760	0.14	--	--
11	Padmavati Investment Ltd.	28891	0.13	--	28891	0.13	--	--
12	Smt. Rajashree Birla	26080	0.12	--	26080	0.12	--	--
13	Shri Basant Kumar Birla	22360	0.10	--	71360	0.32	--	0.22
14	B.K. Birla Foundation	15090	0.07	--	15090	0.07	--	--
15	Smt. Vasavadatta Bajaj	8930	0.04	--	8930	0.04	--	--
	Total	6858728	31.39	--	5518048	25.25	--	(6.14)

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

Sl. No.		Shareholding at the beginning of the year 01.04.2015				Cumulative Shareholding during the year	
		Date	No. of shares	% of total shares of the company	Reason	No. of shares	% of total shares of the company
	At the beginning of the year	01.04.2015	6858728	31.39		6858728	31.39
	Date wise Increase/Decrease in Promoters Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/ bonus / sweat equity etc.)	22.03.2016	(1340680)	(6.14)	Sale	(1340680)	(6.14)
	At the end of the year		5518048	25.25		5518048	25.25

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

S. No.	For Each of the Top 10 shareholders	Shareholding at the beginning of the year 01.04.2015		Date wise Increase/Decrease in Shareholding during the year				Cumulative Shareholding during the year		Shareholding at the end of the year 31.03.2016	
		No. of shares	% of total shares of the company	Date	No. of shares	% of total shares of the company	Reason	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	Life Insurance Corporation Of India	1515302	6.93		---	---		1515302	6.93	1515302	6.93
2.	Camden Industries Limited	---	---	22.03.2016	1340680	6.14	Purchase	1340680	6.14	1340680	6.14
3.	Mr. Hitesh Ramji Javeri	600000	2.75		---	---		600000	2.75	600000	2.75



S. No.	For Each of the Top 10 shareholders	Shareholding at the beginning of the year 01.04.2015		Date wise Increase/Decrease in Shareholding during the year				Cumulative Shareholding during the year		Shareholding at the end of the year 31.03.2016	
		No. of shares	% of total shares of the company	Date	No. of shares	% of total shares of the company	Reason	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
4.	Mrs. Harsha Hitesh Javeri	450000	2.06	---	---	---	---	450000	2.06	450000	2.06
5.	Malingos International Holdings Limited	450000	2.06	---	---	---	---	450000	2.06	450000	2.06
6.	Larsin Enterprises Corp	450000	2.06	---	---	---	---	450000	2.06	450000	2.06
7.	French Wilbert Ltd.	250000	1.14	---	---	---	---	250000	1.14	250000	1.14
8.	Devi Investment And Development INC	177689	0.81	---	---	---	---	177689	0.81	177689	0.81
9.	The New India Assurance Company Limited	173390	0.79	---	---	---	---	173390	0.79	173390	0.79
10	Morelia Enterprises Limited	164470	0.75	---	---	---	---	164470	0.75	164470	0.75
11	Mrs. Sohan Samdani	134376	0.61	---	---	---	---	134376	0.61	134376	0.61

(v) Shareholding of Directors and Key Managerial Personnel :

Sl. No.	For Each of the Directors and KMP	Shareholding at the beginning of the year 01.04.2015		Date wise Increase/Decrease in Shareholding during the year			Cumulative Shareholding during the year		Shareholding at the end of the year 31.03.2016	
		No. of shares	% of total shares of the company	Date	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	Shri Basant Kumar Birla	22360	0.10	29.04.2015	49000*	0.22	71360	0.32	71360	0.32
2.	Smt. Rajashree Birla	26080	0.12	---	---	---	26080	0.12	26080	0.12
3.	Shri Bansidhar S. Mehta	8540	0.04	---	---	---	8540	0.04	8540	0.04
4.	Shri Sohanlal Kundanmal Jain	125	0.00	---	---	---	125	0.00	125	0.00
5.	Shri Devkinandan Banwarilal Roonghta	4	0.00	---	---	---	4	0.00	4	0.00

* By Transmission.

V INDEBTEDNESS

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

(₹ / Lacs)

	Secured Loans excluding deposits	Unsecured Loans	Deposit	Total Indebtedness
Indebtedness at the beginning of the financial year				
(i) Principal Amount	15213	--	--	15213
(ii) Interest due but not paid	--	--	--	--
(i) Interest accrued but not due	74	--	--	74
Total (i+ii+iii)	15287	--	--	15287
Change in Indebtedness during the financial year				
• Addition	--	--	--	--
• Reduction	(8255)	--	--	(8255)
Net Change	(8255)	--	--	(8255)
Indebtedness at the end of the financial year				
(i) Principal Amount	6970	--	--	6970
(ii) Interest due but not paid	--	--	--	--
(iii) Interest accrued but not due	62	--	--	62
Total (i+ii+iii)	7032	--	--	7032



VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Whole-time Director Mr. G.M. Singhvi:

(₹ / Lacs)

Sl. No.	Particulars of Remuneration	Total Amount
1.	Gross Salary	
(a)	Salary as per provisions contained in Section 17(1) of the Income-Tax Act, 1961.	177.91
(b)	Value of perquisites under Section 17(2) of the Income-Tax Act, 1961	6.63
(c)	Profits in lieu of salary under Section 17(3) of the Income-Tax Act, 1961	---
2.	Stock Option	---
3.	Sweat Equity	---
4.	Commission - As % of profit - Others, specify:	---
5.	Others, specify : Provident Fund (Co's Contribution), Superannuation (Exempted Portion), Medical Reimbursement (Exempted)	5.72 1.00 0.32
	Total Remuneration	191.58
	Ceiling as per the Act	488.50

B. Remuneration to other Directors: (₹ / Lacs)

Sl. No.	Particulars of Remuneration	Name of Directors			Total Amount
		Mr. B.S. Mehta	Mr. S.K. Jain	Mr. K.S. Thar	
1.	Independent Directors • Fee for attending board and committee meetings • Commission • Others, specify	1.55 10.00 ---	1.40 5.00 ---	1.45 5.00 ---	4.40 20.00 ---
	Total (1)	11.55	6.40	6.45	24.40
Sl. No.	Particulars of Remuneration	Name of Directors		Total Amount	
		Mr. B.K. Birla	Mrs. Rajashree Birla		
2.	Other Non-Executive Directors • Fee for attending board and committee meetings • Commission • Others, specify	0.45 5.00 ---	0.45 4.54* ---	0.90 9.54 ---	
	Total (2)	5.45	4.99	10.44	
	Total (B)=(1+2)			34.84	
	Total Managerial Remuneration			226.42	
	Overall Ceiling as per the Act			586.20	

* Mrs. Rajashree Birla has been appointed w.e.f. 5th May, 2015 as Director on the Board of the Company.

C. Remuneration to Key Managerial Personnel other than Managing Director/Manager/Whole Time Director

(₹ / Lacs)

Sl. No	Particulars of Remuneration	Key Managerial Personnel			Total Amount
		Mr. S.Thapliyal President	Mr. D.B. Roonghta Chief Financial Officer	Mr. C.B. Gagrani Company Secretary	
1.	Gross Salary (a) Salary as per provisions contained in Section 17(1) of the Income-Tax Act, 1961. (b) Value of perquisites under Section 17(2) of the Income-Tax Act, 1961 (c) Profits in lieu of salary under Section 17(3) of the Income-Tax Act, 1961.	90.79 4.75 ---	57.14 8.75 ---	32.72 1.32 ---	180.65 14.82 ---
2.	Stock Option	---	---	---	---
3.	Sweat Equity	---	---	---	---
4.	Commission - as % of profit - others, specify	---	---	---	---
5.	Others, please specify : Provident Fund(Co's Contribution), Superannuation (Exempted Portion), Medical Reimbursement (Exempted)	4.58 1.00 0.15	2.90 1.00 0.26	1.66 1.00 0.26	9.14 3.00 0.67
	Total	101.27	70.05	36.96	208.28

VII PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES :

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



MANAGEMENT'S DISCUSSION AND ANALYSIS

1. OVERALL REVIEW

The overall performance of the Company for the year under review improved in line with the business re-engineering work undertaken in the previous year. Conversion of two step nylon tyre yarn manufacturing process to one step process was successfully completed at Pune site. At Bharuch site, few more polyester spinning lines were converted for Nylon Textile Yarn production and operating process parameters were improved and stabilised. In addition to this, two other important factors which improved the performance were (a) savings in energy cost and (b) higher sales in quantitative term.

Purchase of power under bilateral agreement at Pune site since October, 2015 and captive power plant operation at Bharuch site since August 2015, resulted in the energy cost being lower at both the sites.

Continuous polyester operations which were suspended in November, 2013 continued throughout the year. After detailed study, the Continuous Polyester Polymerisation Unit (CPU) was written down by ₹ 754 Lacs as an exceptional item during the year.

Against the demand of ₹ 22927 Lacs from the Central Excise Department alongwith equal amount of penalty and interest on demand amount, the Tribunal has admitted the appeal of the Company and, on deposit of ₹ 700 Lacs, granted stay from further proceedings in the matter by the Department until the appeal is decided by the Tribunal. The Company has filed an application for early hearing and the Tribunal conceded the request.

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

Industry Status:

In Synthetic Yarn segment of Textile Industry, the Company is engaged in the production of Nylon Yarn, both for Tyre Industry as well as Apparel Industry. For Tyre Industry, it caters to the demand of Nylon Tyre Cord Fabric (NTCF) a reinforcement material for bias tyres. These tyres are mainly used for commercial vehicles (Truck & Bus).

Radialisation of tyres is catching up fast due to improvement in road condition allowing higher mileage per tyre. NTCF is not used in radial tyre. In case of bus and truck tyres, it has already reached 35% penetration in the year 2015 and it is expected to reach a level of around 50% by 2020, thus impacting NTCF demand adversely. On the other hand, use of bias tyres is increasing in two wheelers and farm vehicles. On balance, the demand is likely to remain more or less stagnant.

Anti dumping duty on NTCF imports from China though provides some relief but imports from ASEAN (Association of South East Asian Nations) countries at reduced import duty continues to put pressure on product margin for domestic NTCF industry.

The demand of Nylon Textile Yarn for Apparel Industry has witnessed a good growth during last two years due

to lower raw material prices. Part of the demand is also coming from growth in warp knitting, narrow weaving and high speed automatic weaving looms sector. However, cheap imports of yarn and fabric from China and other ASEAN countries continue to be a cause of concern.

With GSFC being the sole supplier for Caprolactam and no other domestic supplier for nylon polymer (chips), extremely high level of dependency on imports and maintaining higher inventory of raw material is another major area of concern for the entire Nylon Industry.

Company Status:

In case of NTCF, after conversion of two step conventional process to one step process at Pune site successfully and enhancing the dipping capacity at Bharuch site, the Company has been able to increase its customer base and could sell higher quantity during the year. NTCF plants at both the sites are operating at full capacity.

On Nylon Textile Yarn front, the Company has increased its sales in quantitative term by about 17% during the year by reaping the benefits of re-engineering and liquidation of inventory. Towards the end of the year, the Company has also commissioned Nylon Mother Mono Yarn capacity which should contribute to the bottom-line. Due to heavy imports and low entry barrier in spinning of Nylon Textile Yarn, the margins are under pressure. The Company is, therefore, cautiously watching these developments together with the impact of Government policy of lower duty on yarn imports from ASEAN countries and take appropriate steps in working out its growth trajectory. The Company also engaged a German consulting firm to study our existing equipments at both the sites, Pune & Bharuch and suggest manufacture of value added products.

On raw material front, GSFC being the only domestic supplier of raw material, the Company is aggressively working with various international suppliers and co-operating on technical know-how exchange to strengthen its contacts for a long term and continued supply of raw material.

To further strengthen the Company's drive on cost optimisation, the Company has hired the services of a well reputed consulting firm for a detailed cost study.

Polyester yarn operations remained suspended throughout the year.

Company Outlook

Despite threats and concerns pertaining to cheaper imports, high power cost, dependency on imported raw material, non level playing field for same products due to differential duty structure across different states, the outlook remains cautiously positive. The Indian economy is well placed on the growth trajectory amid global crisis which can support the growth plans of the Company.

3. RISK MANAGEMENT

Risk Management is an important business aspect in the current economic environment and its objective is to



identify, monitor and take mitigation measures on a timely basis in respect of the events that may pose risks for the business.

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

Decline in raw material prices:

The prices of raw material, mainly Caprolactam and Nylon Chips, are petroleum based and are closely linked with crude oil prices. Falling of crude oil prices in the international market has adversely affected the carrying cost of inventory. To mitigate the risk, the Company is now procuring imported raw material on spot basis instead of long term contracts, and is maintaining minimum inventory to reduce losses in the event of further fall in crude oil prices in the international market. The situation is uncertain.

High energy cost:

The denial of power purchase for Bharuch site through open access by Power Transmission Company due to technical constraint in transmission network from March 2014 continues. To reduce the impact of energy cost, the Company is constantly working on cost benefit analysis to generate power from captive power plant vis-a-vis purchase from the State Electricity Board and is taking appropriate action. In the year under review, the Company has been able to contained the increasing risk of energy cost by purchasing power from open access for its Pune site with effect from October 2015.

Technology risk:

Obsolescence of technology may affect the production process and technical support from original equipment manufacturers. The Company monitors such issues and makes investment in technology upgradation on regular basis. This, in turn, helps the Company to stay at par with the global practices. The Company also does process re-engineering and improvisation to enhance efficiency.

Nylon Textile Yarn Business risk:

There is a serious pressure on margins for Pune site operation. Cost is comparatively high due to Local Body Tax (LBT) and wages. The Company is constantly reviewing this risk and taking all possible steps to avoid falling in negative margin territory.

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

4. HEALTH, SAFETY AND ENVIRONMENT

The Company accords significant importance to Health, Safety and Environment and related issues are taken up on priority basis. The Company ensures compliance

of all statutory regulations related to Health, Safety and Environment.

For the year 2014-15, Bharuch site received a Certificate of Honour from Gujarat Safety Council and a Certificate of Appreciation from Directorate of Industrial Safety & Health (Government of Gujarat) for safe man-hours.

Safety week is celebrated at both sites with enthusiasm and involvement of employees. Various training programmes, contests and other activities are conducted during the safety week not only for the employees but also for their families.

The Company takes keen interest and engage itself by imparting safety training to small & medium scale companies in the neighbourhood and providing services of its fire tender.

The safety risk is managed by regular Training & Awareness, Permit to Work system, Emergency Planning, Preparedness & Drills, Management of Change, Safety Promotional & Motivational activities, Incident investigation and Analysis and such other practices.

Occupational Health Management is practised by pre-employment health check up and periodic health check up of employees including contractual labour. First Aid training is provided on regular basis and personal protective equipments are made available to employees. High level of emphasis is placed on cleanliness and hygiene within and outside the plant area.

The Company believes in environmental protection and maintaining ecological balance. All discharges are closely monitored and were well within the statutory norms during the year under review.

Extensive efforts are made to use bio-fuel instead of fossil fuel (FO/LNG/LD). This helps in conservation of natural resources and reduction of SO₂ emission.

The Company is seriously working on possibility of using appropriate technology to reduce its hazardous waste generation and also tying up with Pollution Board's approved users for its use as bio-fuel substitute.

Tree plantation programmes were conducted during the World Environment Day celebration.

5. HUMAN RESOURCE AND INDUSTRIAL RELATIONS

The Company strongly believes in the importance of Human Capital and nurturing the same. To match with the fast paced technological changes and also the changes in their business environment, the employees are provided regular training for upgradation of skills. The Company understands the importance of multi-skilling and job rotation and hence scientifically moves its employees in various roles thereby creating a versatile work force.

The Company engages with its employees through reward based suggestion schemes for participative growth. Team spirit among employees is garnered through celebration of various festivals, Independence & Republic Day

celebrations, sports tournaments etc. Employees are also involved in CSR activities thereby sensitising them towards the betterment of society as well.

The industrial relations at both Pune and Bharuch sites are cordial.

The strength of permanent employees was 1,500 Nos. on 31st March 2016 as against 1,496 Nos. on 31st March, 2015.

6. INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY

The Company has a robust internal control system commensurate with the size and scale of its operations. Roles and responsibilities are clearly defined and assigned. Standard operating procedures are in place by way of built in controls in ERP system and have been designed to provide a reasonable assurance. Apart from self monitoring of internal controls, Internal Auditors have expressed their satisfaction about the adequacy of the control systems and the manner in which the Company is updating / upgrading its systems and procedures.

The Audit Committee takes due cognisance of the observations made by the auditors and gives their suggestions for improvement. The suggestions of the Audit Committee further ensure the quality and adequacy of the control systems.

7. INFORMATION TECHNOLOGY (IT)

Information Technology has played key role in supporting business operations of the Company. The Company leverages Information Technology systems for designing, implementing and maintaining the controls over an organisation's business processes and has a critical role in collecting, processing and efficiently transacting data that is summarised and reported in financial statement.

In order to further enhance business process capabilities, the Company plans to invest in modern and latest ERP system in the year 2016-17. New ERP system will support real time operations, help in smarter decision making and is expected to deliver better intelligence on data analysis for efficient and effective business process.

8. FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

Highlights	₹/Lacs	
	2015-16	2014-15
Net Sales / Income from Operations	114364	121853
Profit Before Depreciation, Financial Cost, Exceptional Item and Tax	14609	12269
Depreciation	(4024)	(4275)
Finance Cost	(956)	(1732)
Exceptional Item	(754)	Nil
Taxation (Net)	(2929)	(2605)
Net Profit After Tax	5946	3657
Earnings Per share (in ₹)	27.21	16.74
Cash Earnings Per Share (in ₹)	45.63	36.30

A. Sale:

Sales volume (Ton) of Nylon Textile Yarn and Tyre Cord Fabric taken together is higher by about 12%. It is partly on account of liquidation of inventory. However, in value term, it is lower by about 6%, mainly on account of fall in per unit (kg.) sale price because the Company had to pass-on the drop in raw material cost to customers.

B. Profit Before Depreciation, Financial Cost, Exceptional Item and Tax (PBDFET):

PBDFET is higher mainly on account of increase in sales volume and reduction in energy cost due to power purchase under open access and fall in price of furnace oil used for generation of power and steam.

C. Exceptional Item:

The Management, based on the business scenario with respect to the Continuous Polyester Polymerisation Unit (CPU), concluded that the carrying amount of CPU needed to be written down by ₹ 754 lacs with no further write down is expected. The write down has been classified as an Exceptional Item.

9. CORPORATE SOCIAL RESPONSIBILITY (CSR)

Under the guidance of the Board of Directors, CSR activities are planned keeping the communities around the factory sites at the core. A synopsis of CSR activities taken up during the year are as follows:

1. EDUCATION

a. Vocational Training Institute (Skill Development):

Skill Development has become a critical national agenda and is a primary requirement for channelising the youth and to support industrial growth. The Company continued its support in the establishment of a Government recognised Vocational Training Institute near its Bharuch site (Gujarat). The institute completed its first phase as per schedule with state-of-art facilities for practical training and commenced first academic session in August 2015 with about 40 students under two trades. The construction work for phase two had already begun and three more trades are slated to begin in August 2016 and expecting students strength to increase substantially.



CLASSROOM AT RAJASHREE INDUSTRIAL TRAINING INSTITUTE



IMPARTING PRACTICAL TRAINING TO STUDENTS

b. Distribution of Educational Materials and School infrastructure:

The Company again participated with the Gujarat Government in the annual school enrolment programme called 'Kanya Kelvani Mahotsav'. Educational materials were distributed to children in 17 government schools, located in the vicinity of the Company's Bharuch site, benefitting more than thousand students. The Company also organised an educational tour for the students of a Government primary school near its Bharuch site.

The Company supported, in betterment of school infrastructure by providing furniture in a school in Maharashtra.



2. HEALTH AND MEDICAL PROGRAMMES

a. Dental Check-up and Treatment for Rural Children:

Taking account of the success and benefit of dental check-up camp conducted last year, the same was repeated in the year. This year the focus was not only on check-up but also on treatment. A week long programme was conducted for the children in the vicinity of the Bharuch site covering 9 villages. About 650 children were examined and 539 were thoroughly treated.



b. Eye Check-up and Cataract Operation Camp:

Eye check-up and cataract operation camps are another annual activity carried out by the Company. In the year under review, about 320 patients were checked and more than 60 cataract operations were carried out free of cost.



3. COMMUNITY AND ENVIRONMENT

Various activities were taken up in villages near Bharuch site towards Community welfare and Environment, such as:

- a. Drinking Water Programme:
 - Installation of hand pumps in a village
 - De-scaling of canal and ponds.
 - Cleaning of water bodies.
- b. Street Lighting: Provided 354 street lights to 7 villages.
- c. Road: Construction and levelling of roads and pathways at 2 Villages.
- d. Tree plantation: 750 trees were planted in nearby villages.



CAUTIONARY STATEMENT

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



CORPORATE GOVERNANCE REPORT

Company's Philosophy on Corporate Governance

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

A detailed disclosures on the Board of Directors, Shareholders and Stock Performance are given herebelow :

1. Board of Directors

Composition

The Board as on 31st March, 2016 comprises of six Directors out of which five Directors are Non-Executive Directors including a woman Director and one Director is Whole-time Director who is responsible for the day-to-day management of the Company subject to the supervision, direction and control of the Board of Directors. The Chairman and Vice Chairperson of the Company are Non-Executive Directors. Out of six Directors, three Directors are Independent Directors comprises half of the total strength of the Board.

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

Directorship held by Directors of Century Enka Limited :

Name of the Director	Executive/Non Executive / Independent/ Promoter	No. of shares held in the Company	No. of outside Directorship in Public Limited Companies *	Membership held in Committee of Directors #	Chairmanship held in Committee of Directors #
Mr. B. K. Birla	Non Executive and Promoter	71,360	4	-	-
Mrs. Rajashree Birla ⁽¹⁾	Non Executive and Promoter	26,080	7	-	-
Mr. B. S. Mehta	Non Executive and Independent	8,540	8	5	3
Mr. S. K. Jain	Non Executive and Independent	125	1	1	-
Mr. K. S. Thar	Non Executive and Independent	-	-	-	-
Mr. G. M. Singhvi	Executive – Whole-time Director	-	-	-	-

- Mrs. Rajashree Birla has been appointed as a Director on the Board of the Company w.e.f. 5th May, 2015.
 - Mr.B.K. Birla and Mrs.Rajashree Birla are related as in-laws.
 - The Company through periodical presentation to Board of Directors and various committee of Directors to provide an opportunity to independent directors to facilitate their active participation and familiarise the company's business. Web link of Familiarisation Programmes for Independent Directors: http://centuryenka.co.in/CE/policies/Legal_Compliance.htm
 - The Company have informal plan for orderly succession for appointment to the Board of Directors and Senior Management.
 - The Company has in place a system of preparation of the legal compliance report on quarterly basis of all applicable laws to the Company, and also a system to ratify any instance of non-compliance. The Board also review the compliance report periodically.
 - The terms and conditions of appointment of independent directors is also available on the Company's website: http://centuryenka.co.in/CE/investor/Independent_directors_terms_conditions.pdf
- * This excludes directorship held in Private Companies, Foreign Companies, Companies formed under Section 8 of the Companies Act, 2013 and directorship held in Century Enka Limited.
- # Membership/Chairmanship in Committee of Directors includes Audit Committee and Stakeholders' Relationship/Grievance Committee of Directors only. This does not include Membership/Chairmanship in Committee of Directors of Century Enka Limited.

2. Number of Board Meetings and Attendance Record of Directors

The Board meets at least once in a quarter to consider amongst other business, the performance of the Company and financial results. The particulars of Board Meetings held during 2015-16 as well as attendance of Directors at the Board Meetings and the last AGM are given herebelow :



Details of Board Meetings

Number of Board Meetings held during 2015-16 : 5			
Sr.No.	Date of Board Meeting	Sr.No.	Date of Board Meeting
1	05.05.2015	4	30.10.2015
2	14.07.2015	5	02.02.2016
3	27.07.2015		

Attendance Record of Board of Directors

Name of the Director	Number of Board Meetings held	Number of Board Meetings attended	Whether attended last AGM held on 14.07.2015
Mr. B. K. Birla	5	3	No
Mrs. Rajashree Birla (Appointed w.e.f. 05.05.2015)	5	3	No
Mr. B. S. Mehta	5	5	Yes
Mr. S. K. Jain	5	5	Yes
Mr. K. S. Thar	5	5	Yes
Mr. G. M. Singhvi	5	5	Yes

Meeting of Independent Directors and Attendance Record

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

Attendance Record of Meetings of Independent Directors

Name of the Director	Number of Meeting held	Number of Meeting attended
Mr. B. S. Mehta	1	1
Mr. S. K. Jain	1	1
Mr. K. S. Thar	1	1

3. Directors' Remuneration

(a) Non-Executive Directors

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

(i) Sitting Fee

The sitting fee is paid for attending meetings of Board of Directors and Committee of Directors to each Director except Whole-time Director at the rate as detailed herebelow:

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

(ii) Commission

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

Remuneration Paid/Payable to Non-Executive Directors for the Financial Year 2015-16

Name	Sitting Fee for Board/ Committee Meetings Attended	Commission
Mr. B. K. Birla	₹ 45,000/-	₹ 5,00,000/-
Mrs. Rajashree Birla	₹ 45,000/-	₹ 4,53,552/-
Mr. B. S. Mehta	₹ 1,55,000/-	₹ 10,00,000/-
Mr. S.K. Jain	₹ 1,40,000/-	₹ 5,00,000/-
Mr. K.S. Thar	₹ 1,45,000/-	₹ 5,00,000/-

**(b) Whole-time Director**

Remuneration of Mr. G. M. Singhvi, Whole-time Director for the financial year 2015-16 comprises of Salary and Allowances ₹ 178.06 lacs, Perquisites ₹ 0.64 lacs and Contribution to Provident Fund ₹ 5.72 lacs and Superannuation Fund ₹ 7.16 lacs. Monetary value of perquisites is calculated in accordance with existing provisions of the Income Tax Act, 1961. The above remuneration is exclusive of Contribution to approved Gratuity Fund which is based on actuarial valuation done on an overall company basis. There is no performance linked incentives, stock option and pension. The employment is on contractual basis and subject to termination by either party giving to other party three months notice.

4. Directors' Interest in the Company

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

5. Code of Conduct

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

6. Audit Committee

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

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

Name of Committee Member	No. of Meetings held	No. of Meetings attended
Mr. S.K. Jain (Chairman) Non-Executive and Independent Director	4	4
Mr. B.S. Mehta Non-Executive and Independent Director	4	4
Mr. K.S. Thar Non-Executive and Independent Director	4	4

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

Besides the Committee members, Whole-time Director, President, Chief Financial Officer and partners/other representatives of the firms of Statutory Auditors and Internal Auditors were also present at the meetings to answer the queries raised by the Committee Members.

The Chairman of Audit Committee was present at 49th Annual General Meeting of the Company held on 14th July, 2015.

7. Nomination and Remuneration Committee of Directors

The Board of Directors has constituted a Nomination and Remuneration Committee of Directors. The role of the Committee is to perform all such matters as prescribed under the Companies Act, 2013 and Schedule II - Part D about Role of Nomination and Remuneration Committee of Directors under the Securities and Exchange Board of India (Listing Obligations and Disclosure



Requirements) Regulations, 2015, which inter alia includes - recommendation to Board of Directors, the remuneration policy for the Company, formulation of criteria for performance evaluation of directors, Board and Committee, appointment of Director, appointment and remuneration of Whole-time Director and Key Managerial Personnel. The Committee will also deal with matters as may be assigned from time to time by the Board of Directors.

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

The Committee has devised uniform performance evaluation criteria for directors including independent directors.

The Committee consists of three Independent Directors and attendance of each Committee Member is as under:

Name of Committee Member	No. of Meetings held	No. of Meetings attended
Mr. B.S. Mehta (Chairman) Non-Executive and Independent Director	2	2
Mr. S.K. Jain Non-Executive and Independent Director	2	2
Mr. K.S. Thar Non-Executive and Independent Director	2	2

8. Corporate Social Responsibility Committee

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

The Committee consists of three directors and attendance of each committee member is as under:

Name of Committee Member	No. of Meetings held	No. of Meetings attended
Mr. B.S. Mehta (Chairman) Non-Executive and Independent Director	2	2
Mr. S.K. Jain Non-Executive and Independent Director	2	2
Mr. G.M. Singhvi Executive - Whole-time Director	2	2

9. Stakeholders' Relationship/Grievance Committee of Directors

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

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

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

The Committee consists of two Directors and the attendance of each committee member is as under:

Name of the Committee Member	No. of Meeting held	No. of Meeting attended
Mr. S. K. Jain (Chairman) Non-Executive and Independent Director	1	1
Mr. G. M. Singhvi Executive - Whole-time Director	1	1

Status of Shareholders'/Investors' Complaints for the period 01.04.2015 to 31.03.2016

Nature of complaint	No. of complaints received	No. of complaints resolved	No. of pending complaints
Exchange of Share Certificates	5	5	-
Dividend	6	6	-
Redemption of Debentures	1	1	-
Other	2	2	-
Total	14	14	-

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



10. Share Transfer Committee of Directors

The role of the Committee is to deal with issuance of duplicates of share certificates, transmission of shares, transfer of shares and supervision of transfer of shares delegated to officers of the Company. The delegated authorities attend share transfer formalities at least thrice in a month. Transfer of shares are processed and registered within the stipulated time, provided all the documents are valid and complete in all respect. Share transfers approved by the delegated authorities are placed before Share Transfer Committee/Board for its review. As on 31st March, 2016, no shares were pending for transfer for more than 15 days.

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

The Committee consists of two Directors and the attendance of each committee member is as under:

Name of the Committee Members	No. of meetings held	No. of meetings attended
Mr. B. S. Mehta - (Chairman) Non-Executive and Independent Director	4	4
Mr. K.S. Thar Non-Executive and Independent Director	4	4

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

11. General Body Meetings

A) Information about last three Annual General Meetings:

Year	Date	Time	Location
2013	13.07.2013	12:30 PM	Pudumjee Hall, Mahratta Chamber of Commerce, Industries and Agriculture, Tilak Road, Pune-411002.
2014	13.09.2014	12:30 PM	Pudumjee Hall, Mahratta Chamber of Commerce, Industries and Agriculture, Tilak Road, Pune-411002.
2015	14.07.2015	12:30 PM	Pudumjee Hall, Mahratta Chamber of Commerce, Industries and Agriculture, Tilak Road, Pune-411002.

B) Information about Special Resolutions passed in previous three Annual General Meetings:

- i) In the 47th Annual General Meeting held on 13th July, 2013, following two special resolutions were passed :
 - a) Payment of commission to directors other than the Directors in the whole-time employment of the Company in respect of each of the five financial years commencing from 1st April, 2013.
 - b) Re-appointment of Mr. G. M. Singhvi as Whole-time Director for a period of 3 (three) years with effect from 16th May, 2013.
- (ii) In the 48th Annual General Meeting held on 13th September, 2014, following four special resolutions were passed:
 - (a) Consent of the Company pursuant to Section 180(1)(c) of the Companies Act, 2013 to the Board of Directors to borrow amount not exceeding at any time ₹ 300 Crs. over and above the paid up capital and free reserves of the Company.
 - (b) Consent of the Company pursuant to Section 180(1)(a) of the Companies Act, 2013 to mortgage and/or charge by the Board of Directors any immovable and movable properties/assets of the Company including undertaking(s) to secure the borrowings.
 - (c) Consent of the Company pursuant to Section 42 of the Companies Act, 2013 to issue Non-convertible Debentures/ bonds/other instruments on private placement basis, the outstanding at any time not exceeding ₹ 150 Crs.
 - (d) Consent of the Company pursuant to Section 197 of the Companies Act, 2013 to pay remuneration by way of commission to Non-Executive Directors at a rate not exceeding 1% of net profits of the Company in each year subject to overall ceiling as may be fixed by the Board of Directors.
- (iii) In the 49th Annual General Meeting held on 14th July, 2015, following special resolution was passed:
 - (a) Consent of the Company pursuant to Section 42 of the Companies Act, 2013 to issue Non-convertible Debentures/ bonds/other instruments on private placement basis, the outstanding at any time not exceeding ₹ 150 Crs.

C) There was no special resolution passed in the financial year 2015-16 by postal ballot.

D) As of date, there is no proposal to pass any special resolution by postal ballot.



12. Related Party Transaction

There is no transaction of materially significant nature with related party that may have potential conflict with the interest of the Company at large. The Related Party Transaction policy as approved by the Board is available on the website of the Company http://centuryenka.co.in/CE/policies/Legal_Compliance.htm.

13. Whistle Blower Policy

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

14. Any Non-compliance, Penalties or Strictures Imposed

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

15. Means of Communication

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

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

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

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

16. Management's Discussion and Analysis Report forms a part of the Annual Report

17. General Shareholder Information

Annual General Meeting

Day, Date and Time: Friday, the 15th July, 2016 at 12.30 p.m.

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

Financial Year : 1st April - 31st March

Financial Calendar

Financial reporting for the quarter ending 30 th June, 2016	:	On or before 14 th August, 2016
Financial reporting for the quarter ending 30 th September, 2016	:	On or before 14 th November, 2016
Financial reporting for the quarter ending 31 st December, 2016	:	On or before 14 th February, 2017
Financial reporting for the quarter ending 31 st March, 2017	:	On or before 30 th May, 2017

Book Closure : The Register of Members and Share Transfer Register will remain closed from Tuesday, the 5th July, 2016 to Thursday, the 7th July, 2016 (both days inclusive) for the purpose of payment of dividend.

Dividend Payment Date : On or after 18th July, 2016

Registered Office : Plot No.72 & 72-A,
MIDC, Bhosari, Pune- 411 026.
Tel. No. (020) 66127300 / 27120423 Fax No. (020) 27120113
E-mail : investor@centuryenka.com

Company's Website : www.centuryenka.com



Listing at Stock Exchanges : The Company's Equity Shares are listed at the following Stock Exchanges :
 i) BSE Limited, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400001.
 ii) The National Stock Exchange of India Limited., "Exchange Plaza", Bandra-Kurla Complex, Bandra (East), Mumbai - 400051.

Payment of Annual Listing Fees : The Annual Listing Fees for the year 2016-17 have been paid.

Stock Code : Bombay Stock Exchange : 500280
 National Stock Exchange : CENTENKA

ISIN allotted to Equity Shares : INE485A01015

Stock Market Data

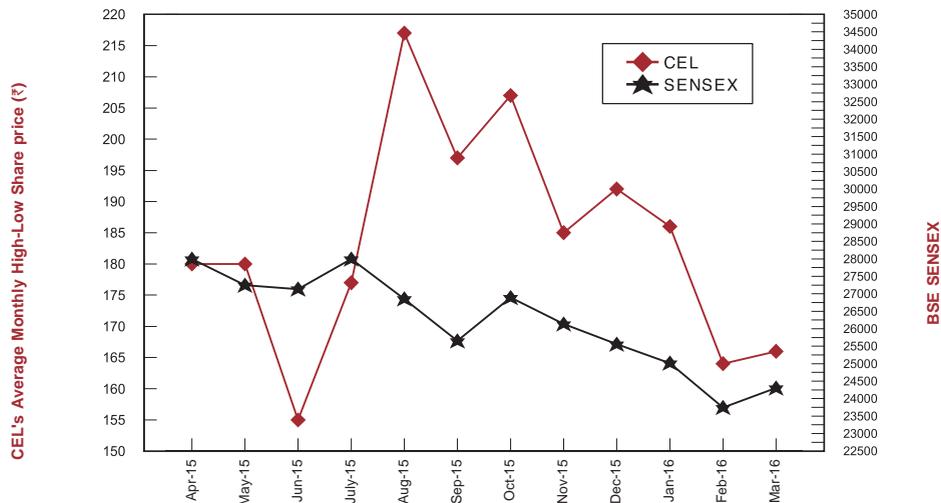
Monthly high and low prices of equity shares of the Company quoted at Bombay Stock Exchange and National Stock Exchange during the year 2015-16 :

(Amount in ₹)*

Month	Bombay Stock Exchange		National Stock Exchange	
	High	Low	High	Low
April,2015	210	150	210	148
May	203	158	204	155
June	165	145	165	146
July	201	153	201	153
August	256	178	257	178
September	212	182	213	182
October	218	196	218	195
November	196	173	197	172
December	208	175	209	175
January,2016	210	163	210	164
February	184	145	184	143
March	183	150	184	150

(*) Rounded-off to nearest Rupee

Stock Performance Index





Distribution of Shareholding as on 31st March, 2016

No. of equity shares held	No. of shareholders	% of shareholders	No. of shares held	% of shareholding
1 to 10	13326	28.12	77781	0.36
11 to 50	17885	37.75	520048	2.38
51 to 100	5697	12.02	510342	2.34
101 to 500	7425	15.67	1863377	8.53
501 to 1000	1520	3.21	1175279	5.37
1001 to 5000	1228	2.59	2661464	12.18
5001 and above	305	0.64	15042298	68.84
Total	47386	100.00	21850589	100

Categories of Shareholding as on 31st March, 2016

Category	No. of shareholders	% of shareholders	No. of shares held	% of shareholding
Individuals	45872	96.81	10087352	46.17
Bodies Corporate	1040	2.19	8062897	36.90
Non Resident Bodies Corporate	3	0.00	1150000	5.26
FII's	16	0.03	142293	0.65
NRIs/OCBs	358	0.76	531355	2.43
Mutual Funds	37	0.08	8829	0.04
Bank, Financial Institutions & Insurance Companies	60	0.13	1867863	8.55
Total	47386	100.00	21850589	100.00
Promoters	13	0.03	5518048	25.25
Non-Promoters	47373	99.97	16332541	74.75
Total	47386	100.00	21850589	100.00

- Dematerialization of Shares and Liquidity** : 90.32% of Equity Shares have been dematerialised as on 31st March, 2016. Trading in shares of Century Enka Limited is available in dematerialised form.
- Outstanding GDRs/ADRs/Warrants or any convertible instruments** : The Company has not issued any GDRs/ADRs/Warrants/Convertible Instruments.
- Foreign Exchange Risk & Hedging activities** : It is the policy of the Company to cover its foreign currency exposure for imports to avoid currency exchange fluctuation.
- Plant Locations** : Pune, Rajashree Nagar (Bharuch) and Mahad (Not in operation)
- Share Transfer Agent** : Link Intime India Private Limited
(Unit : Century Enka Limited)
C-13, Pannalal Silk Mills Compound, L. B. S. Marg, Bhandup (West)
Mumbai - 400 078.
Tel. : 022-25946970 Fax : 022-25946969
E-mail : rnt.helpdesk@linkintime.co.in
- Share Transfer System** : Share Transfer System is explained in Share Transfer Committee of Directors

18. Disclosures

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

19. Discretionary Requirements

i) The Board

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

ii) Shareholders Rights

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

**iii) Audit Qualifications**

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

iv) Separate posts of Chairman and Chief Executive Officer

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

v) Reporting of Internal Auditors

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

BRIEF RESUME OF PERSONS PROPOSED TO BE APPOINTED/RE-APPOINTED AS DIRECTORS OF THE COMPANY AT THE ANNUAL GENERAL MEETING

Name	Mr.B.K. Birla	Mr.G.M. Singhvi
Age	95 Years	74 Years
Nature of expertise	Industrialist	Corporate Management
Name of the companies in which also holds directorship	1. Century Textiles & Industries Limited 2. Jay Shree Tea & Industries Limited 3. Kesoram Industries Limited 4. Pilani Industries Limited	-
Name of the companies in the committees of which also holds membership/chairmanship	-	-
Other activities	Associated with charitable trusts & educational institutions	-
No. of shares held in the Company	71,360	-

CERTIFICATE

To,
The Members of Century Enka Limited

We have examined the compliance of conditions of Corporate Governance by Century Enka Limited ('the Company'), for the year ended on 31st March, 2016, as stipulated in Clause 49 of the Listing Agreement of the said Company with relevant Stock Exchanges (upto 30th November 2015) / Chapter IV of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (effective from 1st December 2015).

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

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

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

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

Sanjay H. Sangani
Proprietor
M. No. : FCS 4090

C.P. No. : 3847
Mumbai, 4th May, 2016

DECLARATION ON COMPLIANCE OF THE COMPANY'S CODE OF CONDUCT

All the members of the Board and Senior Management Personnel of the Company have affirmed due observance of the Code of Conduct, framed pursuant to Regulation 26(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, in so far as it is applicable to them and there is no non-compliance thereof during the year ended 31st March, 2016.

Place : Mumbai
Date : 4th May, 2016

G. M. SINGHVI
Whole-time Director



SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2016

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

To,
The Members of Century Enka Limited

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Century Enka Limited (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of Century Enka Limited's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2016, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2016 according to the provisions of:

- 1) The Companies Act, 2013 (the Act) and the rules made thereunder;
- 2) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- 3) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- 4) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings (Not Applicable to the Company during the Audit Period);
- 5) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 (upto 14th May 2015) and the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 (effective 15th May 2015);
 - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (Not Applicable to the Company during the Audit Period);
 - d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 / the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (effective 28th October, 2014) (Not Applicable to the Company during the Audit Period);
 - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (Not Applicable to the Company during the Audit Period);
 - f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations,

1993 regarding the Companies Act and dealing with client (Not Applicable to the Company during the Audit Period);

- g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (Not Applicable to the Company during the Audit Period); and
 - h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (Not Applicable to the Company during the Audit Period);
- 6) The management of the Company has informed that there is no industry specific law which is applicable to the Company. We have also examined compliance with the applicable clauses of the following:
- a) Secretarial Standards with respect to Meetings of Board of Directors (SS-1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India (effective from 1st July 2015)
 - b) The Listing Agreements entered into by the Company with Stock Exchanges / the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (effective from 1st December 2015);

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

We further report that

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

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

Majority decisions are carried through. There is no dissenting view of members to capture and record as part of the minutes.

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

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

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

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

Mumbai, 4th May, 2016



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

Report on the Financial Statements

1. We have audited the accompanying financial statements of Century Enka Limited (the "Company"), which comprise the Balance Sheet as at March 31, 2016, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

2. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 (the "Act") with respect to the preparation of these financial statements to give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

3. Our responsibility is to express an opinion on these financial statements based on our audit.
4. We have taken into account the provisions of the Act and the Rules made thereunder including the accounting standards and matters which are required to be included in the audit report.
5. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
6. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.
7. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Opinion

8. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2016, and its profit and its cash flows for the year ended on that date.

Emphasis of Matter

9. We draw your attention to Note 32(b) to the financial statements regarding the Company's appeal pending before CESTAT, Mumbai against the excise duty demand aggregating Rs.22,927 lacs plus interest thereon and penalty of Rs. 22,927 lacs. Based on expert legal advice and merits of the case, no provision has been considered necessary by the Company. The final determination of the cash outflow, if any, would depend upon the final decision of the appropriate authorities in the future. Our opinion is not qualified in respect of this matter.

Report on Other Legal and Regulatory Requirements

10. As required by 'the Companies (Auditor's Report) Order, 2016', issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act (hereinafter referred to as the "Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure B a statement on the matters specified in paragraphs 3 and 4 of the Order.
11. As required by Section 143 (3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - (e) On the basis of the written representations received from the directors as on March 31, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure A.
 - (g) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our knowledge and belief and according to the information and explanations given to us:
 - i. The Company has disclosed the impact, if any, of pending litigations as at March 31, 2016 on its financial position in its financial statements – Refer Note 32(a), 32(b) and 40;
 - ii. The Company has long-term contracts including derivative contracts as at March 31, 2016 for which there were no material foreseeable losses;
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended March 31, 2016..

For Price Waterhouse
Firm Registration Number: 301112E
Chartered Accountants

Jeetendra Mirchandani

Partner

Membership Number 48125

Mumbai
May 04, 2016



Annexure to A` Independent Auditor's Report

Referred to in paragraph 11(f) of the Independent Auditors' Report of even date to the members of Century Enka Limited on the financial statements for the year ended March 31, 2016

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

1. We have audited the internal financial controls over financial reporting of Century Enka Limited ("the Company") as of March 31, 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing deemed to be prescribed under section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

6. A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

7. Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Price Waterhouse
Firm Registration Number: 301112E
Chartered Accountants

Mumbai
May 04, 2016

Jeetendra Mirchandani
Partner
Membership Number 48125



Annexure to B Independent Auditor's Report

Referred to in paragraph 10 of the Independent Auditors' Report of even date to the members of Century Enka Limited on the financial statements for the year ended March 31, 2016

- i. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets.
- (b) The fixed assets are physically verified by the Management according to a phased programme designed to cover all the items over a period of 3 years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of the fixed assets has been physically verified by the Management during the year and no material discrepancies have been noticed on such verification.
- (c) The title deeds of immovable properties, as disclosed in Note 12 on fixed assets to the financial statements, are held in the name of the Company.
- ii. The physical verification of inventory has been conducted at reasonable intervals by the Management during the year. The discrepancies noticed on physical verification of inventory as compared to book records were not material.
- iii. The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act. Therefore, the provisions of Clause 3(iii), (iii) (a), (iii) (b) and (iii) (c) of the said Order are not applicable to the Company.
- iv. The Company has not granted any loans or provided any guarantees or security to the parties covered under Section 185 of the Act. In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of Section 186 of the Act in respect of loans, investments made and guarantee / security provided by it as applicable.
- v. The Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified.
- vi. Pursuant to the rules made by the Central Government of India, the Company is required to maintain cost records as specified under Section 148(1) of the Act in respect of its products. We have broadly reviewed the same, and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
- vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is regular in depositing the undisputed statutory dues, including provident fund, employees' state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax and other material statutory dues, as applicable, with the appropriate authorities.
- (b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of wealth-tax and cess which have not been deposited on account of any dispute. The particulars of dues of income tax, sales tax, service tax, duty of customs and duty of excise as at March 31, 2016 which have not been deposited on account of a dispute, are as follows:

Name of the statute	Nature of dues	Amount (Rs. lacs)	Amount paid under protest (Rs. lacs)	Period to which the amount relates	Forum where the dispute is pending
The Income-tax Act, 1961	Income-tax	118	-	AY 2004-05	Calcutta High Court
		50	-	AY 2008-09	Income-tax Appellate Tribunal
The Central Excise Act, 1944	Excise Duty, including penalty as applicable	20	-	2000-01 and 2001-02	Customs, Excise and Service Tax Appellate Tribunal
		66	66	January 1995 to September 1995	
		203	-	2007-08 to 2010-11 & 2012-2013	Commissioner of Customs and Central Excise
The Central Excise Act, 1944	Excise Duty (Refer Note 1 below)	22,927	700	April 2000 to March 2003	Customs, Excise and Service Tax Appellate Tribunal
	Penalty	22,927	-		
Finance Act, 1994	Penalty on Service-tax dues	8	-	January 2005 to November 2012	Customs, Excise and Service Tax Appellate Tribunal
	Service tax	141	-	May 2009 to January 2014	
The Customs Act, 1962	Customs Duty	159	68	1994-95, 2001-02 and 2006-07	Customs, Excise and Service Tax Appellate Tribunal
The Gujarat Sales-tax Act, 1969	Sales-tax including interest and penalty	672	73	2000-01	The Supreme Court of India
The Gujarat Value Added Tax Act, 2006	Sales-tax	13	-	2007-08	Joint Commissioner of Sales-tax (Appeals)
The Maharashtra Value Added Tax Act	Value Added Tax	33	8	2008-09	Commissioner of Sales-tax

Note 1- This does not include the interest claimed (not quantified) by the Central excise authorities.



- viii. According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of loans or borrowings to any bank. The company has not taken any loans from the Government. It has not issued any debentures.
- ix. The Company has not raised any moneys by way of initial public offer, further public offer (including debt instruments) and term loans. Accordingly, the provisions of Clause 3(ix) of the Order are not applicable to the Company.
- x. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.
- xi. The Company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
- xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the provisions of Clause 3(xii) of the Order are not applicable to the Company.
- xiii. The Company has entered in to transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of related party transactions have been disclosed in the financial statements as required under Accounting Standard (AS) 18 –‘Related Party Disclosures’ specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts Rules), 2014.
- xiv. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, the provisions of Clause 3(xiv) of the Order are not applicable to the Company.
- xv. The Company has not entered into any non-cash transactions with its directors or persons connected with him. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company.
- xvi. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company.

For Price Waterhouse
Firm Registration Number: 301112E
Chartered Accountants

Mumbai
May 04, 2016

Jeetendra Mirchandani
Partner
Membership Number 48125



**BALANCE SHEET
AS AT 31ST MARCH, 2016**

	Note No.	31 st March, 2016 ₹/Lacs	31 st March, 2015 ₹/Lacs
EQUITY AND LIABILITIES			
SHAREHOLDERS' FUNDS			
Share Capital	2	2185	2185
Reserves and Surplus	3	73403	69429
		75588	71614
NON - CURRENT LIABILITIES			
Long Term Borrowings	4	5144	6580
Deferred Tax Liabilities (Net)	5	10367	10252
Other Long Term Liabilities	6	220	235
Long Term Provisions	7	1301	1445
		17032	18512
CURRENT LIABILITIES			
Short Term Borrowings	8	390	7391
Trade Payables	9		
Total outstanding dues of Micro & Small Enterprises		34	12
Total outstanding dues of creditors other than Micro and Small Enterprises		3442	3275
Other Current Liabilities	10	2250	2295
Short Term Provisions	11	2502	1759
		8618	14732
TOTAL		101238	104858
ASSETS			
NON - CURRENT ASSETS			
Fixed Assets			
Tangible Assets	12 (a & b)	59722	61151
Capital Work- in-Progress		188	1227
		59910	62378
Non - Current Investments	13	852	852
Long Term Loans and Advances	14	1362	1511
Other Non - Current Assets	15	776	776
		62900	65517
CURRENT ASSETS			
Current Investments	16	6425	-
Inventories	17	14664	20252
Trade Receivables	18	15577	16417
Cash and Bank Balances	19	620	539
Short Term Loans and Advances	20	875	1916
Other Current Assets	21	177	217
		38338	39341
TOTAL		101238	104858

The accompanying notes are an integral part of these financial statements.

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

For and on behalf of the Board of Directors

For PRICE WATERHOUSE

Firm Registration No. 301112E
Chartered Accountants

JEETENDRA MIRCHANDANI

Place: Mumbai
Date: May 04, 2016

Partner
Membership No. 48125
Place: Mumbai
Date: May 04, 2016

D.B. ROONGHTA
Chief Financial Officer

C.B. GAGRANI
Secretary

RAJASHREE BIRLA

G.M. SINGHVI
Directors



STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2016

REVENUE	Note No.	2015-16 ₹/ Lacs	2014-15 ₹/ Lacs
Revenue from Operations (Net)	22	114364	121853
Other Income	23	389	702
TOTAL REVENUE		114753	122555
EXPENSES			
Cost of Materials Consumed	24	61071	77427
Purchases of Stock-in-Trade		12	174
Change in inventories of Finished Goods, Stock-In-Process and Stock- in-Trade	25	4667	(1498)
Employee Benefits Expense	26	7242	7130
Power and Fuel		16076	16725
Finance Costs	27	956	1732
Depreciation and Amortization Expense [Net of Transfer from Revaluation Reserve ₹ Nil (Previous Year ₹ 61 Lacs)]	12 (a & b)	4024	4275
Other Expenses	28	11076	10328
TOTAL EXPENSES		105124	116293
PROFIT BEFORE EXCEPTIONAL ITEMS AND TAX		9629	6262
Exceptional Items	36	754	-
PROFIT BEFORE TAX		8875	6262
Tax Expense :			
- Current Tax		(2883)	(1,592)
- Excess/(Short) Provision of Tax relating to Earlier Years		69	53
- Deferred Tax		(115)	(1,066)
		(2929)	(2,605)
NET PROFIT FOR THE YEAR		5946	3657
BASIC / DILUTED EARNINGS PER SHARE IN ₹ (Par Value of ₹ 10 Per Share)		27.21	16.74

The accompanying notes are an integral part of these financial statements.

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

For and on behalf of the Board of Directors

For PRICE WATERHOUSE
Firm Registration No. 301112E
Chartered Accountants

JEETENDRA MIRCHANDANI

Place: Mumbai
Date: May 04, 2016

Partner
Membership No. 48125
Place: Mumbai
Date: May 04, 2016

D.B. ROONGHTA
Chief Financial Officer

C.B. GAGRANI
Secretary

RAJASHREE BIRLA
G.M. SINGHVI
Directors



CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2016

A. CASH FLOW FROM OPERATING ACTIVITIES

	2015-16 ₹ /Lacs	2014-15 ₹ /Lacs
Net Profit Before Tax	8875	6262
Adjustment for:		
Depreciation	4024	4275
Finance cost	956	1732
Mark to Market Losses on Derivatives	14	119
Interest Income	(90)	(230)
Liabilities/Provisions no longer required written back	(86)	(216)
(Profit) / Loss on sale / write off of Fixed Assets (Net)	755	(96)
[including exceptional item of ₹ 754 Lacs (Previous Year ₹ Nil)]		
Profit on sale of Investments	(153)	(3)
Operating Profit Before Working Capital Changes	14295	11843
Adjustment for:		
Other Long Term Liabilities	(15)	(43)
Long Term Provisions	(144)	501
Trade Payables	284	(330)
Other Current Liabilities	(157)	39
Short Term Provisions	3	6
Long Term Loans and Advances	-	(703)
Inventories	5,588	953
Trade Receivables	840	2,646
Short Term Loans and Advances	917	(314)
Other Current Assets	40	344
Cash Generated From Operations	21651	14942
Direct Taxes Paid (net of refunds)	(2453)	(2114)
Net Cash From Operating Activities	19198	12828
B. CASH FLOW FROM INVESTING ACTIVITIES	(2204)	(5547)
Purchase of Fixed Assets [including capitalised Interest of ₹ Nil (Previous year Interest ₹ 55 Lacs)]	17	155
Sale of Fixed Assets	90	64
Interest received	(6,425)	-
Purchase of Current Investments	153	3
Proceeds from Purchase and Sale of Current Investments (Net)	(8369)	(5325)
Net Cash From Investing Activities	(8369)	(5325)
C. CASH FLOW FROM FINANCING ACTIVITIES	(10772)	(7571)
Proceeds from Long Term Borrowings	-	3500
Repayment of Long Term Borrowings	(1242)	(2391)
Repayment of Short Term Borrowings	-	(1903)
Changes in Working Capital Loans (Net)	(7001)	(3474)
Interest paid	(951)	(1741)
Equity Dividends paid (including Dividend Distribution Tax)	(1578)	(1534)
Exchange Loss on Foreign Currency Fluctuation (Net)	-	(28)
Net Cash From Financing Activities	(10772)	(7571)
D. NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	57	(68)
Closing Balance of Cash and Cash Equivalents	475	418
Opening Balance of Cash and Cash Equivalents	418	486
Notes:		
1. The above Cash Flow Statement has been prepared under the " Indirect Method " set out in Accounting Standard (AS) - 3 on Cash Flow Statement issued by the Institute of Chartered Accountants of India.		
2. Figures in bracket indicate cash outflow.		
3. Previous year comparatives have been reclassified to confirm with current year's presentation, wherever applicable.		
4. Cash and Cash equivalents comprises of:		
On hand [Including Cheques ₹ 104 Lacs (Previous Year ₹ 130 Lacs)]	105	132
With Banks		
In Current Accounts	69	286
In Deposit Accounts maturing within 3 months	301	-
	475	418

This is the Cash Flow Statement referred to in our Report of even date.

For and on behalf of the Board of Directors

For PRICE WATERHOUSE

Firm Registration No. 301112E

Chartered Accountants

JEETENDRA MIRCHANDANI

Place: Mumbai
Date: May 04, 2016

Partner
Membership No. 48125

D.B. ROONGHTA
Chief Financial Officer

C.B. GAGRANI
Secretary

RAJASHREE BIRLA

G.M. SINGHVI
Directors



NOTES TO THE FINANCIAL STATEMENTS

1 SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Preparation

These financial statements have been prepared in accordance with the generally accepted accounting principles in India under the historical cost convention on an accrual basis, except for certain tangible assets which are being carried at revalued amounts. Pursuant to section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014, till the Standards of Accounting or any addendum thereto are prescribed by Central Government in consultation and recommendation of the National Financial Reporting Authority, the existing Accounting Standards notified under the Companies Act, 1956 shall continue to apply. Consequently, these financial statements have been prepared to comply in all material aspects with the accounting standards notified under Section 211(3C) [Companies (Accounting Standards), 2006, as amended] and other relevant provisions of the Companies Act, 2013.

The Ministry of Corporate Affairs (MCA) has notified the Companies (Accounting Standards) Amendment Rules, 2016 vide its notification dated 30 March, 2016. The said notification read with Rule 3(2) of the Companies (Accounting Standards) Rules, 2006 is applicable to accounting period commencing on or after the date of notification i.e. 1st April, 2016

All the assets and liabilities have been classified as current or non-current as per Company's operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of products and the time between acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current and non-current classification of assets and liabilities.

(b) Revenue Recognition

Sale of goods: Revenue from sales is recognised when substantial risks and rewards of ownership in the goods are transferred to the buyer as per the terms of the contract and are recognised net of returns, trade discounts, rebates, value added tax/sales tax and excise duties.

Other Income:

Interest: Interest income is recognised on time proportion basis taking into account the amount outstanding and the rate applicable.
Dividend: Dividend income is recognised when the right to receive dividend is established.

(c) Tangible Assets

1. Tangible Assets are stated at cost of acquisition or construction (net of Cenvat Credit / Value Added Tax) except in case of certain assets which have been revalued, at its revalued amount, less accumulated depreciation and amortization. All costs relating to the acquisition and installation of assets are capitalised and include borrowing costs directly attributable to their construction or acquisition, upto the date, the respective asset is put to use.
2. Machine spares which are specific to a particular item of assets and whose use is expected to be irregular are capitalised.
3. Losses arising from the retirement of, and gains or losses arising from disposal of, assets which are carried at cost are recognised in the Statement of Profit and Loss.

(d) Depreciation

- 1 Depreciation has been provided as under:
 - a) For assets existing on 1st April, 2014 the carrying amount will be amortised over the remaining useful lives on straight line method as prescribed in Schedule II of the Companies Act, 2013
 - b) For the assets added after 1st April, 2014
 - i) On Building, Plant and Machinery, Furniture & Fittings, Office equipments and Vehicles - On Straight Line Method at the useful lives prescribed in Schedule II of the Companies Act, 2013
 - ii) On Revalued Assets - On Straight Line Method at the useful lives prescribed in Schedule II of the Companies Act, 2013
- The additional charge of depreciation on account of revaluation is withdrawn from Revaluation Reserve and credited to General Reserve
- 2 Leasehold land is amortized over the period of lease.
- 3 Residual values for Air Conditioners, Furniture and Fittings, Office Equipments, Computers and servers are considered Nil.
- 4 Depreciation on assets added/disposed off during the year has been provided on prorata basis with reference to the month of addition/disposal.

(e) Foreign Currency Translations

All transactions in foreign currency, are recorded at the rates of exchange prevailing on the dates when the relevant transactions take place. Monetary assets and liabilities in foreign currency, outstanding at the close of the year, are converted in Indian currency at the appropriate rates of exchange prevailing on the date of the Balance Sheet. Resultant gain or loss, except to the extent it relates to Long-Term monetary items, is recognised in the Statement of Profit and Loss for the year. Gain or loss relating to Long-Term foreign currency



monetary items for financing acquisition of depreciable capital assets, is adjusted to the acquisition cost of such asset and depreciated over its remaining useful life. At the reporting date, non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.

Forward Exchange Contracts:

The premium or discount arising at the inception of the forward exchange contracts entered into to hedge an existing asset / liability, is amortized as expense or income over the life of the contract. Exchange differences on such contracts are recognised in the statement of Profit and Loss in the reporting period in which the exchange rates change. Any profit or loss arising on cancellation or renewal of such forward exchange contracts is recognised as income or expense for the period.

Forward exchange contracts outstanding as at the year end on account of firm commitment / highly probable forecast transactions are marked to market and the losses, if any, are recognised in the Statement of Profit and Loss and gains, if any, are ignored in accordance with the announcement of the Institute of Chartered Accountants of India on 'Accounting for Derivatives'.

(f) Borrowing Costs

Borrowing costs that are directly attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of the assets, upto the date the assets are ready for their intended use. All other borrowing costs are recognised in the Statement of Profit and Loss in the year in which they are incurred.

(g) Inventories

Inventories are stated at lower of cost and net realisable value. Cost is determined using the weighted average method. The cost of finished goods and Stock-in-process comprises raw materials, direct labour, other direct costs and related production overheads upto the relevant stage of completion. Stock-in-trade are valued at cost of purchase. Byproducts and waste are valued at Net Realisable Value. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

(h) Investments

Investments that are readily realisable and are intended to be held for not more than one year from the date, on which such investments are made are classified as current investments. All the other investments are classified as Long-Term investments. Current investments are carried at cost or fair value, whichever is lower. Long-term investments are carried at cost. However, provision for diminution is made to recognise a decline, other than temporary, in the value of the investments, such reduction being determined and made for each investment individually.

(i) Employee Benefits**Superannuation:**

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

Employee's Family Pension:

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

Provident Fund:

Contribution towards provident fund for certain employees is made to the regulatory authorities, where the Company has no further obligations. Such benefits are classified as Defined Contribution Scheme as the Company does not carry any further obligations, apart from the contributions made on a monthly basis. In respect of certain employees, Provident Fund contributions are made to the Trust set up and administered by the Company. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of the year and any shortfall in the fund size maintained by the Trust set up by the Company is additionally provided for. Actuarial losses, if any, are recognised in the Statement of Profit and Loss in the year in which they arise.

Gratuity:

The Company provides for gratuity, a defined benefit plan (the Gratuity Plan) covering eligible employees in accordance with the Payment of Gratuity Act, 1972. The Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. Actuarial losses / gains are recognised in the Statement of Profit and Loss in the year in which they arise.

Compensated Absences:

Accumulated compensated absences, which are expected to be availed or encashed within 12 months from the end of the year are treated as short term employee benefits. The obligation towards the same is measured at the expected cost of accumulating compensated absences as the additional amount expected to be paid as a result of the unused entitlement as at the year end.

Accumulated compensated absences, which are expected to be availed or encashed beyond 12 months from the end of the year are treated as other long-term employee benefits. The company's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. Actuarial losses/gains are recognised in the Statement of Profit and Loss in the year in which they arise.

**(j) Current and Deferred Tax**

Tax expense for the period, comprising Current Tax and Deferred Tax are included in the determination of the net profit or loss for the period. Current tax is measured at the amount expected to be paid to the tax authorities in accordance with the taxation laws prevailing in India.

Deferred tax is recognised for all the timing differences, subject to the consideration of prudence in respect of deferred tax assets. Deferred tax assets are recognised and carried forward only to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised.

Deferred Tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date. At each Balance Sheet date, the company re-assesses unrecognised deferred tax assets, if any.

(k) Cash and Cash Equivalents

In the cash flow statement, cash and cash equivalents includes cash on hand, demand deposits with banks, other short-term highly liquid investments with original maturities of three months or less.

(l) Research and Development

Revenue expenditure on research and development is charged as an expense in the year in which it is incurred under respective heads of accounts. Expenditure which results in the creation of capital assets is capitalised and depreciation is provided on such assets as applicable.

(m) Impairment of Assets

Assessment is done at each Balance Sheet date as to whether there is any indication that a tangible asset may be impaired. For the purpose of assessing impairment, the smallest identifiable group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets, is considered as a cash generating unit. If any such indication exists, an estimate of the recoverable amount of the asset/cash generating unit is made.

Assets whose carrying value exceeds their recoverable amount are written down to the recoverable amount. Recoverable amount is higher of an asset's or cash generating unit's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. Assessment is also done at each Balance Sheet date as to whether there is any indication that an impairment loss recognised for an asset in prior accounting periods may no longer exist or may have decreased.

(n) Provisions and Contingent Liabilities**Provisions:**

Provisions are recognised when there is a present obligation as a result of a past event and it is probable that an outflow of benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation.

Contingent Liabilities:

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only on the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

(o) Earnings Per Share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for the events, such as bonus share, other than conversion of potential equity share, that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating, diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

**2 SHARE CAPITAL
AUTHORISED**

1,00,000	Redeemable Cumulative Preference Shares of ₹ 100.00 each (Previous Year 1,00,000)	100	100
3,30,00,000	Equity Shares of ₹ 10.00 each (Previous Year 3,30,00,000)	3300	3300
1,00,000	Unclassified Shares of ₹ 100.00 each (Previous Year 1,00,000)	100	100
		3500	3500

ISSUED, SUBSCRIBED AND FULLY PAID- UP

2,18,50,589	Equity Shares of ₹ 10 each (Refer Notes below) (Previous Year 2,18,50,589)	2185	2185
-------------	---	------	------

31 st March, 2016 ₹/ Lacs	31 st March, 2015 ₹/ Lacs
100	100
3300	3300
100	100
3500	3500
2185	2185



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

Particulars

As at 31 st March, 2016		As at 31 st March, 2015	
Number of Shares	Amount ₹/ Lacs	Number of Shares	Amount ₹/ Lacs
21850589	2185	21850589	2185

Balance at the beginning / end of the year

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

S. No. Name of Shareholder

As at 31 st March, 2016		As at 31 st March, 2015	
Number of Shares held	% of Shares held	Number of Shares held	% of Shares held
3114970	14.26	3114970	14.26
1515302	6.93	1515302	6.93
-	-	1340680	6.14
1340680	6.14	-	-
1266887	5.80	1266887	5.80

1 TGS Investment and Trade Pvt. Limited

2 Life Insurance Corporation of India

3 Kesoram Industries Limited

4 Camden Industries Limited

5 Century Textiles and Industries Limited

c) Rights, Preferences and Restrictions attached to Equity Shares

The Company has one class of Equity Shares having a par value of ₹ 10.00 per share. Each Shareholder is eligible for one vote per share held. The dividend of ₹ 7.50 per share includes special dividend of ₹ 1.50 per share to commemorate Golden Jubilee year as proposed by the Board of Directors is subject to the approval of the Shareholders in the ensuing Annual General Meeting.

d) No bonus shares have been issued during five years immediately preceding 31st March 2016.

3 RESERVES AND SURPLUS

Capital Reserve - Balance at the beginning and end of the year

Capital Redemption Reserve - Balance at the beginning and end of the year

Securities Premium - Balance at the beginning and end of the year

Revaluation Reserve (Refer Note 38)

Balance at the beginning of the year

Less: Transferred to Statement of Profit and Loss (Refer Note (i) below)

Less: Transferred to General Reserve (Refer Note (ii) below)

Less: Transferred to General Reserve (Refer Note (iii) below)

Balance at the end of the year

General Reserve

Balance at the beginning of the year

Add: Transferred from Surplus in the Statement of Profit and Loss

Add: Transferred from Revaluation Reserve (Refer Note (ii) below)

Add: Transferred from Revaluation Reserve (Refer Note (iii) below)

Less: Transitional effect as per the provision of Schedule II of the Companies Act, 2013

Balance at the end of the year

Contingency Reserve - Balance at the beginning and end of the year

Surplus in the Statement of Profit and Loss

Balance at the beginning of the year

Add: Profit for the year

Amount available for Appropriations

Less: Appropriations

Proposed Equity Dividend

Dividend Distribution Tax

Transfer to General Reserve

Total Appropriations

Balance at the end of the year

31 st March, 2016	31 st March, 2015
₹/Lacs	₹/Lacs
48	48
186	186
3225	3225
874	1037
-	61
-	102
36	-
838	874
35167	35212
600	370
-	102
36	-
-	517
35803	35167
750	750
29179	27470
5946	3657
35125	31127
1639	1311
333	267
600	370
2572	1948
32553	29179
73403	69429

Notes:

(i) ₹ Nil (Previous Year ₹ 61 Lacs) being additional depreciation on account of revaluation, transferred to the Statement of Profit and Loss.

(ii) ₹ Nil (Previous Year ₹ 102 Lacs) reduced from the Revaluation Reserve in respect of assets whose revised useful lives had exhausted as on April 1, 2014 .

(iii) ₹ 36 Lacs (Previous Year ₹ Nil) being additional depreciation on account of revaluation transferred from Revaluation Reserve to General Reserve.

**4 LONG TERM BORROWINGS****Secured (Refer Note below)**

Term Loans from Banks:
Rupee Term Loans

31 st March, 2016 ₹/Lacs	31 st March, 2015 ₹/Lacs
5144	6580
5144	6580

Note: Terms of Borrowings

Nature of Security	Original Amount of Borrowing ₹/Lacs	Tenor at inception (in Years)	Terms of Repayment	Month in which last Installment is due	Repayment Schedule installments ₹/Lacs	Balance as on 31 st March 2016 ₹/Lacs	Balance as on 31 st March 2015 ₹/Lacs	Prevailing Interest Rate Per Annum %
Secured								
Rupee Term Loans	5791	10	Quarterly	December 2020	181	3257	3981	11.50%
(Under Technology Upgradation Fund Scheme)	3500	7	Monthly	October 2020	59	3323	3500	10.20%
Rupee Term Loans are secured by hypothecation of specific Plant and Machinery against which Loans have been taken.	3479	10	Quarterly	March 2016	108	-	341	-
Sub-Total						6580	7822	
Less: Current Maturities of Long Term Debt (Refer Note 10)						1436	1242	
Total						5144	6580	

5 DEFERRED TAX LIABILITIES (NET)**Deferred Tax Liabilities**

Difference between Book and Tax depreciation

10969

10913

Deferred Tax Assets

Voluntary Retirement Scheme compensation

51

49

Disallowance U/S 43B of Income Tax Act

331

356

Provision for Doubtful Receivable

215

215

Exchange Loss on Marked to Market

5

41

10367

10252

6 OTHER LONG - TERM LIABILITIES

Deposits from Dealers and Others

220

235

7 LONG - TERM PROVISIONS**Provision for Employee Benefits**

Gratuity [Refer Note 29 (b)(iii)]

400

512

Compensated Absences [Refer Note 29 (c)]

456

460

Provision for disputed matters (Refer Note 40)

445

473

[Net of amounts paid under protest ₹ 198 Lacs (Previous Year ₹ 43 Lacs)]

1301

1445

8 SHORT-TERM BORROWINGS**Secured [Refer Notes (a), (b) and (c) below]**

From Banks :

Working Capital Borrowings Repayable on Demand

390

7391

390

7391

- a) Working Capital borrowings are secured by way of hypothecation of Inventories, Book Debts and Receivables, both present and future.
b) Working Capital borrowings carry an average interest rate of 9.50 % (Previous Year 9.79 %) per annum
c) Working Capital Borrowings are renewed based on contract with bankers.



9 TRADE PAYABLES

Total outstanding dues of Micro and Small Enterprises (Refer Note 30)
Total outstanding dues of Creditors other than Micro and Small Enterprises

10 OTHER CURRENT LIABILITIES

Current Maturities of Long Term Debt (Refer Note 4)
Rupee Term Loan

Interest Accrued But Not Due on Borrowings
Unpaid Dividends*
Other Payables for :
Capital Goods
Excise Duty on Finished Stock (Net)
Statutory Liabilities

* There is no amount required to be credited to Investors Education and Protection Fund.

11 SHORT- TERM PROVISIONS

Provision for Employee Benefits
Compensated Absences [Refer Note 29(c)]
Provision for Tax
[Net of taxes paid/deducted of ₹ 6739 Lacs (Previous Year ₹ 5919 Lacs)]
Proposed Equity Dividend (Refer Note below)
Dividend Distribution Tax

Note: The Board of Directors has recommended a dividend @ ₹ 7.50 per equity share of ₹ 10.00 each on 2,18,50,589 equity shares for the year ended 31st March, 2016 which includes special dividend of ₹ 1.50 per equity share to commemorate Golden Jubilee year (Previous Year ₹ 6.00 per equity share of ₹ 10.00 each on 2,18,50,589 equity shares).

31 st March, 2016 ₹/Lacs	31 st March, 2015 ₹/Lacs
34	12
3442	3275
3476	3287
1436	1242
1436	1242
62	74
145	121
134	228
86	340
387	290
607	858
2250	2295
160	157
370	24
1639	1311
333	267
2502	1759

12 (a) FIXED ASSETS DETAILS FOR THE YEAR ENDED 2015-16 (Refer Note 38)

₹ / Lacs

	Cost/Book Value as at 1 st April, 2015	Additions during the year	Deductions/ Adjustments during the year	Cost/Book Value as at 31 st March, 2016	Accumulated Depreciation as at 1 st April, 2015	Deductions/ Adjustments during the year	Depreciation for the year	Other Adjustments [Refer Note 36]	Accumulated Depreciation as at 31 st March, 2016	Balance as at 31 st March, 2016
TANGIBLE ASSETS										
Land										
Leasehold	286	-	-	286	142	-	3	-	145	141
Freehold	210	126	-	336	-	-	-	-	-	336
	[Refer (a) below]			[Refer (a) below]						
Buildings	13461	2	-	13463	5322	-	379	200	5901	7562
	[Refer (b) below]									
Plant and Machinery	153659	3230	129	156760	101301	93	3581	554	105343	51417
Furniture and Fittings	121	8	10	119	81	10	12	-	83	36
Office Equipments	61	12	11	62	38	11	14	-	41	21
Vehicles	293	12	14	291	56	9	35	-	82	209
Total	168091	3390	164	171317	106940	123	4024	754	111595	59722
Capital Work-in-Progress	1227			188						188
Total	169318			171505						59910

- a) Includes Land ₹ 2 Lacs after Revaluation and ₹ 500 being the cost of 5 shares in a co-operative housing society held in the name of a nominee of the Company.
b) Includes ₹ 2000 being the cost of 40 shares in co-operative societies.



12 (b) FIXED ASSETS DETAILS FOR THE PREVIOUS YEAR ENDED 2014-15 (Refer Note 38)

₹ / Lacs

	Cost/Book Value as at 1 st April, 2014	Additions during the year	Deductions/ Adjustments during the year	Cost/Book Value as at 31 st March, 2015	Accumulated Depreciation as at 1 st April, 2014	Deductions/ Adjustments during the year	Depreciation for the year (Refer Note. (c) below)	Other Adjustments (Refer Note. (c) below)	Accumulated Depreciation as at 31 st March, 2015	Balance as at 31 st March, 2015
TANGIBLE ASSETS										
Land										
Leasehold	286	-	-	286	139	-	3	-	142	144
Freehold	211	-	1	210	-	-	-	-	-	210
	[Refer (a) below]			[Refer (a) below]						
Buildings	12448	1019	6	13461	4411	2	413	500	5322	8139
	[Refer (b) below]									
Plant and Machinery	148418	5521	280	153659	97462	250	3856	233	101301	52358
Furniture and Fittings	117	9	5	121	74	5	12	-	81	40
Office Equipments	53	27	19	61	34	18	18	4	38	23
Vehicles	205	131	43	293	42	20	34	-	56	237
Total	161738	6707	354	168091	102162	295	4336	737	106940	61151
Capital Work-in-Progress	2223			1227						1227
Total	163961			169318						62378

- a) Includes Land ₹ 2 Lacs after Revaluation and ₹ 500 being the cost of 5 shares in a co-operative housing society held in the name of a nominee of the Company.
b) Includes ₹ 2000 being the cost of 40 shares in co-operative societies.
c) Impact of transitional provision pursuant to adoption of Schedule II of the Companies Act, 2013.

13 NON CURRENT INVESTMENTS

Trade Investments

(1) IN FULLY PAID-UP EQUITY SHARES - QUOTED

	Number (Refer Note. below)	Face Value (₹)	31 st March, 2016 ₹/Lacs	31 st March, 2015 ₹/Lacs
Kesoram Industries Limited	1403985	10	837	837
	(1403985)			
Kesoram Textiles Mills Limited	584994	2	-	-
(Received during the year 1999-2000 without any consideration pursuant to Scheme of Arrangement of Kesoram Industries Limited)	(584994)			
			837	837

(2) IN FULLY PAID-UP EQUITY SHARES - UNQUOTED

	Number	Face Value (₹)	31 st March, 2016 ₹/Lacs	31 st March, 2015 ₹/Lacs
Bharuch Enviro Infrastructure Limited	10220	10	1	1
	(10220)			
Kesoram Insurance Broking Services Ltd	60000	10	1	1
	(60000)			
Vasavadatta Services Limited	9200	10	1	1
	(9200)			
MMA CETP Co-operative Society Limited	12895	100	12	12
	(12895)			
			15	15
			852	852
			1442	1644

Aggregate Market Value of Quoted Investments

Note : Figures in brackets represents previous year numbers

14 LONG-TERM LOANS AND ADVANCES

(Unsecured, Considered Good)

Advances for Capital Goods	-	241
Advance Payment of Tax	375	283
[Net of Provision of ₹ 1515 Lacs (Previous Year ₹ 1592 Lacs)]		
Security Deposits	153	153
Duty Recoverable from Customs / Excise Authorities (Paid Under Protest)	834	834
	1362	1511



15 OTHER NON-CURRENT ASSETS

Subsidy Receivable under Technology Upgradation Fund Scheme

Considered doubtful

Less: Provision for doubtful receivable

Fixed Assets held for Disposal

16 CURRENT INVESTMENTS

In Mutual Funds (Unquoted, value at cost or NRV whichever is less)

- Reliance Liquid Fund-Cash Plan-Direct Growth Plan

29807 Units (Previous Year Nil Units) of ₹ 1000/-each

- Reliance Medium Term Fund Direct Growth Plan

1614148 Units (Previous Year Nil Units) of ₹ 10/-each

- Birla Sunlife Cash+Growth Direct Plan

618339 Units (Previous Year Nil Units) of ₹ 100/-each

- SBI Premier Liquid Fund-Direct Plan-Growth

14774 Units (Previous Year Nil Units) of ₹ 1000/-each

- SBI Ultra Short Term Debt Fund

23190 Units (Previous Year Nil Units) of ₹ 1000/-each

- LIC Nomura MF Liquid Fund-Growth Plan

33961 Units (Previous Year Nil Units) of ₹ 1000/-each

- LIC Nomura MF Saving Plus Fund-Direct Growth Plan

1917908 Units (Previous Year Nil Units) of ₹ 10/-each

- ICICI Prudential Liquid Plan Direct Growth

413523 Units (Previous Year Nil Units) of ₹ 100/-each

- ICICI FMP Series 78-95 Days

4000000 Units (Previous Year Nil Units) of ₹ 10/-each

- Kotak Floater Short Term-Direct Plan Growth

8106 Units (Previous Year Nil Units) of ₹ 1000/-each

Aggregate Value of Unquoted Investments

17 INVENTORIES

Raw Materials [Including in transit ₹ 596 Lacs (Previous Year ₹ 406 Lacs)]

Stock-in-Process

Finished Goods

Stores, Spares and Packing Material [Including in transit ₹ 34 Lacs (Previous Year ₹ 20 Lacs)]

18 TRADE RECEIVABLES

(Unsecured, Considered Good)

Outstanding for a period exceeding six months from the date they are due for payment

Others

19 CASH AND BANK BALANCES

Cash and Cash Equivalents

Cash on Hand

Cheques on Hand

Bank Balance:

In Current Accounts

In Deposit Accounts maturing within 3 months

Other Bank Balances

Unpaid Dividend Accounts

	31 st March, 2016 ₹/Lacs	31 st March, 2015 ₹/Lacs
	622	622
	(622)	(622)
	-	-
	776	776
	776	776
	725	-
	500	-
	1500	-
	350	-
	450	-
	925	-
	450	-
	925	-
	400	-
	200	-
	6425	-
	6425	-
	5672	6120
	4140	5238
	3715	7767
	1137	1127
	14664	20252
	-	-
	15577	16417
	15577	16417
	1	2
	104	130
	69	286
	301	-
	475	418
	145	121
	620	539



	31 st March, 2016 ₹/Lacs	31 st March, 2015 ₹/Lacs
20 SHORT-TERM LOANS AND ADVANCES		
(Unsecured, Considered Good)		
CENVAT Credit Receivable	76	3
VAT Credit Receivable	63	305
Advances to Suppliers	243	986
Recoverable from Income Tax Department	463	587
Other Loans and Advances	30	35
	875	1916
21 OTHER CURRENT ASSETS		
(Unsecured, Considered Good)		
Subsidy Receivable under Technology Upgradation Fund Scheme	21	30
Refund Receivable from State Electricity Board	2	40
Others	154	147
	177	217
22 REVENUE FROM OPERATIONS		
Sale of Products (Refer Note below)		
Finished Goods	128164	136263
Traded Goods	11	151
	128175	136414
Other Operating Revenue		
Scrap Sales	558	586
Revenue from Operations (Gross)	128733	137000
Less: Excise Duty	14369	15147
Revenue from Operations (Net)	114364	121853
Note : Details of Sales of Products		
Polyester Filament Yarn	1405	5835
Nylon Filament Yarn	44526	42962
Nylon Tyre Cord Fabric	80947	85268
Others	1297	2349
Total	128175	136414
23 OTHER INCOME		
Interest Income		
On Income Tax / Sales Tax refund	2	168
From Customers	69	53
Others	19	9
	90	230
Profit on Sale of Assets	12	121
Profit on Sale of Current Investments (Other Than Trade)	153	3
Liabilities / Provisions no longer required written back	86	216
Miscellaneous Income	48	132
	389	702
24 COST OF MATERIALS CONSUMED		
RAW MATERIALS CONSUMED		
Opening Stock	6120	8516
Add: Purchases	60623	75031
	66743	83547
Less: Closing Stock	5672	6120
Cost of Raw Materials Consumed	61071	77427
25 CHANGE IN INVENTORIES OF FINISHED GOODS, STOCK-IN-PROCESS AND STOCK-IN-TRADE		
Opening Stock		
Finished Goods	7767	6969
Stock-in-Process	5238	4430
	13005	11399
Less: Closing Stock		
Finished Goods	3715	7767
Stock-in-Process	4140	5238
	7855	13005
Less: (Increase) / Decrease in Excise Duty on Stocks	483	(108)
(Increase) / Decrease in Stocks	4667	(1498)



26 EMPLOYEE BENEFITS EXPENSE

Salaries, Wages and Bonus
 Contribution to Provident and other funds [Refer Note 29(a) and 29(b)(iv)]
 Workers and Staff Welfare Expenses

27 FINANCE COSTS

Interest Expense (Refer Note below)
 Less: Borrowing Costs Capitalised

Net Loss on Foreign Currency Transactions and Translation

Note: Net of Subsidy of ₹ 9 Lacs (Previous Year ₹ 31 Lacs) under the Technology Upgradation Fund Scheme of the Government of India.

28 OTHER EXPENSES

Stores, Spare Parts and Packing Material Consumed
 Processing Charges
 Repairs and Maintenance
 Building
 Machinery
 Rent
 Rates and taxes
 Insurance
 Directors' Sitting Fees
 Directors' Commission
 Payment to Auditors
 As Auditors
 For Statutory Audit
 For Limited Reviews
 For Tax Audit
 For Other Services
 For Reimbursement of Expenses
 Loss on Assets Sold / Written off
 Commission on Sales
 Transport and Handling
 Expenditure on Corporate Social Responsibility (CSR) Activities (Refer Note 43)
 Mark to Market Losses on Derivatives
 Loss due to Foreign Currency Fluctuations (Net)
 Miscellaneous Expenses

	31 st March, 2016 ₹/Lacs	31 st March, 2015 ₹/Lacs
	6188	5753
	551	894
	503	483
	7242	7130
	956	1759
	-	(55)
	956	1704
	-	28
	956	1732
	5027	4619
	187	459
	285	307
	938	848
	37	36
	108	98
	66	69
	5	4
	30	29
	43	36
	11	10
	3	3
	1	3
	2	2
	13	25
	793	778
	1012	670
	131	94
	14	119
	82	291
	2288	1828
	11076	10328

29 DISCLOSURES IN ACCORDANCE WITH REVISED AS-15 ON "EMPLOYEE BENEFITS".

a) **Defined Contribution Plans - The Company has recognised the following amounts in the Statement of Profit and Loss for the year:**

Particulars	2015-16	2014-15
	₹/Lacs	₹/Lacs
Employer's Contribution to Provident Fund	36	34
Employer's Contribution to Superannuation Fund	51	30
Employer's Contribution to Employee's State Insurance	8	10
Employer's Contribution to Employee's Pension Scheme, 1995	188	160
Total	283	234

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

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

Provident Fund: Provident fund for certain eligible employees is managed by the Company through trust, in line with the Provident Fund and Miscellaneous Provisions Act, 1952. The plan guarantees interest at the rate notified by the Provident Fund Authorities. The contribution by the employer and employee together with the interest accumulated thereon are payable to employees at the time of their separation from the company or retirement, whichever is earlier. The benefits vest immediately on rendering of the services by the employee.



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

Particulars	Gratuity 2015-16	Gratuity 2014-15	Provident Fund 2015-16	Provident Fund 2014-15
Opening DBO	2592	1978	6535	5771
Current Service Cost	113	89	135	148
Interest Cost	196	167	520	520
Actuarial (Gains)/Losses	11	421	(160)	(185)
Employees Contribution	N.A.	N.A.	514	472
Transfer In/Out (Net)	-	-	(60)	12
Benefits Paid	(114)	(63)	(424)	(203)
Closing DBO	2798	2592	7060	6535

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

Particulars	Gratuity 2015-16	Gratuity 2014-15	Provident Fund 2015-16	Provident Fund 2014-15
Opening Fair Value of Plan Assets	2080	1935	6535	5771
Expected Returns on Plan Assets	151	136	589	492
Actuarial Gains / (Losses)	36	29	(229)	(157)
Contribution by the Employer	245	43	135	148
Employees Contribution	N.A.	N.A.	514	472
Transfer In/Out (Net)	-	-	(60)	12
Benefits Paid	(114)	(63)	(424)	(203)
Closing Fair Value of Plan Assets	2398	2080	7060	6535

Fair value of Plan Assets for gratuity represents the amount as confirmed by the Insurer Managed Funds.

iii) Amount recognised in Balance Sheet including a reconciliation of the present value of the defined benefit obligation in b (i) and the fair value of the plan assets in b (ii) to the assets and liabilities recognised in the balance sheet: ₹ / Lacs

Particulars	Gratuity 2015-16	Gratuity 2014-15	Provident Fund 2015-16	Provident Fund 2014-15
Present value of Defined Benefit Obligation	2798	2592	7060	6535
Fair value of Plan Assets	(2398)	(2080)	(7060)	(6535)
Net Liability recognised in the Balance Sheet	400	512	-	-

Long Term Provisions 400 512 - -

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

Particulars	Gratuity 2015-16	Gratuity 2014-15	Provident Fund 2015-16	Provident Fund 2014-15
Current Service Cost	113	89	135	148
Interest Cost	196	167	520	520
Expected Return on Plan Assets	(151)	(136)	(589)	(492)
Actuarial (Gains)/Losses	(25)	392	69	(28)
Total	133	512	135	148

v) For each major category of plan assets, following is the percentage that each major category constitutes of the fair value of the plan assets:

Particulars	Gratuity 2015-16		Gratuity 2014-15		Provident Fund 2015-16		Provident Fund 2014-15	
	Amount (₹/Lacs)	Rate %	Amount (₹/Lacs)	Rate %	Amount (₹/Lacs)	Rate %	Amount (₹/Lacs)	Rate %
Government of India Securities	-	-	-	-	2926	41%	2482	38%
Corporate Bonds	-	-	-	-	2309	33%	2251	34%
Special Deposit Scheme	-	-	-	-	1304	18%	1304	20%
Equity Shares of Listed Companies	-	-	-	-	-	-	-	-
Property	-	-	-	-	-	-	-	-
Insurer Managed Funds	2398	100%	2080	100%	-	-	-	-
Others	-	-	-	-	521	8%	498	8%
Total	2398	100%	2080	100%	7060	100%	6535	100%

vi) The overall expected rate of return on assets is based on the expectation of the average long term rate of return expected on investments of the fund during the estimated term of the obligations.

vii) The Actual Return on Plan Assets is as follows: ₹ / Lacs

Particulars	Gratuity 2015-16	Gratuity 2014-15	Provident Fund 2015-16	Provident Fund 2014-15
Actual Return on Plan Assets	187	165	360	335



viii) Following are the Principal Actuarial Assumptions used as at the balance sheet date: Rate (%)

Particulars	Gratuity	Gratuity	Provident Fund	Provident Fund
	2015-16	2014-15	2015-16	2014-15
Discount Rate	7.90%	8.05%	7.90%	8.05%
Expected rate of return on Plan Assets	8.00%	8.00%	8.98%	8.86%
Salary Escalation Rate	7.00%	7.00%	N.A.	N.A.
Attrition Rate	10.00%	10.00%	N.A.	N.A.
Discount Rate for the remaining term to maturity of the Investment Portfolio	N.A.	N.A.	7.79%	8.01%
Average Historic Yield on the Investment Portfolio	N.A.	N.A.	8.87%	8.82%
Guaranteed Rate of Return	N.A.	N.A.	8.75%	8.75%

ix) Amounts recognised in current year and previous four years for Gratuity: ₹ / Lacs

Particulars	2015-16	2014-15	2013-14	2012-13	2011-12
	Defined Benefit Obligation	2798	2592	1978	1999
Plan Assets	2398	2080	1935	1881	1784
Surplus / (Deficit)	(400)	(512)	(43)	(118)	(161)
Experience Adjustment on Plan Liabilities	(9)	307	(11)	(25)	183
Experience Adjustment on Plan Assets	36	29	40	40	113

x) Expected Contribution to the Funds in the next year: ₹ / Lacs

Particulars	2015-16	2014-15
	Gratuity	365
Provident Fund	263	865

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

xii) The above disclosures for Provident Fund are limited to the extent of disclosures provided by the actuary.

c) Para 132 of AS 15 (revised 2005) does not require any specific disclosures except where the expense resulting from compensated absence is of such size, nature or incidence that its disclosure is relevant under AS 5 or AS 18 and accordingly, the expense resulting from compensated absence is not significant and hence no disclosures are prepared under various paragraphs of AS 15 (revised 2005).

30 Disclosure under the Micro, Small and Medium Enterprises Development Act, 2006:

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

Sr. No.	Particulars	₹ / Lacs			
		2015-16		2014-15	
		Principal	Interest	Principal	Interest
1.	Principal Amount and Interest due thereon, remaining unpaid as at the end of the year	34	-	12	-
2.	Amount paid during the year	10	(₹ 11706)	21	(₹ 48209)
3.	Amount due and payable (on the amounts which have been paid beyond the appointed date during the year)	-	-	-	-
4.	Amount remaining accrued and unpaid at the end of the year	-	-	-	-
5.	Amount due of the previous year	-	-	-	-

31 Capital Commitments: Estimated amount of Contracts remaining to be executed on Capital Account and not provided for ₹ 362 Lacs (Previous Year ₹ 1369 Lacs) against which advances paid ₹ Nil (Previous Year ₹ 241 Lacs).

32 Contingent Liability:

Sr. No.	Particulars	₹ / Lacs	
		31 st March, 2016	31 st March, 2015
a)	Claims against the Company not acknowledged as debts (to the extent not provided for) (Refer Note below)		
1)	Income-Tax Matters	92	92
2)	Sales-Tax Matters	47	47
3)	Excise and Customs Matters	750	757
	Total	889	896

b) Excise Department had issued an order dated 31st December 2013 denying the applicability of Notification No. 6/2000 dated 1st March, 2000 which allowed payment of duty at specific rate instead of advaloram basis and raised a demand of ₹ 22,927 lacs plus interest thereon and penalty equivalent to demand amount against which the Company had filed an appeal before Appellate Tribunal (CESTAT). The CESTAT has admitted the appeal on pre-deposit of ₹ 700 lacs and granted stay against the recovery. The company has been advised by legal experts that it has a fair chance of ultimately succeeding in the matter and accordingly no provision is required to be made in accounts.

Note : It is not practicable for the Company to estimate the timings of cash outflows, if any, in respect of the above pending resolution of the respective proceedings.

33 Other Commitments: The Company has entered into non cancellable agreement with Gas Utility Company on 22nd July, 2010 for purchase of LNG. Under this agreement, the Company is committed to purchase certain annual minimum quantity of LNG upto 30th April, 2017 failing which, it will pay the seller for any shortfall in offtake of LNG based on an agreed formula. The cost of the minimum committed quantity as at 31st March, 2016 for the remaining period of the contract at current market prices approximates ₹ 752 Lacs (Previous Year ₹ 2561 Lacs). Based on the current projection Company does not expect shortfall in offtake of minimum committed quantity and therefore no material foreseeable losses are expected.

**34 Derivative Instruments and Unhedged Foreign Currency Exposures**

The Company enters into forward exchange contracts being derivative instruments, which are not intended for trading or speculative purposes, but for hedge purposes.

i. (a) Hedge of buyer's credit and trade payables

As on 31.03.2016				As on 31.03.2015			
Currency	Amount hedged In Lacs	Cross Currency	Amount In Lacs	Currency	Amount hedged In Lacs	Cross Currency	Amount In Lacs
USD	15	INR	1031	USD	8	INR	535
EUR	-	INR		EUR	5	INR	378

ii (b) Hedge of firm purchase commitments

As on 31.03.2016				As on 31.03.2015			
Currency	Amount hedged In Lacs	Cross Currency	Amount In Lacs	Currency	Amount hedged In Lacs	Cross Currency	Amount In Lacs
USD	14	INR	956	USD	16	INR	1014
EUR	5	INR	362	EUR	4	INR	312
JPY	-	INR	-	JPY	1160	INR	652

ii Mark-To-Market Losses provided for ₹ 14 Lacs (Previous Year ₹ 119 Lacs).

35 Revenue expenditure incurred on Research and Development during the year is ₹ 161 Lacs (Previous Year ₹ 221 Lacs).

36 Production in Continuous Process Plant at Bharuch producing Polyester Yarn was suspended in November 2013. A part of the said plant was converted to non-continuous and put into operation for manufacture of Nylon Filament Yarn. Remaining portion of the said plant is in the process of evaluation and conversion to non-continuous. The Management, based on the business scenario with respect to the Continuous Polyester Polymerisation Unit (CPU), concluded that the carrying amount of CPU needed to be written down by ₹ 754 lacs with no further write down expected. The write down has been classified as an Exceptional Item.

37 Earnings per Share

	2015-16	2014-15
(a) Net profit after tax available for equity shareholders (₹ /Lacs)	5946	3657
(b) Weighted average number of Basic / Diluted Equity shares of ₹ 10.00 each outstanding during the year (No. of shares)	21850589	21850589
(c) Basic / Diluted Earnings per Share (₹) (a/b)	27.21	16.74

Note : The Company does not have any outstanding dilutive potential equity shares.

38 The Gross Block of Fixed Assets was written up by ₹ 8301 Lacs on revaluations carried out in the year 1983 and 1989.

39 Segment Reporting

a) Primary Segment (by Business Segment):

Based on the guiding principles given in the Accounting Standards on Segment Reporting (AS-17), the Company is primarily in the business of manufacture and sale of Synthetic Yarn and Tyre Cord Fabric which mainly have similar risks and returns. The Company's business activity falls within a single geographical and business segment (Synthetic Yarn), hence it has no other primary reportable segments.

b) Secondary Segment (by Geographical demarcation):

i) The secondary segment is based on geographical demarcation i.e. in India and outside India.

ii) Information about Secondary Segments is as follows:

Particulars	2015-16			2014-15		
	In India	Outside India	Total	In India	Outside India	Total
Segment Revenue (Gross)	127179	996	128175	134474	1940	136414

iii) All segment assets of the Company are predominantly located in India.

40 DETAILS OF PROVISION FOR DISPUTED MATTERS:

Particulars	2015-16	2014-15
Balance at the beginning of the year	473	610
Add: Provided during the year	-	-
Less: Paid / Adjusted during the year	28	137
Balance at the end of the year	445	473

(a) The above provision represents claims against the Company not acknowledged as debt with respect to various litigations.

(b) It is not practicable for the Company to estimate the timings of cash outflows, if any, in respect of the above pending resolution of the respective proceedings.

41 Related Party Disclosures as per Accounting Standard (AS-18) (As identified by the Management and where transactions exist)

(i) Related Party Relationships

Key Management Personnel Mr. G. M. Singhvi (Whole-time Director)

(ii) Transactions with Related Party during the year:

Description and nature of the transaction (in ordinary course of business)	2015-16	2014-15
Managerial Remuneration paid	192	167
Sale of Vehicle	-	5

There are no amounts outstanding as at 31st March, 2016 and 31st March, 2015

FINANCIAL HIGHLIGHTS

OPERATING RESULTS

(₹ / Lacs)

FINANCIAL YEAR	2015-16	2014-15	2013-14	2012-13	2011-12
INCOME					
Revenue from Operations (Net of returns and Sales Tax)	128733	137000	164865	174714	182129
Less : Excise Duty	14369	15147	18186	19497	17178
	114364	121853	146679	155217	164951
Other Income	389	702	1236	1215	1823
	114753	122555	147915	156432	166774
EXPENDITURE					
Materials & Overheads (+ / - Stock Adj.)	* 100898	110286	129172	143147	156824
PROFIT BEFORE FINANCE COST, DEPRECIATION AND TAX	13855	12269	18743	13285	9950
Less : Finance Cost	956	1732	2091	2946	3172
PROFIT BEFORE DEPRECIATION AND TAX	12899	10537	16652	10339	6778
Less : Current Depreciation (Net)	4024	4275	7071	7191	6743
Less : Tax (Net) - Including Deferred Tax	2929	2605	3288	959	(843)
NET PROFIT	5946	3657	6293	2189	878
DIVIDEND (%)	75%	60%	60%	60%	50%
EARNING PER SHARE (₹)	27.21	16.74	28.80	10.02	4.02
CASH EARNINGS PER SHARE (₹)	45.63	36.30	61.16	42.93	34.88
BOOK VALUE PER SHARE (₹)	342.11	323.75	316.14	294.37	291.42

* Including Exceptional Item of ₹ 754 Lacs.

STATEMENT OF ASSETS AND LIABILITIES

(₹ / Lacs)

	As on 31.03.2016	As on 31.03.2015	As on 31.03.2014	As on 31.03.2013	As on 31.03.2012
A . EQUITY AND LIABILITIES					
Shareholders' Funds					
Share Capital	2185	2185	2185	2185	2185
Reserves & Surplus (including Revaluation)	73403	69429	67928	63198	62574
	75588	71614	70113	65383	64759
Non - Current Liabilities					
Long Term Borrowings	5144	6580	4822	6713	14502
Deferred Tax Liabilities (Net)	10367	10252	9406	10298	10721
Long Term Liabilities and Provisions	1521	1680	1222	1249	1147
	17032	18512	15450	18260	26370
Current Liabilities					
Short Term Borrowings	390	7391	12768	12693	18270
Trade Payables, Liabilities and Provisions	8228	7341	8669	14616	12999
	8618	14732	21437	27309	31269
(A)	101238	104858	107000	110952	122398
B. ASSETS					
Fixed Assets (Net)	59910	62378	61799	67293	72203
Non- Current Investments	852	852	852	319	319
Long Term Loans and Advances	1362	1511	1041	849	1278
Other Non Current Assets	776	776	776	1	309
Current Assets	38338	39341	42532	42490	48289
(B)	101238	104858	107000	110952	122398

CORPORATE SOCIAL RESPONSIBILITY ACTIVITIES



DISTRIBUTION OF STUDENT STATIONERY



WORKSHOP AT RAJASHREE INDUSTRIAL TRAINING INSTITUTE



DENTAL CAMP



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