

# SUSTAINABLE INNOVATIVE COLLABORATIVE



## TRIBUTE TO A LEGEND



### **SHRI BASANT KUMAR BIRLA**

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

Former Chairman  
Century Enka Limited

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

# SUSTAINABLE INNOVATIVE COLLABORATIVE

Over the course of more than 50 years of our journey, we have been a witness to a rapid and constantly evolving business and social landscape. Our strong governance, risk management systems, and strong relationship with our key stakeholders such as supply chain partners, customers, employees, and the community at large have helped us remain agile and resilient. We have consistently demonstrated a strong ability to adapt and grow with the changing times. We continue to maintain our leadership position as one of the leading Synthetic Yarn producing companies. This is demonstrated by our continued focus on sustainability and innovation and our collaboration with our stakeholders in our business strategy, operations, and governance.

Sustainability is a key pillar of our business, and we are committed to ensuring that our operations are environmentally sound, socially

responsible, and economically viable. We have integrated sustainable practices into our operations such as using renewable energy sources, reducing waste, promoting fair labor practices, and undertaking community development. Our commitment to sustainability is reflected in our long-term vision and strategy, and we strive to continuously improve our environmental and social performance, while maintaining strong financial results.

We are constantly seeking new ways to create value for our stakeholders through innovation, by improving products and services, increasing efficiency, and reducing costs. We invest in technology and research and development to create new opportunities for growth and expansion. We innovated a product by reusing the waste generated during the production process to manufacture

commercial tyre cords. This initiative was underscored by the positive response from our customers, who readily embraced these reprocessed commercial tyre cords. Our focus on innovation allows us to stay ahead of the competition and maintain our leadership position in the industry.

Collaboration is essential for creating shared value for all our stakeholders. We have built strong partnerships with suppliers, customers, employees, and communities to create sustainable and innovative solutions. By collaborating with governments, other businesses, and organizations, we can address shared challenges and create more sustainable and resilient economies and societies. Our collaborative efforts have led to the development of new products and services, improved operational efficiency, and enhanced community engagement.

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CIN	L24304PN1965PLC139075
BSE Code	500280
NSE Symbol	CENTENKA
Dividend Declared	100% i.e., ₹10/- per equity share of ₹10/- each
Book Closure for Dividend	Monday, 14 <sup>th</sup> August, 2023 to Wednesday, 16 <sup>th</sup> August, 2023
Record Date (Cut-off date) for E-voting	Thursday, 17 <sup>th</sup> August, 2023
AGM Date	Thursday, 24 <sup>th</sup> August, 2023 at 2:30 pm (IST)
AGM Mode	Audio-visual means



For online version of this annual report, please visit:

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



# 04-27

## INTRODUCTION

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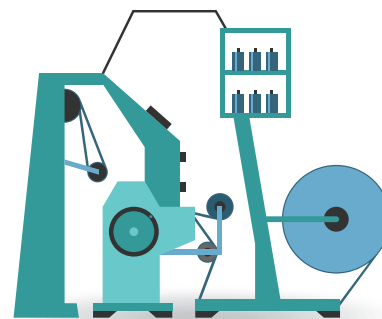






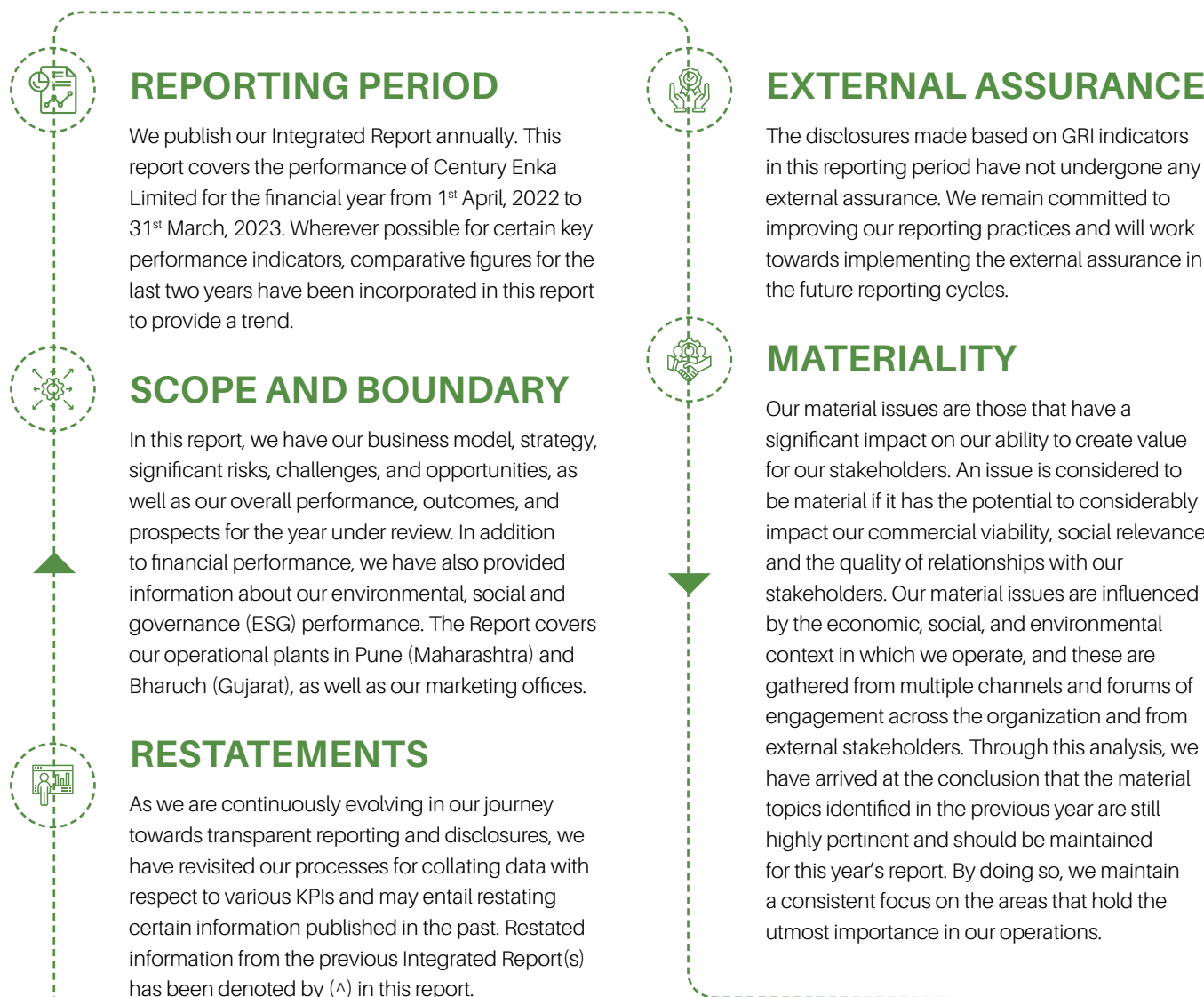


# ABOUT THE REPORT



## APPROACH TO REPORTING

We are pleased to present our second Integrated Report with the theme 'Sustainable. Innovative. Collaborative.' This theme encapsulates our unwavering commitment towards sustainability, innovation, and collaboration. It comprehensively covers our strategic objectives, achievements, governance, and value creation across six capitals of <IR> framework. It offers a summary of our overall progress and potential to help readers make informed judgments about our capacity to create value in the short, medium, and long-term, and the sustainability of our enterprise going forward.





## OUR CAPITALS

At Century Enka, the creation of long-term value is interconnected and relies on various factors such as nature and quantity of inputs, methods utilized to enhance their value, effects on the inputs, and outcomes generated by the value delivered.



## NAVIGATION ICONS

### For Capitals

Financial Capital	Manufactured Capital
Human Capital	Social & Relationship Capital
Intellectual Capital	Natural Capital

### For Stakeholders

Employees	Supply Chain Partners
Future Generation	Investors
Contract Laborers	Customers
Government and Regulators	Analyst and Rating Agencies
Communities	



## STATEMENT OF RESPONSIBILITY

Our Board believes that Century Enka Limited's second Integrated Report for FY 2023 covers all important aspects, presents a well-rounded and extensive outlook of our strategy, and demonstrates the capability of the organization to generate sustainable value. The Board has complete oversight over the aspects of the Report that have been developed by senior management in line with input from various key functional teams.

## Frameworks and Guidelines Followed in this Report

- International Integrated Reporting Council's Integrated Reporting Framework (IR Framework)
- Global Reporting Initiatives (GRI) 2021 (Report is developed in reference to GRI 2021)
- National Guidelines on Responsible Business Conduct (NGRBC)
- Companies Act, 2013 (and the rules made thereunder)
- Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
- Indian Accounting Standards
- Secretarial Standards issued by the Institute of Company Secretaries of India
- United Nations Sustainable Development Goals (UN SDGs)



## FORWARD-LOOKING STATEMENTS

The Report may contain certain forward-looking statements related to our business, which include statements beyond performance highlights and historical facts. These statements pertain to aspects such as market and financial position, business strategy, and objectives for future operations. Stakeholders can generally identify forward-looking statements using terminology such as 'aim', 'anticipate', 'believe', 'expect', 'estimate', 'intend', 'objective', 'plan', 'project', 'may', 'will', 'will continue', 'will pursue', 'contemplate', 'future', 'goal', 'propose', 'will likely result', or other words or phrases of similar import. These statements are contingent on projections and trends, and reflect our present expectations based on reasonable assumptions. However, actual results may differ from those predicted in forward-looking statements due to risks, uncertainties, and external factors.





# LEADERSHIP

## CHAIRPERSON'S MESSAGE



This year, we have taken a significant step forward in our Environmental, Social, and Governance (ESG) journey by setting ambitious targets. Throughout this process, we have prioritized our environmental responsibilities, acknowledged our obligations to our diverse stakeholders, and incorporated various aspects of governance, transparency, and accountability.



### Dear Stakeholders,

In FY 2023, we formally put to words our Group's purpose statement. Core to our purpose is the ambition to enrich lives by building dynamic and responsible businesses and institutions that inspire trust.

Our purpose statement remains eternally relevant, yet refreshingly contemporary, standing against the extensive backdrop of our history. Amidst a world burgeoning with opportunities yet punctuated by escalating uncertainties, our purpose statement is intended to serve as a touchstone, underpinning our business decisions.

Armed with this unique vantage point, we navigate the ever-changing global

landscape with resilience. The present state of the global economy makes it evident that we are transitioning through a 'new normal.'

### Global Economy: Finding a New Normal

Due to the lingering effects of recent headwinds including the pandemic and the ongoing Russia-Ukraine war, the global economy continues to navigate a phase of sub-par economic performance. According to the International Monetary Fund (IMF), world economic growth is likely to decelerate to 2.8% in FY 2023 from 3.4% in the previous year. The prognosis is particularly subdued for developed economies; and growth for this Group is projected to slowdown

to 1.3% in FY 2023, the slowest pace in a decade – but for the pandemic-affected contraction of FY 2020.

There are, however, some silver linings. First, the central banks in developed countries appear to be approaching the peaks of their respective interest rate hiking cycles on some early signs of moderation in inflation. This is notwithstanding the fact that inflation remains significantly above the central bank targets. Second, global supply chain pressures – which were a key concern about a year ago – have eased off. Accordingly, commodity prices, including energy prices, have cooled from their peaks. Third, China – the world's second largest economy – has exited its zero-Covid policy, enabling resumption of economic

activities. Fourth, the risks of a banking contagion in the US appear to have been contained, thanks to prompt actions by the policymakers.

Thus, while global growth is likely to remain weaker than the long-term trend in the current year, there is scope for cautious optimism about a subsequent recovery. Global financial markets have so far held up reasonably well through this phase, even amidst overhanging risks around the geopolitical factors and possibility of any disruptions during the wind-down of pandemic-era excess liquidity.

## India: The Shining Star

Meanwhile, the Indian economy presents a robust picture at the current juncture, with strong domestic impulses overpowering any negative spillovers from the global slowdown. The resilience of domestic economic activity is reflected across several high-frequency indicators, including bank credit, tax collections, vehicle sales, purchasing managers' index numbers, and e-way bills.

Inflation appears to be moderating towards the Reserve Bank of India's (RBI) target level, though there could be some near-term headwinds due to the impact of uneven rainfall on food markets. The RBI has paused its interest rate hikes in the recent meetings of the Monetary Policy Committee. This bodes well for consumer confidence, which has already shown signs of improvement. The RBI has projected India's real GDP growth at 6.5% in FY 2024, which is a robust number considering the impact of global slowdown on external demand.

Amidst global risks, India's sound macroeconomic fundamentals provide comfort. Besides moderating inflation, India's current account deficit has

eased on the back of lower crude oil prices and robust trend in export of services. India's foreign exchange reserves have improved to above 10 months of import cover. Fiscal consolidation – from the elevated levels of deficit during the pandemic – remains on course.

Remarkably, fiscal consolidation is being achieved even with substantial increases in capital expenditure by the Government. Public investments are leading the process of capital formation, particularly focused on building critical infrastructure that makes the economy future-ready. The Government's pragmatic industrial policies, including the production-linked incentives schemes, are providing impulses for revival of private capex – also leveraging the trend amongst global value chains to diversify their sourcing beyond China.

These initiatives, coupled with the improved balance sheets of banks and corporates, and the entrepreneurial dynamism of the technology-based 'new economy,' set the stage for promising medium-term growth prospects for the Indian economy.

## Your Company's Performance: In Pursuit of Sustainable Growth

FY 2023 was a challenging year for your Company. With inflationary pressures at play, discretionary spending experienced a significant slowdown, impacting the textile sector severely. Profitability was impacted by competitive pressures, particularly from Chinese imports. On a consolidated basis, revenue was marginally down by 1%, while EBITDA was down by 43%.

On the brighter side, I am happy to report that our ambitious expansion projects are progressing smoothly.

for our future, and we are diligently working towards their completion. Our ambition is unwavering – to establish ourselves as leaders in tyre reinforcement and man-made textile yarn industries. We remain resolute in complying with standards, preserving capital, and creating value for our investors and stakeholders through responsible and sustainable business practices. Prioritizing profitable growth, diversification, and capitalizing on opportunities for expansion has consistently guided our strategic focus. In the current reporting period, we have embraced the values and purpose of the Aditya Birla Group.

This year, we have taken a significant step forward in our Environmental, Social, and Governance (ESG) journey by setting ambitious targets. Throughout this process, we have prioritized our environmental responsibilities, acknowledged our obligations to our diverse stakeholders, and incorporated various aspects of governance, transparency, and accountability.

At Century Enka, we remain steadfast in our commitment to leading with purpose and growing responsibly. We will continue to leverage our intellectual capital, embrace sustainable practices, and prioritize the well-being of our employees, customers, and communities. We extend our deep appreciation to all our stakeholders for their unflinching support and trust in us. I extend my sincere gratitude to our management for their unwavering commitment and dedication.

**Rajashree Birla**  
Chairperson



## MANAGING DIRECTOR'S MESSAGE



We are actively transitioning towards minimizing our impact on the environment through continued focus on innovation and development of sustainable products. This includes products created using recycled yarn and polymer waste generated during production.



### Dear Stakeholders,

Over the years, the Company has strived to achieve a delicate balance between growth and resilience, with a prevailing focus on efficiency during period of successive growth. The conflict between Russia and Ukraine at the beginning of the year posed a significant challenge for international markets. The escalation of tensions between the two nations resulted in disruptions in the supply chain, impacting global demand with cascading effect on our domestic demand. The effects of the conflict, coupled with high inflation and recessionary trends in various global markets, were felt throughout the reporting period, creating a sense of uncertainty and instability in the global markets.

However, our proactive and unending efforts enabled us to successfully navigate the challenging market situation and achieve decent operating results. We worked closely with our suppliers and customers and adjusted our production processes to maintain timely deliveries. Our overarching goal is to provide creative, economical, and sustainable solutions and technology to produce consistently high quality, while adding value for all our stakeholders.

### Nylon Filament Yarn Business

In FY 2023, our Company's share of the domestic market for NFY was around 25%, indicating a strong position in the market. This is particularly noteworthy

given the rising demand for NFY, which has many versatile applications and is increasingly being used in women's apparel. The material's unique properties compared to other textile yarns have made it popular among customers, and this trend is expected to continue.

Our biggest challenge is the product supplied by China in this division in the Indian market. However, we have been focusing in right sizing our products and market. By focusing on improving the quality and value of our products rather than just chasing volume numbers, we plan to increase profitability and enhance customer satisfaction.

Furthermore, we plan to expand into the technical textile business by

developing value-added products for both domestic and international markets which includes applications such as fishnets and seat covers. This decision is supported by the fact that the domestic market for technical textiles has registered a compounded annual growth rate (CAGR) of 12% over the last decade. Our existing expertise in manufacturing High Tenacity Yarn, which is commonly used in technical textiles, will enable us to seamlessly transition into this new business area.

## Nylon Tyre Cord Fabric Business

Our Nylon Tyre Cord Fabric (NTCF) boasts a remarkable customer base, characterized by highly sophisticated customers who exhibit an impressive retention rate of around 98%. In response to the evolving market trends in India, we have taken certain key steps towards enhancing our product's compatibility with radial tyres, as this market division is experiencing exponential growth. This requires a focus on Polyester Tyre Cord Fabric (PTCF) manufacturing. We are optimistic about this division but at the same time, taking cautious steps towards this end.

Currently, our product predominantly caters to truck and bus bias tyres, agricultural off-the-road (OTR) vehicles such as tractors, as well as the two and three-wheeler segments. Recognizing the need for high-quality products and creating spare capacity to meet sudden surge in demand, we have commissioned new capacity of NTCF during the year. This will also help us to decommission certain old capacity which is reaching its end of life, especially at Pune.

During the current reporting period, our Company held a substantial share of the domestic market for NTCF, accounting for around a quarter of the

total market. This achievement reflects the strength of our product and the trust we have garnered among our customers.

Embracing a collaborative and innovative approach, we have strived to make our manufacturing processes more sustainable. One notable initiative involved collaborating with our customers in product innovation, specifically by reusing the waste generated during the production process to manufacture commercial tyre cords. The success of this initiative was underscored by the positive response from our customers, who readily embraced these reprocessed commercial tyre cords. As a result, we were able to sell an impressive 29 tons of this environment-friendly product. Encouraged by this accomplishment, we are determined to further increase this volume in the upcoming year, promoting the principles of sustainability and circular economy in our industry.

## Progress in Our Sustainability Journey

We are actively transitioning towards minimizing our impact on the environment through continued focus on innovation and development of sustainable products. This includes products created using recycled yarn and polymer waste generated during production. Our production process of dope-dyed yarns plays a significant role in conserving water and reducing pollution associated with dyeing. As a testament to our commitment, we hold the STANDARD 100 OEKO TEX® certification, ensuring that our yarn meets the ecological requirements and poses no harm to human health. Moreover, we have obtained additional certifications that validate our sustainable practices and products.

At our facilities, we are implementing

various waste management measures, including the adoption of zero-liquid discharge (ZLD) systems. By treating and recycling the effluent in accordance with ZLD standards, we achieve a complete elimination of liquid discharge. Innovation and process improvements are integral to our operations. In the production of green polymer, we utilize waste materials generated during Nylon-6 production as the primary raw material. The depolymerization units in Pune enable us to convert back the waste to caprolactam, the raw material in the production of green polymer chips. This process ensures 100% recycling and reduces reliance on virgin materials.

To enhance our utilization of renewable energy sources, we have entered into a power purchase agreement for hybrid (wind and solar) power, following group captive norms with a capacity of 10.5 MW for our Bharuch plant. By implementing this project, we significantly decrease our reliance on power generated from fossil fuels. In our efforts to conserve water resources, we have installed recharging borewells for rainwater harvesting. This practice effectively increases groundwater levels. Additionally, the food waste produced in our colony kitchens is composted into nutrient-rich manure, which is then utilized for gardening and promoting vegetation growth at both plants.

## Commitment towards Society and Our People

Our Company focuses on comprehensive community development, and aims to enhance



the well-being of underprivileged individuals. We undertake initiatives in areas such as education, healthcare, access to safe drinking water, disaster management, and rural infrastructure development. Through these efforts, we seek to promote holistic growth and improve the lives of communities where we operate.

We are also committed to nurturing our employees and offering them avenues for personal and professional development. We prioritize the well-being and safety of our workforce, striving to create a healthy and secure work environment as an integral

part of our mission and principles. At Century Enka, within our facilities, we annually commemorate numerous festivals and arrange diverse employee engagement initiatives to foster mental well-being. Through training and development programs, we consistently enhance the skills of our employees.

### Looking Beyond

The past few years have given us the confidence to turn challenges into opportunities for growth in our pursuit of fulfilling customer aspirations. Our customer-centric approach and

innovative products and services fuel our confidence and drive us to exceed customer expectations. Despite inflation and geopolitical uncertainties, customer confidence remains strong, and we anticipate a continued uptick in demand in the upcoming financial year. We are dedicated to our stakeholders and are excited to explore new possibilities and exceed previous achievements.

Warm regards,

**Suresh Sodani**  
**Managing Director**









# PERFORMANCE HIGHLIGHTS

## FINANCIAL



**₹ 2,072**

Total Revenue (in Crs)



**51%**

Revenue Share of Nylon Tyre Fabric Cord



**25%**

Domestic Market Share of NFY



**₹ 161**

EBITDA (in Crs)



**44%**

Revenue Share of Nylon Filament Yarn



**23%**

Domestic Market Share of NTCF



**₹ 90**

PAT (in Crs)

## OPERATIONAL



**~86,000 tons/annum**

Total Installed Production Capacity



**69,735 tons**

Total Output



## ENVIRONMENT



**32%**

Share of Renewable Energy  
in Total Energy Consumption



**0.34** tCO<sub>2</sub>e/MT

Reduction in Emissions  
Intensity



**10%**

Reduction in Water Consumption as  
Compared to Last Reporting Period



**85%**

of Total Hazardous  
Waste Recycled

## SOCIAL



**₹ 276** Lacs

Total CSR Expenditure



**25,587**

Total Training Hours



**47,300**

Approx. Beneficiaries from  
CSR Activities



**0**

Loss Time Injury  
Frequency Rate

## GOVERNANCE



**50%**

Board Comprises  
Independent Directors



**97%**

Average Attendance  
in Board Meetings





# GOVERNANCE

## BOARD OF DIRECTORS



**Mrs. Rajashree Birla**  
Chairperson



**Mr. Sohanlal K. Jain**  
Independent Director



**Mr. Krishna S. Thar**  
Independent Director



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



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



**Mr. Suresh Sodani**  
Managing Director

## SENIOR MANAGEMENT



**Mr. Krishna G. Ladsaria**

Chief Financial Officer



**Mr. Rahul Dubey**

Company Secretary



**Mr. Rajeev Rathi**

Sr. Vice President (Operations)  
- Bharuch Plant



**Mr. Shivappa Agasimani**

Sr. Vice President  
(Operations) - Pune Plant



**Mr. Milind Ashtaputre**

Sr. Vice President  
(NTCF Marketing)



**Mr. Sanjay Mehrotra**

Sr. Vice President  
(NFY Marketing)



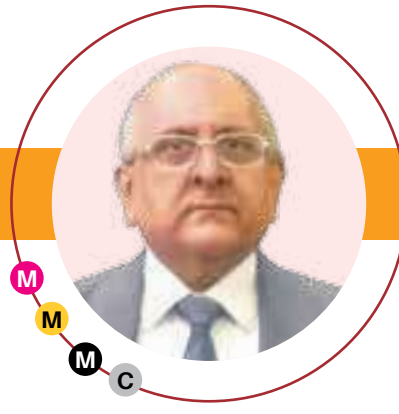


## BOARD COMMITTEES



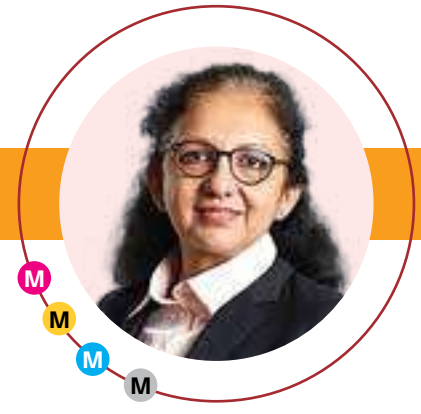
**Mr. Sohanlal K. Jain**

Independent Director



**Mr. Krishna S. Thar**


Independent Director





**Mrs. Krupa R. Gandhi**

Independent Director

 Audit Committee

 Nomination and Remuneration Committee

 Stakeholders Relationship Committee

 Share Transfer Committee





**Mr. Suresh Sodani**

Managing Director



**Mr. Devajyoti N. Bhattacharya**

Non-executive Director



**Mr. Krishna G. Ladsaria**

Chief Financial Officer

● Corporate Social Responsibility Committee

Ⓜ Member

● Risk Management Committee

Ⓒ Chairperson





# ABOUT US

As one of the few Synthetic Yarn producers with complete integration of advanced technologies, we strive to conduct our operations in the most environmentally sustainable manner. Our relentless pursuit of growth and innovation has positioned us as a top player in the domestic textile sector.

Century Enka Limited is a well-established producer of Nylon Filament Yarn (NFY) and Nylon Tyre Cord Fabric (NTCF) with a rich history dating back to 1965. Over the years,

our Company has earned a reputation as a responsible business that prioritizes continuous improvement. Our operational manufacturing facilities are in Pune (Maharashtra) and Bharuch (Gujarat).

Century Enka Limited is a publicly listed company, having its registered office at Pune, Maharashtra. Our Company is committed to creating long-term value for our stakeholders by leveraging our innovation capabilities, technology leadership, and focus on sustainability. We are dedicated to complying with all applicable laws

and regulations in the jurisdictions where we operate. We strongly focus on digital transformation and robust infrastructure to drive better value and growth.

Highest standards of ethics, professionalism, stakeholder transparency and a deep desire to excel in whatever we do has fueled our growth and helped us build an iconic brand recall. We are committed to delivering growth along the triple bottom line of people, planet, and profit.



## OUR VISION

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



## OUR MISSION

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



## OUR PURPOSE

- To enrich lives, by building dynamic and responsible businesses and institutions, that inspire trust.





## OUR VALUES

### INTEGRITY

Acting and taking all decisions in a manner that is ethical, truthful, principled, transparent, and respectful. And being recognized for following the highest standards of professionalism.

### COMMITMENT

The responsibility to deliver value to all our stakeholders by being accountable for our actions and decisions, by being disciplined and reliable, and by being result-oriented.

### PASSION

An intense, intuitive zeal that arises from a deep sense of purpose, that makes work joyful and inspires transformation for the better end results in innovation. A voluntary and relentless pursuit of goals with the highest level of enthusiasm.

### SEAMLESSNESS

Thinking, learning, and working as a team, across global functions, hierarchies, businesses, and geographies. Integrate diverse competencies and perspectives to empower each other and promote organizational unity through collaboration.

### SPEED

Responding to internal and external customers with agility, being prompt, proactive and punctual. To be decisive, concise, and deliver within committed timelines.

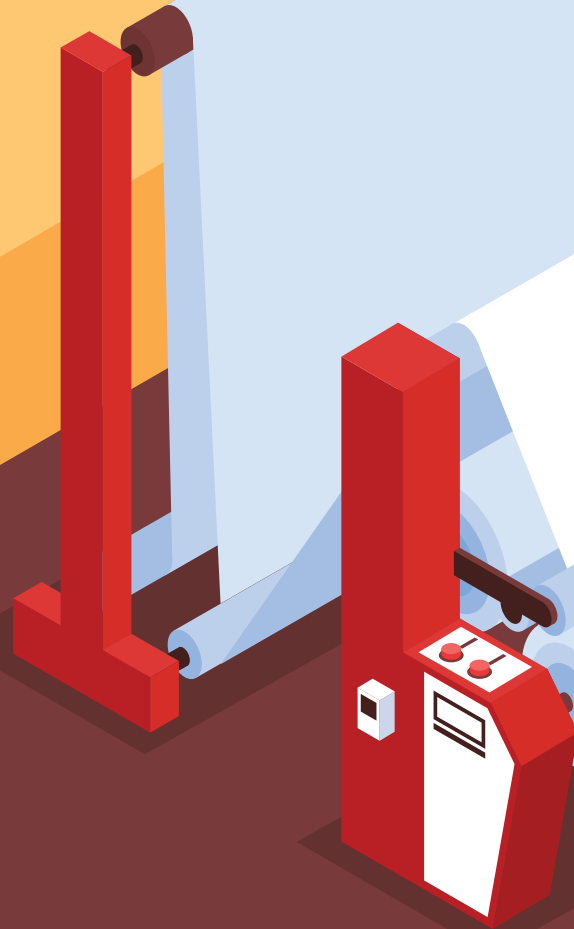




## PRODUCT PORTFOLIO

### NYLON FILAMENT YARN (NFY)

Nylon Filament Yarn (NFY) is a long continuous fiber used to produce textile fabrics such as sarees, draperies, furnishings and upholstery, sportswear, mosquito nets and embroidery. Century Enka's superior product engineering ensures durability, softness, and effective moisture management, making it suitable for new generation intimate fabrics and garments.

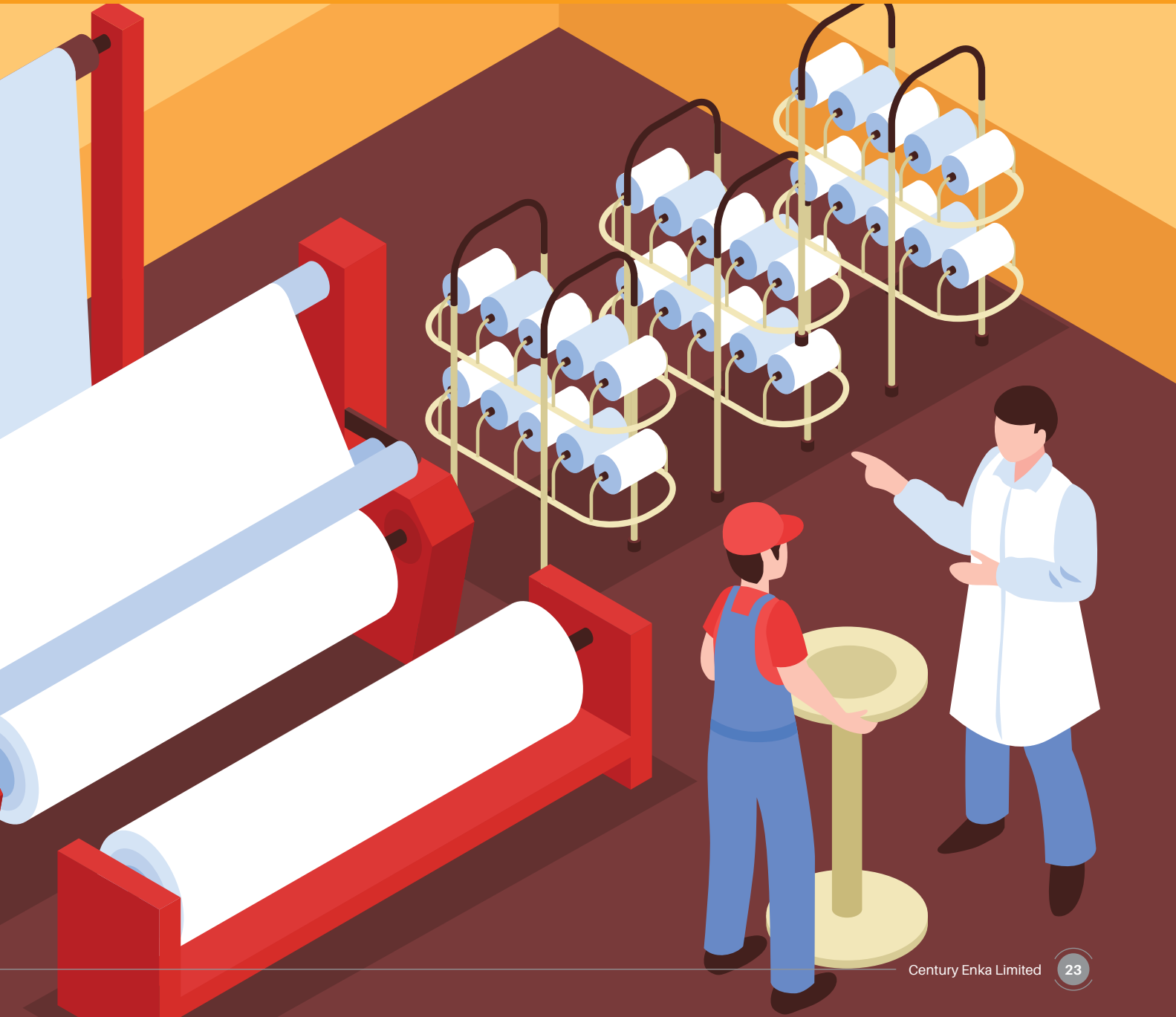






## NYLON TYRE CORD FABRIC (NTCF)

Century Enka offers high-quality Nylon Tyre Cord Fabric (NTCF) for tyre reinforcement in motorcycles, scooters, light commercial vehicles (LMVs), medium and heavy commercial vehicles (MHCVs), and off-the-road vehicles (OTR). They provide form to the tyre and support the vehicle's weight.

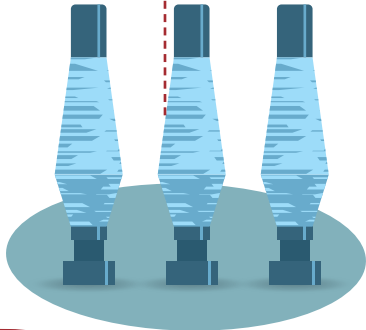




# MILESTONES - ACHIEVEMENTS SO FAR

**1965**

Company Registration



**1969**

Started the Production of Nylon  
Monofilament Yarn (NFY)

**1967**

Started Manufacturing  
in Pune

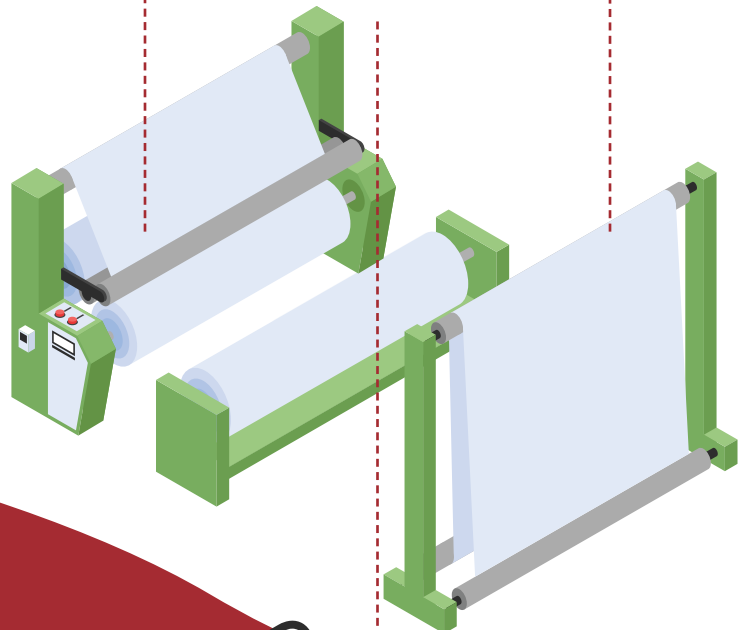


**1991**

Won the Award for Best Corporate  
Performance

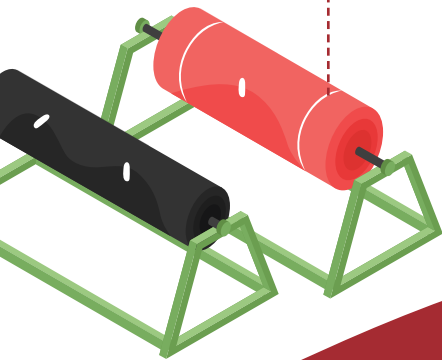
**1986**

Started the Production of Nylon  
Tyre Cord Fabric (NTCF)



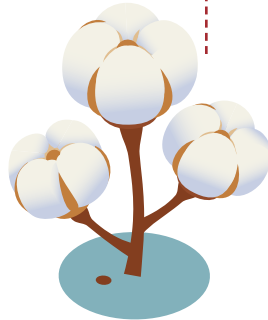
**1998**

Rajashree Polyfil Amalgated in  
Century Enka



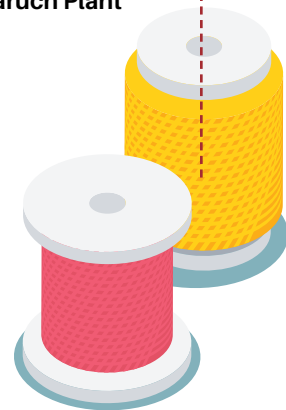
**2011**

Dipping Process of NTCF  
Started at Bharuch Plant



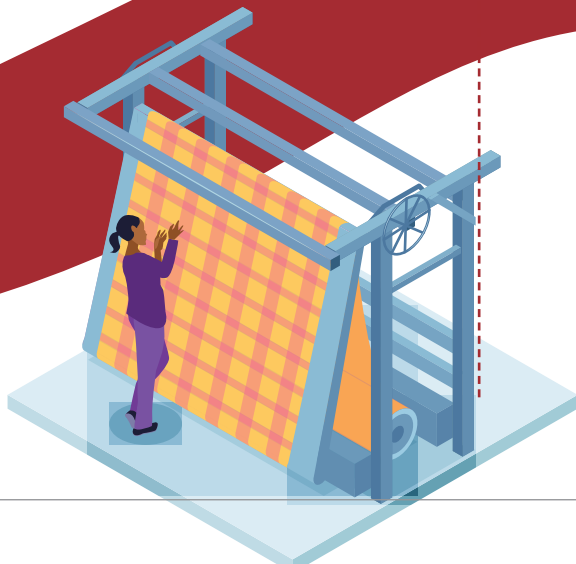
**2023**

Major Capacity Expansion of NTCF  
Production at Bharuch Plant



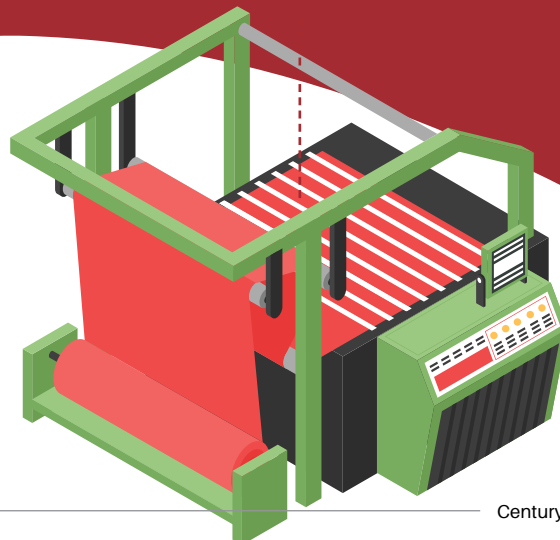
**2006**

NTCF Production Started  
at Bharuch Plant



**2014**

Dipping Lines Capacity  
Increased in Bharuch Plant

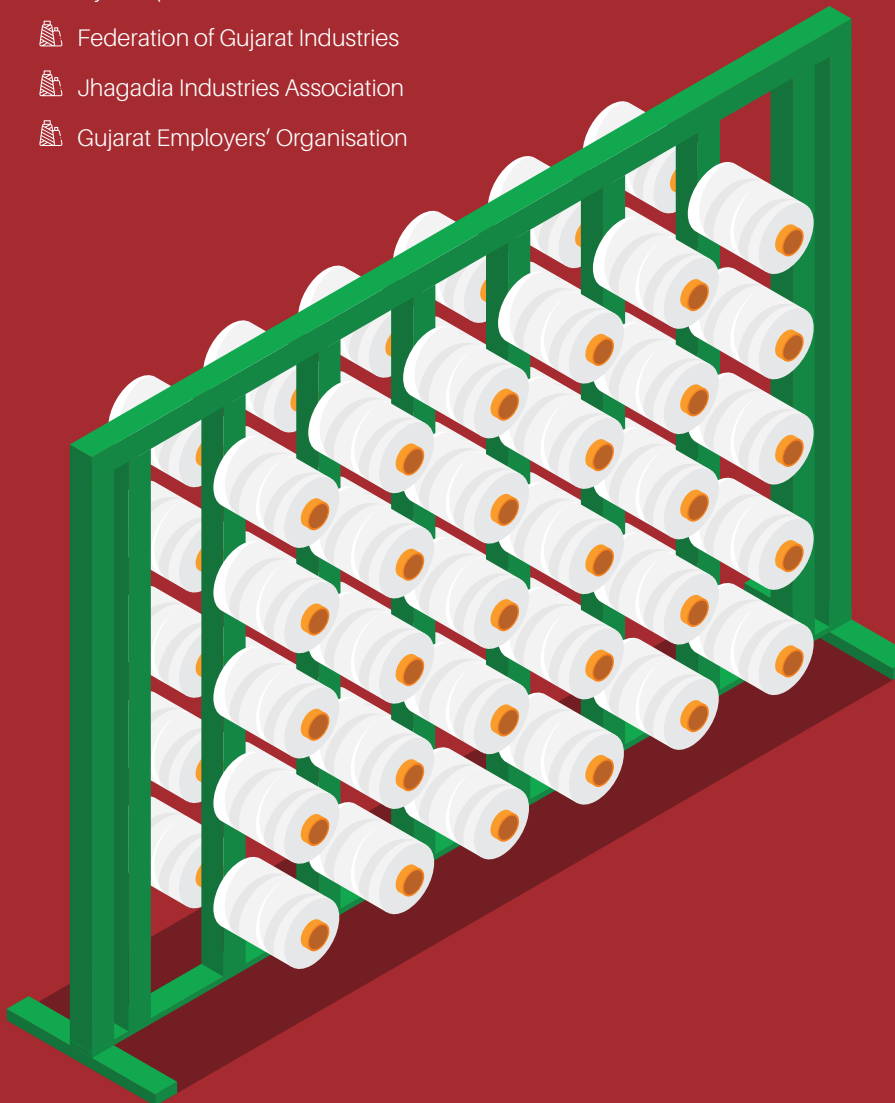




## MAJOR INDUSTRY ASSOCIATIONS

At Century Enka, we have tied up with several trades, chambers, and organizations to strengthen our sustainability activities and work together to promote sustainable business practices. Some of the major organizations that we collaborate with are:

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









# 28-47

## VALUE CREATION PROCESS

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# APPROACH TO VALUE CREATION



## Inputs

### Financial Capital



- Shareholder Equity: ₹ 21.85 Crs
- Net Worth: ₹ 1,320 Crs
- Net Debt: ₹ 63.78 Crs
- Operating Cash Flows: ₹ 219.27 Crs
- Capital Expenditure: ₹ 238.9 Crs

### Manufactured Capital



- Net Asset Value/Fixed Assets: ₹ 1,322 Crs
- Operational Manufacturing Facilities: 2
- Synthetic Yarn Capacity: 86,000 tons/ annum

### Intellectual Capital



- Total Research and Development Expenditure: ₹ 3.41 Crs
- Certification and Accreditation
- In-house Modification and Innovation
- Upgradation in Technology

### Human Capital



- Total Workforce: 3,549
- Total Hours of Training: 25,587 hours
- Employee Benefit Expenses: ₹ 120 Crs
- Employee Well-Being Policies: Human Rights, Employee Code of Conduct, Anti-Discrimination and Anti-Harassment, POSH

### Social & Relationship Capital



- Community Initiatives: 30
- CSR Expenditure: ₹ 276 Lacs
- Total Suppliers: 3,843
- Total Customer Base: 544

### Natural Capital



- ETP at Both Plants: 2
- Total Energy Consumption: 13,72,250 GJ
- Renewable Energy Consumption: 4,04,145 GJ
- Total Water Consumption: 7,85,142 KL

### Our Vision

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



### Our Mission

- We aim to provide innovative, cost-effective, and sustainable solutions.
- Implementing total quality management to ensure complete customer and stakeholder satisfaction.



### Our Purpose

To enrich lives, by building dynamic and responsible businesses and institutions, that inspire trust.



### Our Values

- Integrity
- Commitment
- Passion
- Seamlessness
- Speed



### Strategic Objectives

- Maintain market leadership
- Customer satisfaction
- Enter new market segments
- Sustainability



# Outputs

(FY 2023 highlights)

# Outcomes

## Our Business Activities

Customer Requirement

In-house Innovation & Research

Supply Chain Management

Manufacturing

Deliver Products & Services

**Product Portfolio:** Total Volume of Synthetic Yarn Produced: **69,735 MT**

**Product Portfolio:** Total Revenue Generated from Synthetic Yarn

Nylon Tyre Cord Fabric (NTCF): **₹ 1,053 Crs**

Nylon Filament Yarns (NFY): **₹ 915 Crs**

**By-Product:** There is no by-product generated from the process apart from the waste

Total Waste Generated: **20,823 metric tones**

**Total Emissions Generated in the Process**

Scope 1 Emissions **14,691 tCO<sub>2</sub>e**

Scope 2 Emissions **1,62,170 tCO<sub>2</sub>e**

## Financial Capital

Turnover: **₹ 2,072 Crs**  
EBITDA: **₹ 161 Crs**  
PAT: **₹ 90 Crs**  
EPS: **₹ 41.34**  
Market Cap: **₹ 752 Crs**

## Manufactured Capital

ISO Certifications: ISO 9001:2015, ISO 14001:2015, ISO 50001:2018 and ISO 45001:2018, IATF-16949: 2016, NABL (ISO/IEC - 17025:2017), GRS-V4.0 & OEKO-TEX STANDARD 100  
Customer-Centric Approach

## Intellectual Capital

Total Number of New Products Developed: **1**

## Human Capital

Total Workforce Turnover Rate: **8.9%**  
Lost Time Injury (LTI) Incidents: **Zero**  
Diversity Ratio (% of Women Employees): **4%**  
% Workers Covered under Legitimate Trade Unions: **39%**

## Social & Relationship Capital

Total Beneficiaries of Community Initiatives: **47,300 Approx.**  
Customer Satisfaction Survey Score: **Above 90% for Major Customers**  
Complaint Resolution Rate: **100%**

## Natural Capital

% Energy Requirements Fulfilled through Renewable Source: **32%**  
Emissions Reduction (Scope 1 + Scope 2) **27,069 tCO<sub>2</sub>e (As Compared to Last Year)**  
CO<sub>2</sub> Emissions Intensity: **2.53 (GJ/MT)**  
Total Wastewater Discharged: **Zero**  
Total Hazardous Waste Recycled: **85% of Total Hazardous Waste**

## Stakeholders Involved

As an organization, we understand the importance of engaging with all our stakeholders to create a sense of reliability in our business operations. We believe that involving our stakeholders in our value creation approach is essential to building trust and maintaining long-term relationships.

Our stakeholders include customers, supply chain partners, employees, investors, contract laborers, communities, government and regulators, and external analysts and rating agencies. Each of these stakeholders plays a critical role in our success, and we are committed to working with them to create value for everyone involved.





# CONTRIBUTION TO SDGs

The United Nations (UN) introduced the Sustainable Development Goals (SDGs) as a universal call to action aimed at eradicating poverty, safeguarding the environment, and promoting prosperity and peace for all individuals by FY 2030.

At Century Enka, we have pledged to support the attainment of these goals through our operations,

products, workforce, and community welfare initiatives. As a socially accountable corporation, we have carried out an internal evaluation to determine the key SDGs and associated targets that should take precedence for the organization, based on the local/regional setting, current impact, and potential to generate more significant outcomes.

## THE SDGs PRIORITIZED FOR CENTURY ENKA AS A RESULT OF THIS ASSESSMENT ARE MENTIONED BELOW







Our Company's strategic planning process heavily relies on the SDGs to identify material issues, which are then used to formulate our Strategic Objectives (SOs). The attainment of these SOs is dependent on the efficient management of our Company's various capitals, including financial, intellectual, manufactured, human, natural, social, and relationship capitals, all of which ultimately contribute to the realization of the UN SDGs.



# STRATEGIC OVERVIEW

Century Enka aims to achieve preparedness for the future in terms of structure, finances, and culture, as we strive to become the most esteemed and valuable textile company globally. Also, we have established four strategic objectives (SOs) to achieve sustainable and profitable growth.

Strategic Objectives	Focus Areas	Plan of Action
 SO1 – Customer oriented	<ul style="list-style-type: none"> <li>Enhance customer satisfaction</li> <li>Customize products as per their requirement and world-class quality</li> <li>Expansions carried out according to customer benefit requirements</li> </ul>	<ul style="list-style-type: none"> <li>Better collaboration to collect feedback and inputs, co-create sustainable solutions, share information and explore partnerships</li> <li>Develop customized solutions by investing in products driven by customer requirements and specifications</li> </ul>
 SO2 – Sustainability	<ul style="list-style-type: none"> <li>Resource optimization <ul style="list-style-type: none"> <li>Benchmark in reducing water consumption</li> <li>Industry leader in reaching zero waste</li> <li>Reducing CO<sub>2</sub> emissions</li> </ul> </li> <li>Policies and framework</li> <li>Investment in human capital</li> </ul>	<ul style="list-style-type: none"> <li>Reduce CO<sub>2</sub> emissions by 25% by FY 2025, considering FY 2019 as base year</li> <li>Reduce water consumption by 40% by FY 2025 from the baseline of FY 2019</li> <li>Achieve Zero waste to landfill by FY 2030</li> <li>Screen new major suppliers on ESG criteria</li> <li>Increase in training hours per person per year by 10% until 2025</li> </ul>
 SO3 – Maintain position as industry leader	<ul style="list-style-type: none"> <li>Increase operational capacity through organic growth</li> <li>Establish and maintain leadership in the selected (old and new) segments</li> </ul>	<ul style="list-style-type: none"> <li>Increase production capacity by making the process more efficient</li> <li>Focus on technological advancement</li> <li>Better industry collaborations</li> </ul>
 SO4 – New market	<ul style="list-style-type: none"> <li>Venturing into new market is driven by the external environment which may impact our business</li> <li>Considering different geographies and demographics for the product range and offerings</li> </ul>	<ul style="list-style-type: none"> <li>Invest in market research and analysis to identify potential product division and product diversifications</li> <li>Assess market potential in different regions and develop strategies to enter new markets through partnerships</li> </ul>



At Century Enka, our strategy planning process is based on our Vision, Mission, Purpose, and Values, as well as the strategic direction given by the Board of Directors and Senior Leadership Team. During this process, we evaluate both the external and internal business environments and examine any potential risks or opportunities that could affect the industry.

Through materiality analysis, we gain valuable insights into the changing needs of all our stakeholders.

The integrated strategy planning process yields our long-term and annual business plans. These plans are then broken down and distributed to individual divisions and departments, with clearly defined roles at all levels.

## Strategy Development Process



## ERM, Governance & Controls





# OPPORTUNITIES

The Indian economy is anticipated to reach the third position globally by FY 2030, with the textile industry serving as one of the key drivers of this growth trajectory. The country boasts abundant reserves of raw materials and a highly skilled technical workforce coupled with one of the fastest-growing markets worldwide. These provide a solid foundation for the flourishing textile industry, indicating a significant opportunity for expansion.

At Century Enka, our objective is to maintain profitable growth by prioritizing innovative and sustainable practices, as well as diversifying our business and creating value. We aim to optimize our product mix and prioritize value-added products as we explore opportunities for expansion. By adopting a hybrid power approach that combines solar and wind technologies, we can reduce energy costs while ensuring sustainable business operations. Investing in new spinning technologies and streamlining our portfolio will also enhance our performance and maximize capacity utilization. Although external factors such as global inflation may impact our business, we remain optimistic about overcoming any challenges and benefiting from a potential increase in demand.

## ADDRESSING EVOLVING MARKET NEEDS

As customer demands continue to shift, companies must adapt their approach to reach them. In this vein, digital platforms are becoming increasingly prevalent, even within industrial sectors like textiles. In response to the evolving global market trends, we have taken certain key steps towards enhancing our product's compatibility with radial tyres, used in passenger vehicles, as this market division is experiencing exponential growth because of the heavy demand in the passenger vehicles worldwide. This requires diversification of our resources on Polyester Tyre Cord Fabric (PTCF) manufacturing facility at the Pune plant. We are optimistic about this division but are also taking cautious steps towards it. Also, we are in the process of installing dipping facility at our Pune plant, which will be operational from the next reporting period, prior to all the yarn being sent to Bharuch plant for dipping process. This will reduce transportation costs and increase process efficiency. Through a customer-centric culture and a commitment to providing the best possible products and service, we aim to become the preferred supplier for discerning customers.

## EMBRACING FUTURE TECHNOLOGIES

Century Enka intends to be a synthetic yarn industry technology and innovation leader through the application of in-house skills and development of the external ecosystems. We have been able to capitalize on external ecosystem opportunities to accelerate its journey to technology leadership, as we have designed 3 - 5 years business digital roadmap based on a structure framework and derived various projects under 5 pillars, i.e., Generate New Digital Revenues, Excel in Customer Experience, Achieve Operational Excellence, Optimize Asset Utilization and Minimize Risks. The roadmap will be reviewed periodically and may undergo change based on business needs, market changes, and competitive landscape. The Digital KPIs mentioned in the roadmap may continue and undergo improvement unless it is obsolete and replaced by new KPIs.



# RISK MANAGEMENT

Risk management is an essential aspect of business operations, as unforeseen events may negatively impact a business. The aim of risk management is to identify potential risks and develop measures to eliminate or reduce them. The Company has implemented a robust risk management policy and mechanism.

To oversee the implementation of risk mitigation strategies, the Board of Directors established a Risk Management Committee. This committee comprises four members: a Non-Executive Director who serves as the Chairperson, an Independent Director, a Managing Director, and a Chief Financial Officer. The Company Secretary acts as the Secretary of this Committee. The Committee reviews and monitors identified risks and formulates mitigation plans and strategies regularly.



## RISK MANAGEMENT FRAMEWORK

















Century Enka's framework for evaluating risks focuses on assessing the likelihood of an event occurring and its potential impacts and consequences. The risk reporting tool we use categorizes the probability of a risk event as unlikely, possible, likely, or regular, while the consequences are classified as low, moderate, high, or extreme. Risks that cannot be quantified, and whose impact on PBITDA (profit before interest, tax, depreciation, and amortization) cannot be measured, are classified as qualitative risks.


























Qualitative risks are rated based on their level of severity, which is determined by criteria ranging from low to extreme. In the case of qualitative risks, a low rating indicates that the risk would cause minor disruption to day-to-day activities and have no impact on overall plant operations. A moderate rating indicates that the risk would cause disruption to operations lasting up to one day. Risks that could cause major disruptions lasting between one and three days are classified as high, while risks that could severely affect business functionality for more than three days and result in significant losses are rated as extreme. The Risk Management Committee has identified several key emerging risks in the areas of market, operations, technology, and environment.



Risk	Mitigation Plans	Strategic Focus Areas	Linked Capital
<b>Market Risks</b>			
<b>Steep fall in raw material prices</b> - The risk of correction in selling prices of our product resulting in lower or negative margin the risk of losses in inventory in case of sudden drop in prices	<ul style="list-style-type: none"> <li>We have moved to better, enhanced pricing formula to help reduce the impact of sudden price drops. It also helps in better correlation to prices of raw material consumed and finished goods inventory in-hand to certain extent</li> <li>Reducing dependencies on imported chips by sourcing locally to the extent possible and thus, reducing inventories as imports have significant lead time between order to receipt</li> </ul>	SF3	
<b>Competition from unorganized sector and dumping by China</b> - The risk of competition from unorganized players, imports and players with lower cost leading to pressure on margin	<ul style="list-style-type: none"> <li>Efforts are being made for imposition of Anti-Dumping Duty (ADD) on imports from China</li> <li>Tap exports market for value-added products</li> <li>Right sizing of the portfolio of exiting unviable products. CAPEX for NFY is planned in VAP and newer spinning technologies</li> <li>Optimum use of available manufactured capital</li> <li>Developing institutional clients</li> </ul>	SF1, SF2, SF3, SF4	
<b>Bad debt</b> - The risk which arises from failure of customers in making payment against receivables	<ul style="list-style-type: none"> <li>Incentives for early payments</li> <li>Involve distributors to increase security</li> <li>Proper accounting and follow-up mechanism</li> <li>Credit policy to control risk</li> <li>Cease the supplies if delay in receipt of payments after the standardized threshold</li> </ul>	SF3	
<b>Raw material availability</b> - The risk of availability of raw materials due to the supply chain disruptions	<ul style="list-style-type: none"> <li>MOUs and long-term contracts with current suppliers for continued supply</li> <li>Supplier development through research of different types of raw material</li> <li>Increase in inventory levels for critical raw materials</li> <li>Interim re-negotiation of contracts with customers on solutions and mutual benefits</li> </ul>	SF1, SF2, SF3, SF4	
<b>Foreign currency fluctuations</b> - The risk of potential loss for our Company due to the fluctuations in foreign exchange	<ul style="list-style-type: none"> <li>Policy of 100% hedge for usance period of LC is followed</li> <li>CAPEX items are covered at the time of firm commitment</li> <li>NTCF sales pricing factors impact of foreign currency fluctuations</li> <li>In case of NFY, inventories are controlled to minimize this risk</li> </ul>	SF3, SF4	



Risk	Mitigation Plans	Strategic Focus Areas	Linked Capital
<b>Operational Risks</b>			
<b>Under-utilization of NTCF capacity</b> - The risk of non-utilization/ under-utilization of NTCF capacity due to lower demand owing to tyre moving out from the restricted import category and/or rapid radialization	 MOU with major tyre companies will help us in maintaining capacity utilization in lean periods  Dipping capacity commissioning will reduce the risk of unsold greige capacity  We are planning to diversify in new products where current equipment available would be fungible	SF1, SF2, SF3	  
<b>Labor cost</b> - The risk of rising wages of labor	 Reducing current labor-intensive manufacturing operations and deploying labor to new interventions/expansions  Negotiated for higher outsourcing in the long-term Settlement	SF2, SF3	  
<b>Project delay</b> - The risk which arises due to delay in project delivery	 Transparent ordering process involving plant, commercial, and finance  Recruitments for strengthening the project team  Focus on planning and monitoring of the progress	SF1, SF3, SF4	  
<b>Environmental &amp; Social Risk</b>			
<b>Environment pollution</b> - The risk which may arise due to the impact of business operations on the environment	 Installation of RO and MEE at Bharuch will help reduce the use of ground water and improve its quality  Significant reduction in hazardous waste discharge by installation of paddle dryer at Pune plant  Approach towards increasing arrangement of co-processing of hazardous waste instead of landfill disposal  Manufacturing of 'green polymer' using process waste  Planned for better fuel options to reduce the emissions  The usage of FO/LDO fuel for steam and thermic fluid super heaters in our Pune plant has been changed to RLNG that gives significant reduction in the fuel cost and huge reduction in the carbon emission  Reviews/inspections by external authorities for process improvements	SF2, SF3, SF4	  

Risk	Mitigation Plans	Strategic Focus Areas	Linked Capital
<b>Energy cost</b> - The risk which arises due to an increase in the prices of energy supplies	 Implementing hybrid power plant (solar and wind) under group captive structure to reduce power cost	SF2, SF3, SF4	  
<b>Fire and explosion</b> - Risk of loss owing to fire and explosion incidents at plants	 Upgradation in fire-fighting infrastructure  Upgrading power distribution system for better fire safety  Strengthening and constant focus on health and safety management system  Periodic safety and fire audits and implementation of the recommendation  Strengthening of vigilance system  Valuation of assets by independent valuer to ensure adequacy of insurance cover	SF2, SF3	  
<b>Unsafe working</b> - The risk of accidents arising due to unsafe working conditions	 Continuous training  Increased supervision  Strengthening vigilance system  Promoting the use of PPEs	SF2, SF3	 
<b>Technology Risk</b>			
<b>Risk arising due to technology failure</b> - The risk of reduced product quality due to the usage of old technologies	 Gradually upgrading technology along with expansion and diversification of business  Benchmarking with best practices in industry IMS/IATF/NABL, certification to ensure adherence to benchmarked processes  Cost-effective modification of existing hardware to improve efficiency	SF1, SF3, SF4	  

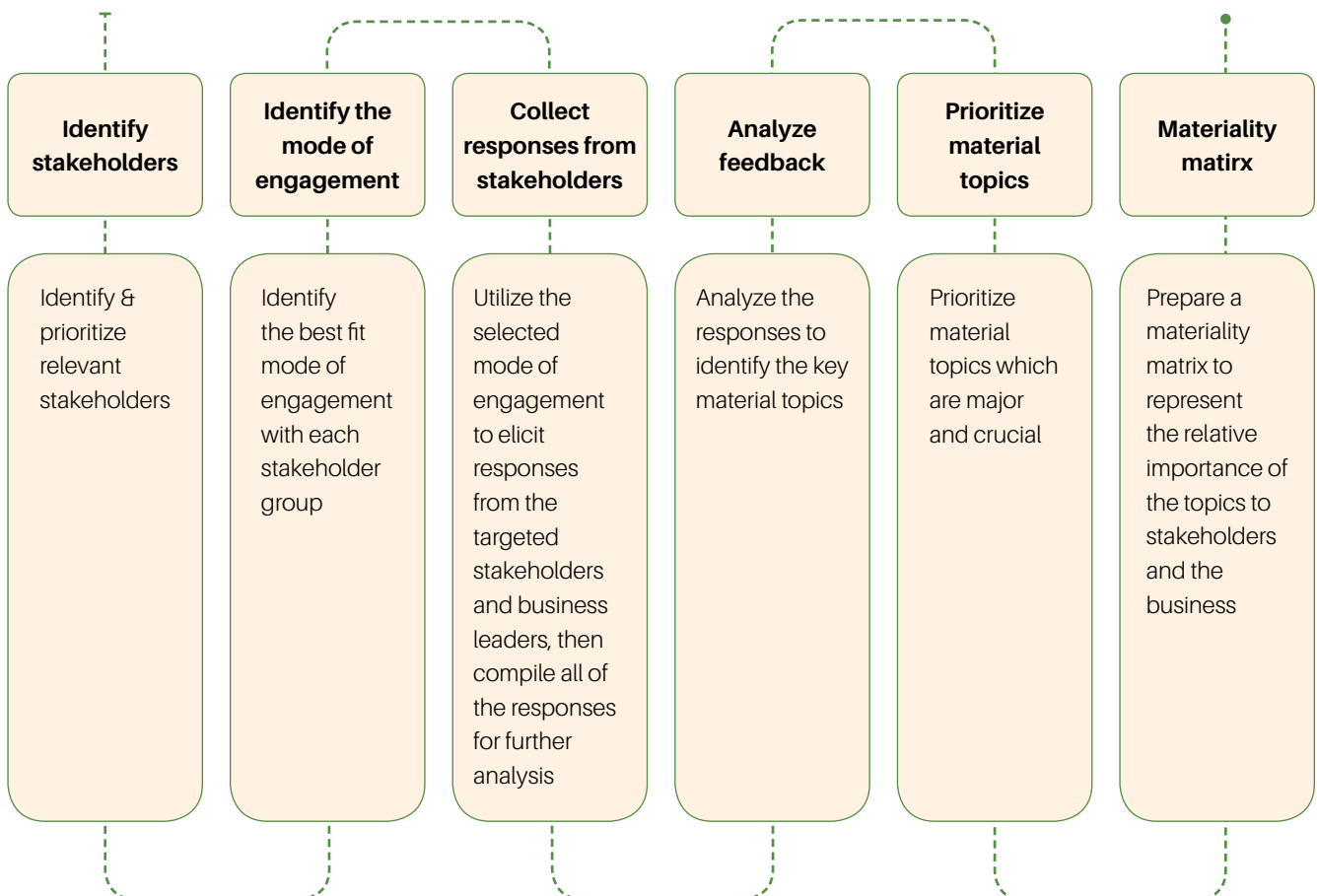


# STAKEHOLDER ENGAGEMENT

Stakeholder engagement is paramount for us at Century Enka. We understand the value of our stakeholders and the need to foster a closer bond with them. Communicating with our stakeholders helps us understand their needs and expectations, thereby enabling us to prioritize our business objectives. We identified significant stakeholders during the assessment conducted in the last reporting period, based

on the influence we have on one another while considering economic, environmental, and social factors. To identify the gaps, strengthen our ESG activities, and accomplish our objectives, we conducted a thorough stakeholder engagement exercise last year. The same was followed in the current reporting period.

## OUR APPROACH TO STAKEHOLDER ENGAGEMENT & MATERIALITY ASSESSMENT





## KEY STAKEHOLDERS IDENTIFIED





## Employees

### Significance

- Get employment and become a part of business activities

### Frequency of Engagement

- Continuous

### Modes of Engagement

- Emails and meetings
- Training programmes
- Performance appraisal reviews
- Grievance redressal mechanism

### Key Concerns and Expectations

- Career growth and employee benefits
- Occupational health and safety

### Our Approach

- Timely salary payments
- Ensuring safe working environment
- Skill improvement trainings

## Contract Laborers

### Significance

- Get livelihood and support in business activities

### Frequency of Engagement

- Continuous

### Modes of Engagement

- Grievance redressal mechanisms
- Meetings

### Key Concerns and Expectations

- Safe working environment
- Timely and fair payments

### Our Approach

- Timely salary payments
- Ensuring safe and healthy working environment

## Supply Chain Partners

### Significance

- Provide essential raw materials and services needed for business operations

### Frequency of Engagement

- Continuous

### Modes of Engagement

- Emails
- Meetings
- Stakeholder engagement surveys

### Key Concerns and Expectations

- Timely payment
- Good deals or pricing
- Continuity of orders

### Our Approach

- Robust procurement policy
- Keeping ethics and transparency
- Follow Century Enka Limited values and be in line with our vision
- Doing risk assessment for critical suppliers

## Communities

### Significance

- Neighborhoods or local governance where we operate and make an economic, social, or environmental impact through our operation

### Frequency of Engagement

- Continuous

### Modes of Engagement

- CSR meetings
- Interaction with local governance and people

### Key Concerns and Expectations

- Livelihood training programs
- Employment opportunities
- Safe environment

### Our Approach

- Community infrastructure development initiatives
- Skill development programs
- Educating the local people

## Analysts and Rating Agencies

### Significance

- Assess the credit risk through ratings and help investors make informed decisions about investing in the Company

### Frequency of Engagement

- As and when required

### Modes of Engagement

- Emails
- Annual reports

### Key Concerns and Expectations

- Risk management, including mitigation measures
- Timely disclosures
- Law compliance

### Our Approach

- Maintain effective communication channels and disclose relevant information

## Future Generation

### Significance

- Inherit the result of the actions and decisions made by organization

### Frequency of Engagement

- Continuous

### Modes of Engagement

- Social media
- Job interview interactions

### Key Concerns and Expectations

- Protect environment
- Transparency in communication
- Be a responsible organization

### Our Approach

- Adopting cleaner manufacturing methods
- Disclosing ESG parameters

## Customers

### Significance

- Impacted by the quality of products and services

### Frequency of Engagement

- Continuous

### Modes of Engagement

- Regular business interactions

### Key Concerns and Expectations

- Product quality and pricing
- Post-sales support

### Our Approach

- Ensuring quality of products
- Timely delivery
- Better pricing
- Product certifications
- Openness to feedback

## Investors

### Significance

- Provide capital and expect to earn a certain rate of return on that invested capital

### Frequency of Engagement

- Annually, and as and when required

### Modes of Engagement

- Board meetings
- General meetings
- Annual reports
- Regular business interactions

### Key Concerns and Expectations

- Sustainable financial returns and market share
- Risk management
- Good corporate governance

### Our Approach

- Continuous monitoring and improvement of performance
- Increase focus on cost optimization and value-added products
- Be a sustainable organization

## Government and Regulators

### Significance

- Providing licenses and permissions to operate and we pay corporate, payroll and sales tax

### Frequency of Engagement

- Annually, and as and when required

### Modes of Engagement

- Annual reports
- Formal meetings

### Key Concerns and Expectations

- Adhere to compliance requirements and law
- Payment of taxes

### Our Approach

- Compliance with all regulatory requirements
- Payment of fees, taxes and royalties
- Adopting renewable energy














Based on stakeholder impact and contribution to business success over the short-, medium, and long-terms, the results of our materiality exercise have been divided into high-, medium-, and low-priority categories. These focus areas were ranked according to their significance to our Company and finally the matrix is created by weighing and scoring business factors as well as stakeholder responses.

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## FRAMEWORKS LINKED WITH MATERIAL TOPICS

Material Topics	GRI Topics	GRI Indicators	SDG Alignment	Reference in IR
Occupational Health and Safety	Occupational Health and Safety	403	SDG 3, 8	
Labor and Employee Engagement	Employment	401	SDG 3, 4, 5, 8, 10	
	Labor Management Relations	402		
	Customer Health and Safety	404		
Customer-Centricity	Customer Health and Safety	416	SDG 3, 9, 12	
Supply Chain Management	Supplier Environmental Assessment	308	SDG 5, 8	
	Supplier Social Assessment	314		
Waste Management	Waste	306	SDG 6, 12, 15	
Water Management	Water and Effluents	303	SDG 6, 12	
Energy Management	Energy and Emissions	302, 305	SDG 7, 12, 13, 15	
Risk Management	Strategic Overview Section			
Community Development	Local Communities	413	SDG 3, 4, 5, 6, 8, 9, 10, 12	
Corporate Governance & Compliance	Environmental Compliance	307, 419	SDG 12	
	Socio-Economic Compliance	307, 419		





## LINKED KPIS WITH MATERIAL TOPICS

Material Topics	Linked KPis
<b>Occupational Health and Safety</b>	<ul style="list-style-type: none"> <li>Near miss, unsafe act, and unsafe conditions</li> <li>Fatalities</li> <li>Lost Time Injury Frequency Rate (LTIFR)</li> <li>Number of trainings provided to employees on health and safety</li> </ul>
<b>Labor and Employee Engagement</b>	<ul style="list-style-type: none"> <li>Health and safety of workforce</li> <li>Turnover or attrition rate, new hires</li> <li>Non-monetary benefits and insurance</li> <li>Average hours per Full Time Equivalent of training and development</li> <li>Number of trainings conducted for employees and workers on skill upgradation</li> </ul>
<b>Customer-Centricity</b>	<ul style="list-style-type: none"> <li>Number of new products and services</li> <li>Customer satisfaction index</li> </ul>
<b>Supply Chain Management</b>	<ul style="list-style-type: none"> <li>Number of partners made aware on Century Enka's supply chain policy</li> <li>Number of partners assessed based on the policy</li> <li>Number of local suppliers</li> <li>Business volume of local suppliers</li> </ul>
<b>Waste Management</b>	<ul style="list-style-type: none"> <li>Total waste recovered through recycling, re-using or other recovery operations against each category of waste generated</li> <li>Total waste disposed of by nature of disposal method, categorized against each type of waste generated</li> </ul>
<b>Water Management</b>	<ul style="list-style-type: none"> <li>Specific freshwater consumption</li> <li>Percentage of water recycled/reused</li> </ul>
<b>Energy Management</b>	<ul style="list-style-type: none"> <li>Energy generated through renewable sources</li> <li>Energy intensity</li> </ul>
<b>Risk Management</b>	<ul style="list-style-type: none"> <li>Number of formal trainings for employees on ESG risks and procedures</li> <li>Number and amount of investments made to minimize ESG risks</li> </ul>
<b>Community Development</b>	<ul style="list-style-type: none"> <li>Number of CSR projects conducted</li> <li>Percentage of beneficiaries from vulnerable and marginalized groups</li> <li>Number of beneficiaries</li> <li>Findings of the social impact assessments</li> </ul>

Material Topics	Linked KPIs
Corporate Governance Compliance	<ul style="list-style-type: none"> <li>Total number of hours of ethics training and awareness programs held</li> <li>Number of men and women board members and the median remuneration/salary/wages of respective category</li> <li>Board diversity</li> <li>Average tenure of Board members</li> <li>Number of fines/penalties/actions taken by regulatory, statutory, and judicial bodies</li> <li>Trainings imparted on policies and regulations</li> </ul>





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## OUR CAPITALS

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- 50 Financial Capital
- 54 Manufactured Capital
- 60 Intellectual Capital
- 64 Human Capital
- 78 Social & Relationship Capital
- 88 Natural Capital









# FINANCIAL CAPITAL

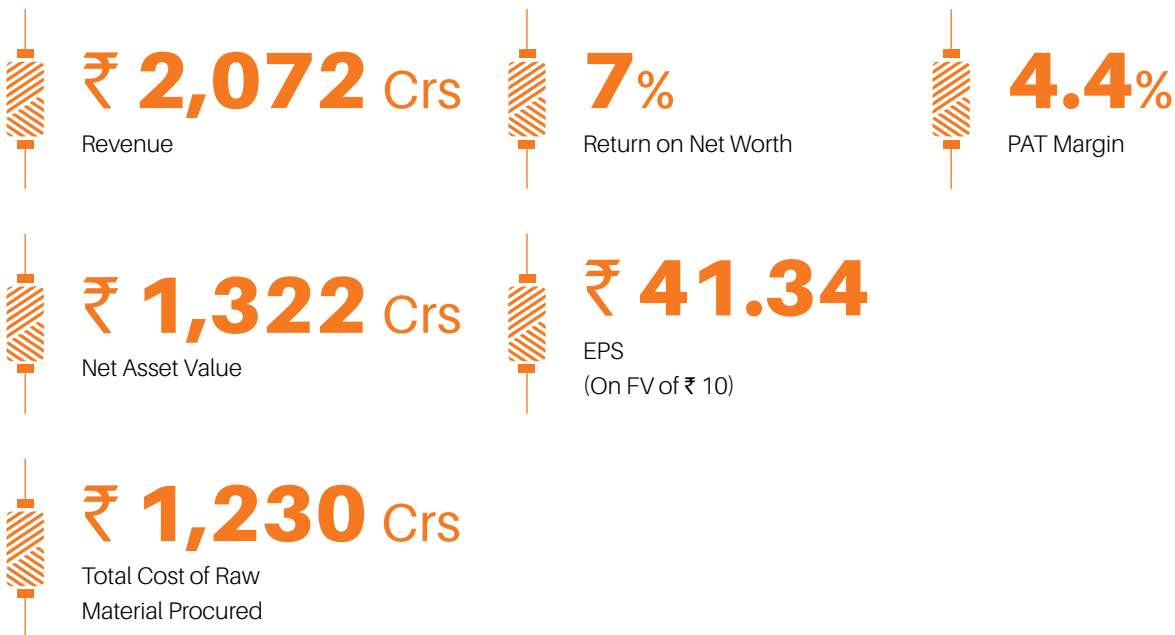
8 DECENT WORK AND  
ECONOMIC GROWTH





Sound financial management is imperative for sustainable growth. Therefore, we, focus on ensuring a prudent financial structure with optimum allocation of resources to secure long-term availability of capital. This helps us in maintaining a healthy balance sheet by carefully managing our capital structure and creating enduring value for our shareholders. This is reflected in our performance for FY23.

## KEY HIGHLIGHTS



## INTERLINKAGE WITH OTHER CAPITALS





## MANAGING OUR FINANCIAL CAPITAL

We have a robust financial management process through which we evaluate the need for funds to support both ongoing business operations and potential opportunities for growth and sustainability.

We compare our operational KPIs with both internal and external benchmarks to achieve optimal production, productivity, and yield. Our Company prioritizes uninterrupted business operations and regularly implements cross-functional improvement programmes to enhance operational efficiency, optimize product mix, reduce waste, improve energy efficiency, and optimize procurement. These initiatives help us maximize margins by optimizing costs and generating positive cash flow from business operations.

For supporting our growth, we ensure adequate capital and sufficient liquidity to safeguard our operations under various economic scenarios. We always aim to balance our growth aspirations with creating sustainable value for all the stakeholders. This is reflected in our healthy dividend payout ratio of 19.32% over the last five years. This year too, we have recommended a dividend of ₹10/share.

We are grateful for the trust and investment of our stakeholders in our growth narrative. It is their unwavering support that has enabled us to achieve this success. We believe that every investment made by our stakeholders represents faith in our Company, and we take this responsibility very seriously.



## ECONOMIC VALUE GENERATION

Economic value generation is divided into two categories: economic value generated (EVG) and economic value distributed (EVD). EVG represents the revenue of our Company, whereas EVD represents the costs of our Company in the form of payments to internal and external stakeholders.

Economic value created (EVC) is computed in monetary terms by subtracting EVD from EVG, which represents our Company's profitability and serves as a measure of EVC for shareholders and stakeholders.

Particulars	FY 2023 (₹ Crs)	FY 2022 (₹ Crs)	FY 2021 (₹ Crs)
Revenues	2,072	2,098	1,223
Other Income	19	21	22
<b>Direct Economic Value Generated</b>	<b>2,091</b>	<b>2,119</b>	<b>1,245</b>
Operating Costs	1,847	1,755	1,047
Employee Benefits	120	115	101
Payment to Providers of Capital	24	18	19
Payment to Government	29	61	22
Community Investments	3	2	2
<b>Economic Value Distributed</b>	<b>2,023</b>	<b>1,952</b>	<b>1,191</b>
<b>Economic Value Retained</b>	<b>68</b>	<b>167</b>	<b>54</b>

### Notes:

Revenue generated includes revenue from operations

Operating costs include cost of materials consumed, purchase of stock in trade, changes in inventories of finished goods, work in progress and stock in trade and operating expenses excluding CSR expenses. Payment to provider of capital include finance costs

Payment to Government include rate and taxes, current tax, excess/short provision of tax relating to earlier years, and deferred tax

Community investments include CSR expenses.

Payment to providers of capital include dividend as well



## STRONG BALANCE SHEET

We continue to maintain a healthy balance sheet. This is demonstrated by zero-debt, a current ratio of more than one, and increasing net-worth.

## MANAGEMENT OF CASH FLOWS

We have achieved a significant amount of free cash flow due to our strong revenue growth and improved margins, which demonstrates our financial strength and stability. As part of our efforts to become a leading and dependable company in the tyre reinforcement and synthetic yarn industry, we intend to utilize this healthy liquidity position towards expanding our capacity for value-added products. This allocation of capital expenditure will help us further strengthen our position in the market.

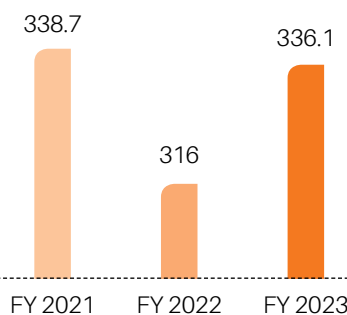
Overall, our Company's strong balance sheet and healthy financial performance are a testament to our commitment to sound financial management and our focus on driving sustainable growth. We remain dedicated to maintaining this financial strength and leveraging it to achieve our long-term goals.



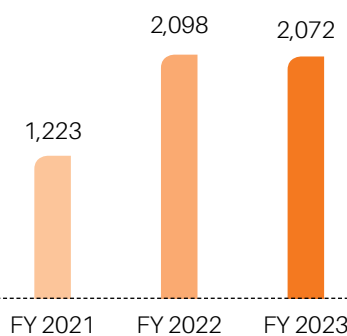
## CAPITAL EXPENDITURE

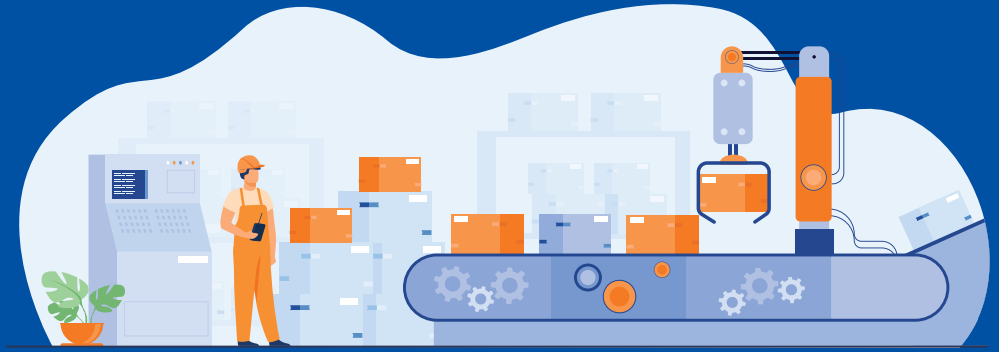
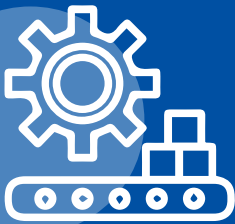
In the current reporting period, we incurred capex of ₹ 238 Crs, out of which a major portion was spent towards dipping capacity installation at Pune plant and expansion of NTCF plant in Bharuch. This capex will significantly increase the capacity at both the plants resulting into increased scale of operations. In the next reporting period, we plan to allocate large portion of the capex towards capacity expansion of value-added products such as NTCF and PTCF in the future.

**Net Surplus  
in Cash  
Reserves  
on Balance  
Sheet (in  
₹ Crs)**



**Revenue  
(in ₹ Crs)**





# MANUFACTURED CAPITAL

8 DECENT WORK AND  
ECONOMIC GROWTH



9 INDUSTRY, INNOVATION  
AND INFRASTRUCTURE

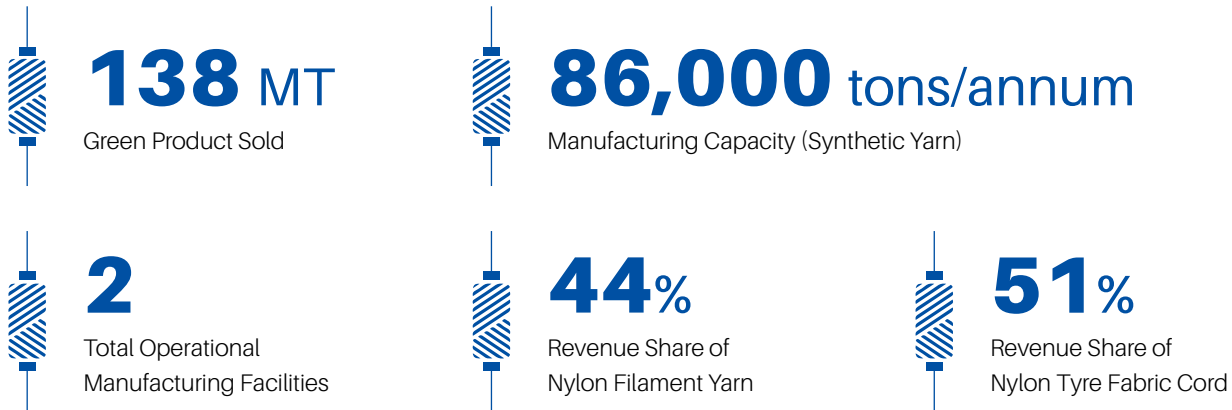


12 RESPONSIBLE  
CONSUMPTION  
AND PRODUCTION



At Century Enka, we always strive for operational excellence in our manufacturing process. We continually make investments in increasing our capabilities and strengthening our position as the industry leader in synthetic yarn manufacturing. Our integrated operations and ongoing attempts to increase efficiency are assisting us in maintaining cost-competitiveness in the markets that we operate in.

## KEY HIGHLIGHTS



## INTERLINKAGE WITH OTHER CAPITALS







## NYLON YARN AND CORD MANUFACTURING

Our operational manufacturing facilities located in Pune (Maharashtra) and Bharuch (Gujarat) and our equipment and fixed assets empower us to create our products such as Nylon Filament Yarn, Nylon Tyre Cord Fabric, Nylon Chips for Industrial and Textile use, and Nylon Industrial Yarn.

Our plants are equipped with advanced technology which helps us to maintain high product standards and promote operational excellence, leading to profitable growth.

We have implemented Integrated Management Systems (IMS) that encompass various certifications such as ISO 9001:2015 (Quality Management System), ISO 14001:2015 (Environment Management System), ISO 50001:2018 (Energy Management System), and ISO 45001:2018 (Occupational Health and Safety Management System). These credentials are a testimony to our Company's ability to deliver products of the highest quality. We are fully dedicated to adopting sustainable business practices and strive to deliver exceptional quality products that align with our commitment to environmental and social responsibility.

We have invested in robust infrastructure that enables us to manufacture, store, and distribute our products with maximum efficiency. Our state-of-the-art manufacturing facilities are capable of producing a broad and diverse range of the highest-quality Nylon yarns to meet the varying demands of our customers. Our storage facilities are designed to ensure that our products are kept in optimal conditions, maintaining their quality and durability. Our distribution system is streamlined to ensure that our products reach customers in a timely and cost-effective manner. Over the years, we have invested in establishing a strong distribution network for Nylon Filament Yarn that covers various regions, ensuring that our products are accessible to a broad customer base. During the year, OEM demand for medium and heavy commercial vehicle (MHCV) and light commercial vehicle (LCV) tyres has been good. OEM demand for two-wheeler tyres has also improved but still trails pre-Covid-19 pandemic levels.

## Nylon Filament Yarn (NFY)

Nylon filament yarn is a long continuous fiber used to produce textile fabrics such as sarees, draperies, furnishings and upholstery, sportswear, mosquito nets and embroidery. Our superior product engineering ensures durability, softness, and effective moisture management, making it suitable for new generation intimate fabrics and garments. NFY can be used in ethnic/active/work wear, technical textiles, eco-green products, and Nylon blends that offer high resistance to wear and tear, moisture absorption, soft feel, and cost effectiveness.

## PRODUCT CATEGORIES

### Nylon Monofilament Yarns

Nylon Monofilament Yarn is defined as a single strand of untwisted continuous fiber and is available in bright and semi dull lustre through different routes of production.



### Nylon Mother Yarn

This is a multifilament drawn yarn that is further converted into monofilament yarn by splitting the ends at spinning process. It is used in sarees, dresses, drapes, and mosquito nets as well as in the automobile sector and manufacturing of sports shoes.





## Multifilament Yarns



### FDY - Fully Drawn Yarn

Nylon filament yarn is produced at higher speeds along with intermediate drawing integrated at spinning. This enhances the stabilization of polymer through orientation and crystallization, a primary factor that contributes to strengthening the nylon filament yarn.

### POY - Partially Oriented Yarn

Partially oriented nylon filament yarn is commonly known as POY. It is the first form of yarn made directly from melt spinning process and finds various downstream applications such as ATY, DTY and draw warping.

-  FDY - Fully Drawn Yarn
-  POY - Partially Oriented Yarn
-  HOY- High Oriented Yarn
-  DTY - Drawn Textured Yarn
-  ATY - Air Textured Yarn
-  Draw Winder

## TOW

It is a continuous synthetic filament strand collected in a loose rope-like form. It is cut to make small fibers for final usage in the flocking process.





## Nylon Tyre Cord Fabric (NTCF)

Century Enka offers high-quality NTCF for tyre reinforcement in motorcycles, scooters, light commercial vehicles (LMVs), medium and heavy commercial vehicles (MHCVs), and off-the-road vehicles (OTR). NTCF is used as reinforcements in tyres to give them strength and durability. It also provides shape to the tyres and supports the weight of the vehicle. They are designed to keep tyres running longer and have significant effect on their performance.

## SUB-PRODUCTS

### Yarn

Dried chips are fed into a melt spinning machines. The molten polymer is filtered before entering the spinneret (a wheel or plate with many tiny holes) to form yarn of different linear density as per specifications.



### Greige Fabric

Cord material is taken into the warp and interlaced with cotton or poly-cotton weft to produce reinforcing material for a wide variety of uses.

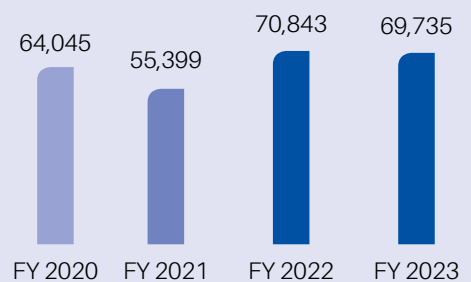


### Dipped Fabric

Greige fabric has very poor adhesion to rubber. Therefore, it is impregnated with an Resorcinol-Formaldehyde-Latex (RFL) solution which acts as a bonding agent between fabric and rubber.



**Total Sales  
Volume of  
Synthetic  
Yarn (in MT)**





## EXPANSION OF DIPPING FABRIC PROCESS

In FY 2010, the Bharuch plant initiated the dipping process using one unit, which operated at maximum capacity. Subsequently, in FY 2014, our Company expanded by adding another unit.

The dipping procedure is critical for putting an adhesive coating on the surface of the cord as well as improving the physical properties of the fabric necessary for tyre production. In FY 2022, our Company initiated the dipping process in our Pune plant to avoid transporting NTCF manufactured in Pune to the dipping plant in Bharuch, and combat higher transportation costs as well as higher emissions resulting from transportation. This is likely to have a substantial impact on the environment in the form of lower emissions.



## GREENER FUTURE WITH GREEN POLYMER CHIPS AT PUNE PLANT

The efficient utilization of resources has become a top priority for many organizations today. At Century Enka, we recognize the importance of minimizing waste and maximizing resource utilization. To achieve this, we rely on cutting-edge technology and innovative approaches that allow us to extract value from waste products.

In recent years, our production capacity has increased significantly, which has resulted in a significant amount of waste generated during nylon production. Rather than disposing of this waste, we have implemented an innovative solution that enables us to convert it into lactam and chips, hence adding value to our manufactured capital.

To achieve this, we have installed a depolymerization unit with extruders at our Pune plant. The depolymerization process involves breaking down the nylon waste into its constituent parts, including caprolactam, which is then used to produce green polymer chips. This process is highly efficient, allowing us to recycle a substantial amount of waste and minimize our environmental impact.

During the reporting period, we produced around 1,374 MT of caprolactam from nylon waste to create green polymer chips. Major portion of these chips is exported, and rest are then developed into products, such as POY, DTY, Monoyarn and Draw Winder, all of which are Green Recycled Standard (GRS) certified. We sold 109 MT of our GRS product under NFY out of which 52% was exported.

By implementing these cutting-edge technologies and innovative approaches to resource utilization, we are leading the way in sustainable production practices. We remain committed to minimizing waste and maximizing resource utilization, while continuing to meet the needs of our customers and the demands of the global market.



# INTELLECTUAL CAPITAL

9 INDUSTRY, INNOVATION  
AND INFRASTRUCTURE



12 RESPONSIBLE  
CONSUMPTION  
AND PRODUCTION





Innovation lies at the core of our operations at Century Enka. Our research and innovation capabilities, information systems, product development process, and process innovations, constitute our intellectual capital. As a business imperative, we have integrated sustainability into our operations to prepare ourselves for the future. Additionally, we have expedited the implementation of digitalization to boost speed, accuracy, and efficiency in decision making.

## KEY HIGHLIGHTS



## INTERLINKAGE WITH OTHER CAPITALS





## ENCOURAGING ENVIRONMENT THAT PROMOTES INNOVATION

Our aim is to become one of the leading technology pioneers in the global textile industry. We, therefore, prioritize the adoption of cutting-edge technologies and infrastructure, while fostering a culture of innovation. We utilize our in-house resources as well as collaborate with external experts through strategic partnerships to accelerate the adoption of groundbreaking technologies on a large scale in different functions including marketing, manufacturing, and operations.

## PRODUCT CUSTOMIZATION AND INNOVATION

We recently undertook an in-house re-engineering project which involved converting an idle polyester Partially Oriented Yarn (POY) machine into a High Tenacity Nylon Yarn (HTY) machine for technical textiles. This strategic decision has proven to be highly successful, as the output produced from this machine was well-received in the market. We continue to invest in our infrastructure and capabilities and plan to increase our capacity for draw texturing. This move will add value to POY as draw textured yarns are known for their durability, strength, resilience, and lightweight properties, making them highly suitable for various textile applications.

In addition to increasing our capacity for draw texturing, we are also diversifying our product portfolio by customizing our products according to the client and market requirement. An example of this is our foray into the polyester tyre cord division. This expansion will not only allow us to serve a broader market but also promote the growth of innovative and future-ready products. We are continuously identifying new opportunities to enhance our manufacturing processes and reduce costs. For instance, we continue to save significantly through the usage of existing spares of imported pneumatic rolls as nozzles and retaining rings in locally developed rolls. This innovation has enabled us to develop indigenous spares for import substitutes such as the 'O' ring, pneumatic roll shaft, pneumatic roll shell, aluminum disc for pneumatic roll, and plasma coating of pneumatic roll shell, resulting in significant cost savings.

Additionally, we have discontinued labor and energy intensive two-step mono yarn production operations at Pune plant. To retain our customers in this division, after extensive trials, the team has successfully developed in-house technology to produce mono yarn through a one-step process. This has resulted in a significant reduction in energy consumption and lower workforce, which is well-accepted by the customers and commercial production as the same started during the reporting period.

Our focus on innovation has also led to the modification of our Fully Drawn Yarn machine, which now produces high tenacity yarn for technical textile applications like defense fabric and industrial fabric. Moreover, we have converted one-step Highly Oriented Yarn machine to double throughput by adding one more winder in each position to produce mono as well as multifilament yarn. By investing in these technologies and processes, we aim to position ourselves as a leader in the technical textile industry and continue delivering high-quality products to our customers.



## CONVERTING CAPROLACTAM WASTE INTO RECYCLED NTCF PRODUCT AT PUNE PLANT

During the year, we undertook an initiative to actively engage and collaborate with our customers in product innovation. Specifically, we focused on finding innovative ways to address the issue of waste generated during our production process. Recognizing the importance of sustainability and the circular economy, we sought to repurpose this waste in a manner that would benefit both our business and the environment.

After spending a year in extensive research and development efforts by the technical team at our Pune plant, we successfully discovered a method to transform the nylon waste into high-quality Nylon Tyre Cord. Being one of the largest consumers of caprolactam in India, we generate in-process waste during manufacturing of nylon yarn. This waste is then recycled back to caprolactam, which, after extensive distillation, is made suitable for production of NTCF, thus making the nylon yarn and tyre sectors more sustainable. The first batch of the green product was shipped in November 2022 to M/s Apollo Tyres and they have recently created a tyre with 75% NTCF, made from our recycled caprolactam.

The response from M/s Apollo Tyres was overwhelmingly positive, as they readily embraced this environment-friendly alternative. They recognized the value in utilizing a product that not only fulfilled their requirements but also contributed to reducing waste and promoting sustainable practices. As a testament to the success of our initiative, we were able to sell an impressive 29 tons of these reprocessed commercial tyre cords.

This accomplishment served as a catalyst for us to further pursue our commitment to sustainability and the circular economy. Encouraged by the positive outcomes, we are determined to amplify our efforts in the upcoming years as we are working on similar developments with MRF and JK Tyres. We will continue to foster innovation and explore additional ways to maximize the reuse of waste materials within our production processes.

## PRODUCT CERTIFICATIONS

We are proud to announce that our greige yarns have received the Global Recycled Standard (GRS) – version 4.0 certification, which is a testament to our dedication towards sustainable practices. This certification highlights our commitment towards preserving natural resources, aligning with our sustainability goals, and meeting the required customer specifications. It also ensures that our greige yarns are made from high-quality recycled materials, which have been sourced ethically and responsibly.

Furthermore, we have received multiple certifications for our Nylon Filament Yarn, including GRS, OEKO TEX® Standard 100, and REACH. These demonstrate that our Nylon Filament Yarn is made from eco-friendly materials that are safe for use and have no negative impact on the environment. Additionally, our Nylon Tyre Cord Fabric has been certified by REACH, which confirms that it meets the strict regulatory requirements for chemical safety.

To maintain the highest standards of quality and accuracy, all our laboratories are accredited by the National Accreditation Board for Testing and Calibration Laboratories (NABL). This accreditation ensures that all tests and results are in accordance with national and international standards, providing our customers with the utmost confidence in our products.





# HUMAN CAPITAL



3 GOOD HEALTH AND WELL-BEING



4 QUALITY EDUCATION



5 GENDER EQUALITY



6 CLEAN WATER AND SANITATION



8 DECENT WORK AND ECONOMIC GROWTH



10 REDUCED INEQUALITIES



With a workforce of over **3,549** individuals, Century Enka's team stands as one of our Company's most valuable assets, propelling us towards our long-term objectives. Despite several headwinds in recent years, the team has demonstrated remarkable perseverance, leading the change in innovation and sustainability to help our Company establish a unique identity. Our aim is to foster a workplace culture that inspires individuals to become an improved version of themselves.

## KEY HIGHLIGHTS



## INTERLINKAGE WITH OTHER CAPITALS



## LINKED MATERIAL TOPICS



Occupational Health and Safety



Employee and Labor Management





## HUMAN RESOURCE MANAGEMENT

Our people have always been a crucial component of our success and a key differentiator that sets us apart from our competitors. As we strive towards improving our human capital, we have embarked on a journey of new possibilities that requires us to redefine our people agenda through collaborative actions. We understand that our people are a valuable stakeholder group, and their input and engagement are essential to achieving our long-term goals.

At the heart of Century Enka's philosophy of participative management is the belief in joint consultations between management and the employees. This collaborative approach

has helped us create a culture of working together, which is deeply rooted in our Company's DNA. We remain dedicated to our people-centric philosophy and will continue to prioritize the well-being, engagement, and development of our employees. We recognize that our success depends on the success of our people, and we will continue to invest in their growth and development. By fostering a culture of collaboration, joint consultations, and community development, we are confident that we will continue to achieve long-term value creation and sustain our position as a leading organization in our industry.



Celebration of 75<sup>th</sup> Independence Day



Total Employees Hired		Number of New Recruits	Total Age Group-Wise
<30	Male	34	37
	Female	3	
30-50	Male	36	37
	Female	1	
>50	Male	3	3
	Female	0	
Total Gender-Wise	Male	73	77
	Female	4	

Total Employee Turnover		Number of Employees	Total Age Group-Wise
<30	Male	10	12
	Female	2	
30-50	Male	28	29
	Female	1	
>50	Male	4	4
	Female	0	
Total Gender-Wise	Male	42	45
	Female	3	

## DIVERSITY AND INCLUSION

The benefits of having a diverse and inclusive workforce cannot be overstated. When employees come from different backgrounds, experiences, and perspectives, they bring a variety of ideas, approaches, and solutions. This enhances the overall capabilities of the organization, promotes a culture of innovative thinking, and helps drive business success.

At Century Enka, we take diversity and inclusion very seriously and view it as a way of life. We believe that everyone deserves fair and equal opportunity, regardless of their age, religion, gender, race, disability. To ensure that our recruitment process is diverse and inclusive, we have implemented measures to promote unbiased and equal opportunity for all candidates.

We support local hiring initiatives and actively seek out diverse candidates. We recognize the importance of providing equal opportunities for underrepresented groups and take measures to enhance their skills, talent, and knowledge to help them achieve their full potential. We provide a supportive and inclusive work environment where everyone feels valued, respected, and able to contribute to their fullest extent.

We are pleased to report that during the reporting period, there were no cases of discrimination. We remain committed to fostering a culture of diversity and inclusion in our workforce, and we will continue to strive towards this goal in the future.

Workforce Diversity									
Sr. No.	Particulars	Total Employees and Workers				Differently-abled Employees and Workers			
		Male		Female		Male		Female	
		No.	%	No.	%	No.	%	No.	%
<b>Employees</b>									
1	Permanent	455	97%	15	3%	Nil	Nil	Nil	Nil
2	Other than Permanent	22	85%	4	15%	Nil	Nil	Nil	Nil
3	Total Employees	477	96%	19	4%	Nil	Nil	Nil	Nil
<b>Workers</b>									
1	Permanent	1120	100%	Nil	Nil	3	100%	Nil	Nil
2	Other than Permanent	1907	99%	26	1%	1	100%	Nil	Nil
3	Total Workers	3027	99%	26	1%	4	100%	Nil	Nil





## LEARNING AND DEVELOPMENT

We believe that investing in the growth and development of our employees is essential for both their personal and professional success, as well as the success of our Company. That is why we have implemented dynamic skill upgradation initiatives that are structured to provide our employees with a wide range of courses to encourage consistent growth.

We also understand the importance of regular performance and career development reviews in helping our employees stay on track and reach their full potential. In fact, in the past fiscal year, **89%** of our total employees received regular performance and

career development reviews, ensuring that they were always aware of their progress and had a clear understanding of their future goals.

As part of our commitment to employee growth and development, we also provide them with a significant number of training hours each year. In FY 2023, we provided following hours of training per year per employee, ensuring that they had ample opportunities to acquire new skills, deepen their knowledge, and continue growing and developing as professionals.

Average Hours of Training	
Workforce Category	FY 2023
Employees (Permanent)	15.40
Workers (Permanent)	15.10

Gender	Skill Upgradation Training *					
	FY 2023			FY 2022 <sup>^</sup>		
	Total Number of Employees	Number of Employees Covered	Percentage of Employees Covered	Total Number of Employees	Number of Employees Covered	Percentage of Employees Covered
<b>Employees</b>						
Male	477	448	94%	426	392	92%
Female	19	15	79%	13	13	100%
Total	496	463	93%	439	405	92%
<b>Workers</b>						
Male	3027	646	21%	3011	742	25%
Female	26	Nil	Nil	24	Nil	Nil
Total	3053	646	21%	3035	742	24%

<sup>^</sup>Total number of male employees and coverage of male as well as female employees as compared to the figures reported in Integrated Report FY 2022, due to the error made in previous reporting which resulted in increase in coverage of employees under skill upgradation training

\* This table includes data for total workforce



## HUMAN RIGHTS





We are guided by the principle of 'Leadership with Trust' and are dedicated to enhancing the quality of life of the communities in which we operate. We conduct our business operations with the utmost respect and dignity, in compliance with all relevant laws and regulations governing human rights. To ensure that our people's rights are respected, protected, and implemented, we have established a Human Rights Policy that prohibits all forms of discrimination, harassment, child labor, forced or trafficked labor.

We are pleased to report that no incidents of indigenous people's rights violations were recorded during the reporting period. We uphold and respect the rights of our workers, and there is no risk to freedom of association or collective bargaining among our operations or suppliers. Our collective bargaining agreement covers permanent workers and unionized contract worker at our Pune unit. We have a rating system in place for permanent workers at our Bharuch facility which helps to provide accurate evaluation of our workers' performance and aids in the appraisal process.



## IDENTIFICATION OF KEY RIGHTS-HOLDERS

We define a rights-holder as a person whose human rights can potentially be impacted by the operations of the organization. Accordingly, the following categories of rights-holders have been identified, namely:

-  Our personnel - which shall mean any person working for, or on behalf of our Company
-  Contract workforce
-  Communities impacted by our Company's operations
-  Consumers/customers of our Company's products and services

We have created the following human resource policies to foster a culture of performance and provide a secure work environment for our employees:

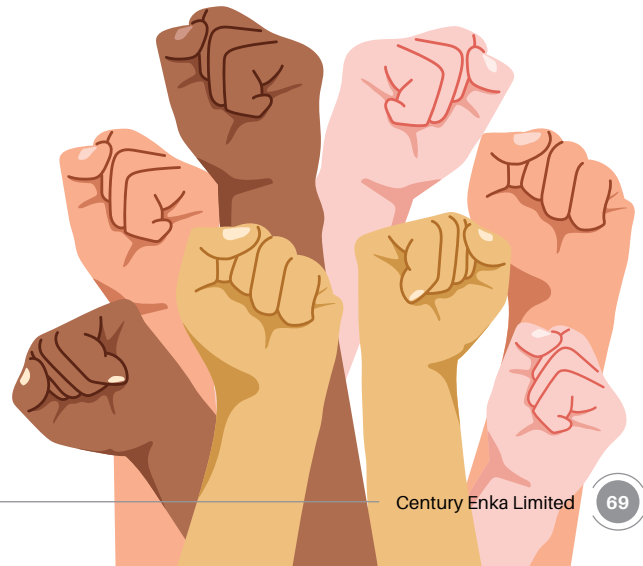
### HUMAN RIGHTS POLICY

### ANTI-CORRUPTION & BRIBERY POLICY UNDER COC

### ANTI-DISCRIMINATION & ANTI-HARASSMENT POLICY

### PREVENTION OF SEXUAL HARASSMENT (POSH) POLICY

### EMPLOYEE WELL-BEING POLICY







## EMPLOYEE WELL-BEING

The well-being of our employees is paramount for us. We have developed a comprehensive Employee Well-being Policy to ensure that every employee feels valued, supported, and motivated at work. One of the primary objectives of our policy is to promote dignity at work. We recognize the importance of creating a respectful workplace where everyone is treated with fairness, courtesy, and respect. We believe that this promotes a positive work culture and helps employees perform at their best.

We also understand that stress can be a significant factor affecting an employee's productivity and overall well-being. Therefore, we have taken measures to create a stress-free work environment. We have implemented stress-management programs and regular workshops to equip our employees with tools and techniques to manage stress effectively. Encouraging employee fitness is another aspect of our Employee Well-being Policy. We believe that a healthy employee is a productive employee. Therefore, we have set up gym facilities at our residential colonies, organize wellness activities such as yoga sessions, and promote regular physical activity to our employees.



To prioritize the mental well-being of our employees, we offer the Making Individuals and Teams Resilient (MITR) training program. This initiative focuses on improving mental health and resilience among our workforces. We are working in collaboration with MPower, an esteemed organization dedicated to mental health awareness. Through our partnership with MPower, we aim to break the stigma surrounding mental health by providing online sessions and resources. These sessions create a safe and confidential space for employees to engage in open discussions and seek expert guidance when needed. By addressing mental health concerns, both within and outside the workplace, we are committed to fostering a supportive environment that empowers individuals to prioritize their well-being.

Category	Percentage of Employees Covered by:						
	Total (A)	Health Insurance		Accident Insurance		Maternity Benefits	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)
Male	455	455	100%	455	100%	NA	NA
Female	15	15	100%	15	100%	15	100%
Total	470	470	100%	470	100%	15	100%

## EMPLOYEE ENGAGEMENT ACTIVITIES







**Appreciation Scheme - Shabash Card Celebration**



**Celebration of Independence Day**



**Yoga Day Celebration Held at Our Bharuch plant**



**Fun Fair Event Organized on Christmas Celebration**



**Annual Men's Cricket Tournament**



**Annual Women's Cricket Tournament**



**Staff Children Birthday Celebration**



**Awards Distribution for Creative Quiz Contest**



**Cultural Event Hosted During Ganesh Utsav**



## RECOGNIZING EXCELLENCE IN THE WORKPLACE

One way to reward exceptional employee performance is through recognition and awards. At our Company, we recognize and acknowledge employees who have demonstrated exceptional engagement in multiple activities carried out in the Company, such as volunteering for charity events, mentoring new employees, or contributing to innovation and process improvement initiatives. The 'Employee of the Year' award recognizes individuals who have consistently demonstrated exceptional performance, initiative, and leadership throughout the year.

In this, the 'Employee of the Year' is invited as the Chief Guest, along with their family members, to our Independence Day and Republic Day ceremonies. The employee is presented with all the honors that are given to specially invited guests, including a formal introduction, award presentation, and a special mention in our Company's newsletter and website.

By recognizing and rewarding exceptional employee performance, we encourage a culture of excellence, motivation, and engagement within our organization. This not only benefits the employees but also contributes to the overall success and growth of our Company.



## RETIREMENT BENEFIT PLANS

At Century Enka, our employee benefit package consists of several components, including the Gratuity Plan, Provident Fund contribution, and Employee State Insurance (ESI). According to the Payment of Gratuity Act of 1972, employees who have completed five years of service are eligible for the gratuity plan, which provides benefits based on their tenure and salary upon retirement. We conduct annual reviews to ensure that our employees receive adequate benefits.



Details of Retirement Benefit Plans (Permanent Workforce)						
Benefits	FY 2023			FY 2022		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/NA)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/NA)
PF	100%	100%	Yes	100%	100%	Yes
Gratuity	100%	100%	Yes	100%	100%	Yes
ESI	4.42%	1.80%	Yes	1.94%	1.03%	Yes

^Change in percentage for FY 2022 as compared to the figures reported in Integrated Report for FY 2022, due to error made in previous reporting which resulted in increase in coverage of employees in retirement benefit plans



## OCCUPATION HEALTH AND SAFETY MANAGEMENT

We have implemented an Occupational Health and Safety Management System (OHSMS) that ensures the consistent identification and control of health and safety risks. This system covers all employees, workers, and temporary workers. Our Company also recognizes that its responsibility towards safety extends beyond our employees and includes visitors, customers, service providers, vendors, suppliers, and those living in the vicinity of its operations. Regular internal audits and external assurance ensure the effectiveness of OHSMS.

We prioritize occupational health and run a dispensary facility that provides 24x7 medical facilities to our workforce and their families. It functions as a clinic and emergency first-aid facility for general medical consultations, preventive care, vaccinations, and treatment for common illnesses and injuries. These clinics also have arrangements with specialists or nearby multi-specialty hospitals for referrals and further medical care if needed at both our plants. All our employees are required to undergo pre-employment medical check-up at the time of their joining, as well as health checkups on periodical basis.

Additionally, we also have tie-ups with health service aggregator for OPD along with pathology and radiology facilities for employees and eligible family members. We cover our employees with health, accident, and term-life insurance to ensure they are protected in case of any unforeseen events.

We also recognize that hygiene and sanitation practices are essential to prevent the spread of diseases and infections. A **Water, Sanitation and Hygiene (WASH) Committee** has been constituted to ensure the availability of safe drinking water, good sanitation practices, and personal hygiene promotion at the workplace. Any suggestions provided by our workers are taken into consideration in WASH committee meetings.

To identify potential process-related hazards, our Company conducts a **Hazard Identification and Risk Assessment (HIRA)** process. Monthly workplace monitoring, monitoring of noise levels, illumination, dust, and fumes are conducted to identify any work-related health impacts. Employees working in high-noise areas undergo audiometry testing.





## PRIORITIZING SAFETY

Our Company's approach to safety is overseen by two key bodies: the Plant Sub Safety committee and the Apex Safety Committee. Our health and safety management system are certified with ISO 45001:2018 which covers all our manufacturing sites including contractors, visitors, and other stakeholders. To ensure that all the approved policies are implemented throughout the organization, we have a rigorous review mechanism in place.

Our Company is committed to achieving **Zero Harm**, which involves implementing six safety strategies: building safety leadership at all levels, improving contractor safety management standards, enhancing hazard identification and risk management competencies, improving road safety, promoting process safety management excellence, and enhancing occupational health and industrial hygiene. We also recognize that leveraging digital and technology is crucial for achieving long-term safety goals.

To incentivize the implementation of these strategies, many financial and non-financial benefits are provided to the enablers of these strategies and their goals are tied to achieving the overall objective of reaching global benchmark levels and Zero Harm by FY 2025. Ultimately, we aim to usher in a new way of working through data-driven decision-making.

For reporting and monitoring of safety-related incidents such as near-misses, unsafe actions and conditions, safety observations, and environmental concerns, we have an internal platform named as '**SURAKSHA**' at both our Bharuch and Pune plants. This allows users to report any unsafe observations made during plant rounds, site visits, or daily activities, as well as accidents. The portal is readily available to all users, enabling them to monitor the status of actions and access a department summary report online.












**National Fire Day Event for Spreading Awareness**

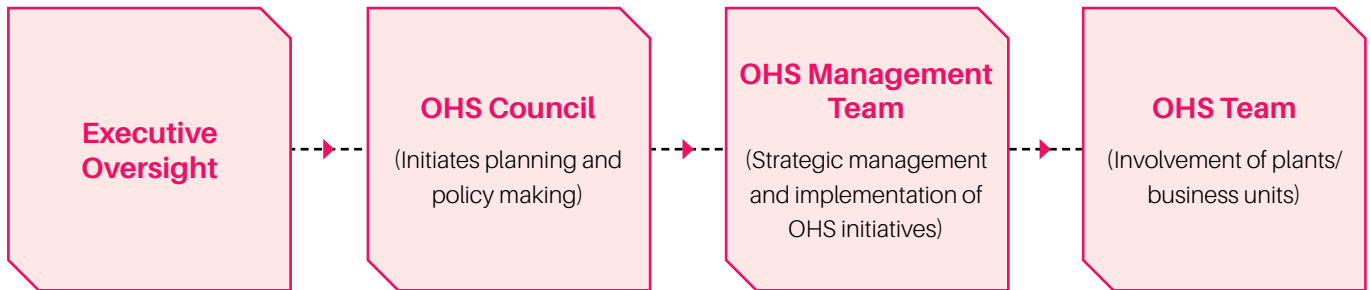


**Mock Drills for Illustration Purposes**

## MAJOR SAFETY INITIATIVES

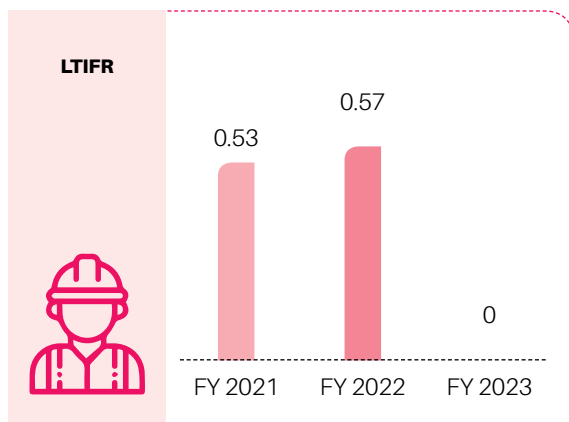
-  Investigating incidents and identifying their underlying causes using Root Cause Analysis (RCA) and online methods
-  Conducting safety audits both internally, between departments, and by third-party auditors
-  Planning and preparing for emergencies
-  Implementing safety procedures such as the Permit to Work System (PTW), Lockout & Tag-out (LOTO), and Daily Toolbox Talk (DTT)
-  Reporting unsafe conditions, near-misses, and safety observations through an online reporting portal
-  Encouraging employee participation and motivation in safety through programs like Safety Suggestions Scheme, bi-monthly Safety Campaigns, and celebrations of National Safety Week, Road Safety Week, National Fire Service Day, No Tobacco Day, and Chemical Safety Day
-  Promoting safety through activities like monthly safety bulletins, accident case studies, and safety leaflets in the local language
-  Ensuring visitor safety through the provision of guidance videos, guidebooks, and personal protective equipment (PPE)
-  Integrating safety into the annual performance appraisal system

## EXECUTIVE OVERSIGHT ON HEALTH AND SAFETY



Occupational Health and Safety					
Particulars	Category	Units	FY 2023	FY 2022	FY 2021
Fatalities	Employees	Number	Nil	Nil	Nil
	Workers	Number	Nil	Nil	2
LTI	Employees	Number	Nil	Nil	Nil
	Workers	Number	Nil	4	3
Occupational Diseases	All	Number	Nil	Nil	Nil
Fatality Rate	Employees	Rate	Nil	Nil	Nil
	Workers	Rate	Nil	Nil	0.36
LTIFR	Employees	Rate	Nil	Nil	Nil
	Workers	Rate	Nil	0.57	0.53
Occupational Diseases Rate	All	Rate	Nil	Nil	Nil
Total Manhours Worked	Employees	Hours	10,10,803	9,49,647	8,25,215
	Workers	Hours	66,91,874	70,37,337	56,25,317

^ Change in manhours worked for FY 2022 and FY 2021 as compared to the figures reported in Integrated Report for FY 2022, due to error made in previous reporting which resulted change in values of LTIFR and Fatality rate for both years



Achieving Zero Loss Time Injury Frequency Rate (LTIFR) is a result of continuous effort in reporting and rectifying near-misses, unsafe conditions, and safety observation.







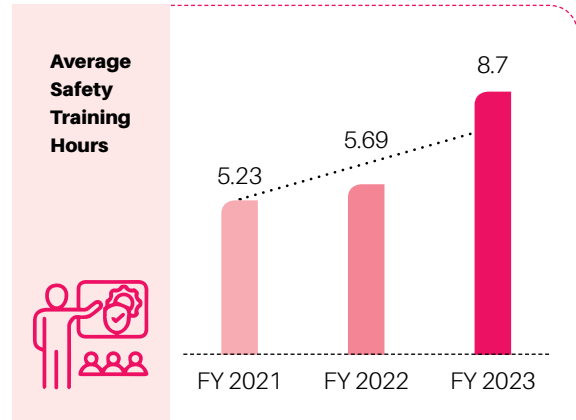
## SAFETY TRAININGS

Our Safety Committee oversees the implementation of the OHSMS and conducts safety trainings and awareness programmes for employees. At the departmental level, the Departmental Safety Committee is responsible for ensuring safety, while the Central Safety Committee makes decisions related to OHSMS at the organizational level. The committee has an equal representation of workers.

To promote safety awareness, we circulate safety manuals, health guides, fire manuals, and general guidelines for employees, workers, and visitors on our Company premises. The Occupational Health Prevention Guide, which is available in English & regional language is circulated to all levels of employees and workers. Our Company actively engages with our employees on safety-related matters and incorporates their suggestions and concerns. The employees and workers are involved in Hazard Identification and Risk Assessment (HIRA), Job Safety Analysis (JSA), and Hazard and Operability Analysis (HAZOP) initiatives.

The workers are also involved in accident investigation and Root Cause Analysis, Safety Committee, contests and competitions, and the development of a risk management plan. Safety training is a crucial component of creating a safe and healthy work environment. We conduct various training sessions for employees at all levels to ensure that safety is integrated into their work practices. These sessions help employees recognize potential hazards and take preventive measures to mitigate risks.

In our opinion, safety training is an essential part of a secure and healthy working environment. With the help of such initiatives, our personnel can identify potential hazards and take preventive action. We ran different safety training programmes over the reporting period such as electrical safety, chemical safety, mechanical safety, process safety, on-job training, behavior-based safety and firefighting programs.



## HAZARD IDENTIFICATION AND RISK ASSESSMENT

We perform routine worksite inspections and risk identification studies, such as safety audits, job safety analysis, and hazard identification and risk assessment (HIRA), to detect potential hazards related to work activities. Additionally, we conduct daily safety sampling to identify any unsafe conditions or actions at the site. Our hazard assessments have identified several types of work-related hazards, including those related to chemical handling, noise, machinery, ergonomics, and electricity. A detailed breakdown for the types of hazards is provided below:



### IDENTIFIED OCCUPATIONAL HAZARDS

#### Physical

(These include general physical hazards like noise, bad smell, cold and particulate contaminate hazards such as dust, fumes aerosol)

#### Ergonomic

(These hazards happens because of improper work station design, heavy manual lifting, and from poorly design tools and equipment)

#### Chemical

(These hazards occur due to carcinogenicity, mutagenicity, toxicity, corrosiveness and chemical burns, sensitizers to skin or other organs)

#### Biological

(These hazards include health issues due to virus, bacteria, pathogenic microorganisms, fungus and biomedical waste)

## Hazard Identification Process

The HIRA sheet lists all work activities, both routine and non-routine. Based on the risk rating, appropriate control mechanisms are put in place. We have a step-by-step method for determining risk:



We have implemented safety engineering controls, acoustic barriers, sound absorbers, fall arresters in all areas where work is done at a higher level, and 100% of our plants and offices have been assessed by entity itself.



# SOCIAL AND RELATIONSHIP CAPITAL

3 GOOD HEALTH  
AND WELL-BEING



4 QUALITY  
EDUCATION



5 GENDER  
EQUALITY



6 CLEAN WATER  
AND SANITATION



8 DECENT WORK AND  
ECONOMIC GROWTH



9 INDUSTRY, INNOVATION  
AND INFRASTRUCTURE



10 REDUCED  
INEQUALITIES

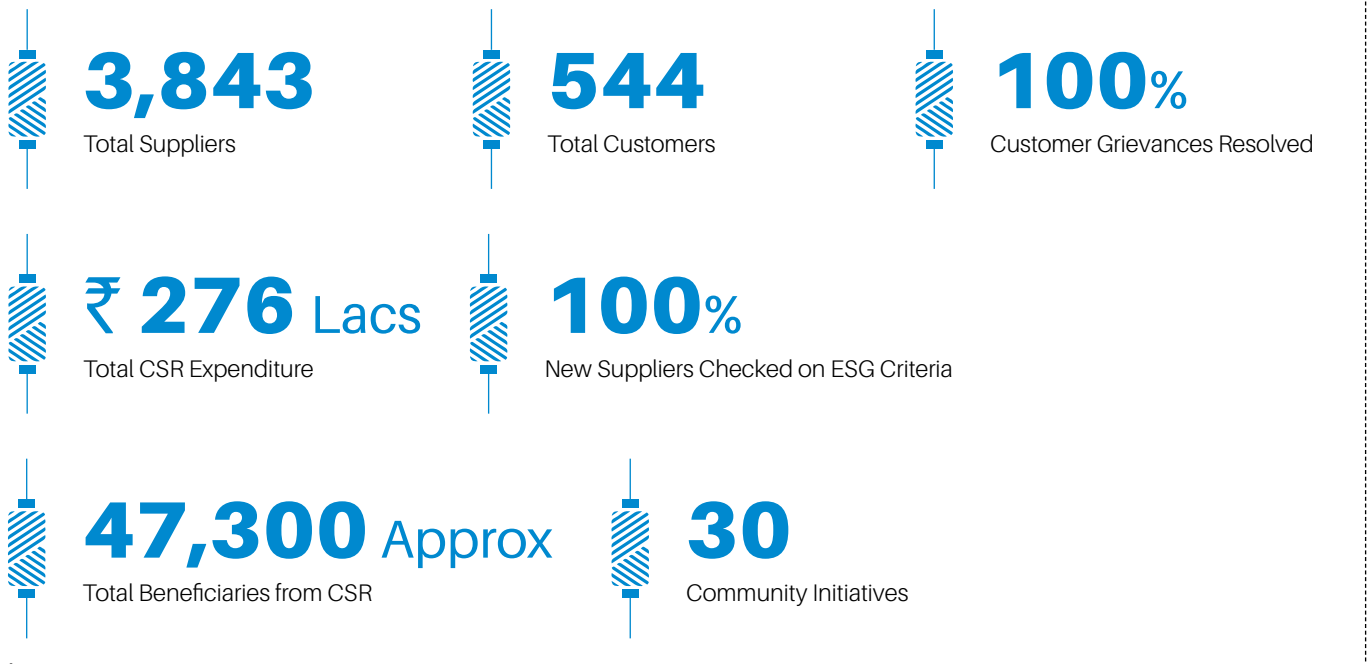


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CONSUMPTION  
AND PRODUCTION

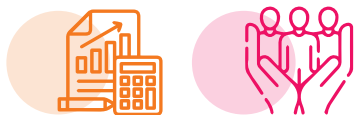


Establishing and maintaining long-term relationships with our stakeholders is crucial for our sustained growth. We prioritize building partnerships based on mutual trust, respect, and shared benefits, which serve as the fundamental pillars of our robust stakeholder relationships. This approach safeguards us against unfavorable economic and business cycles.

## KEY HIGHLIGHTS



## INTERLINKAGE WITH OTHER CAPITALS



## LINKED MATERIAL TOPICS



Customer Centricity



Community Development

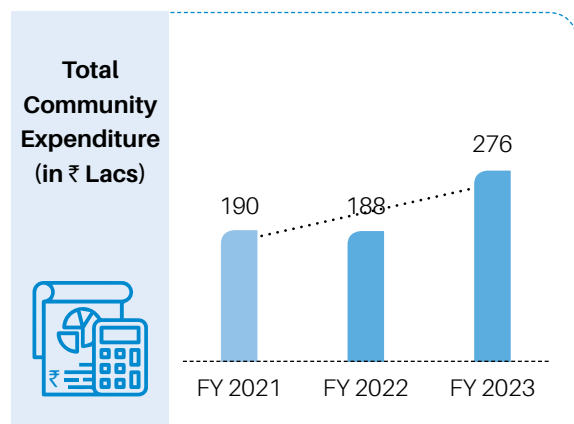


Supply Chain Management



Our CSR Policy has been developed with a key focus on uplifting communities. Our social efforts span across areas such as health, education, livelihood, infrastructure, and environmental protection. To ensure a comprehensive approach, we execute these initiatives either directly or through charitable trusts, NGOs, local government authorities, or civil societies based on project requirements.

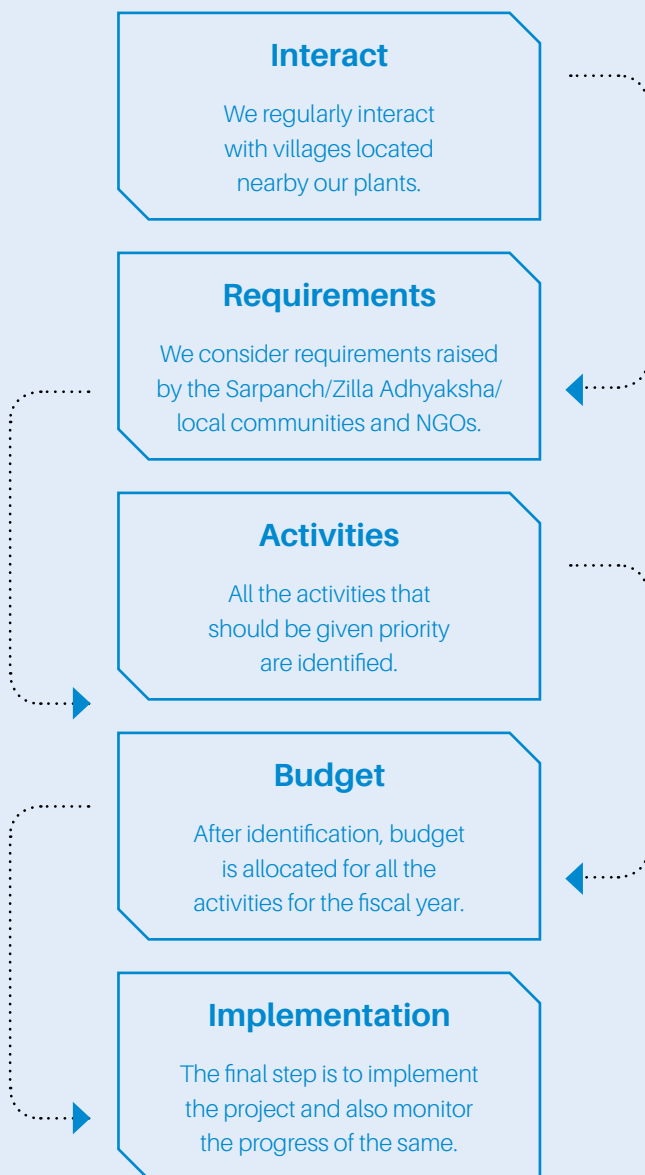
We have chosen villages in the immediate vicinity of our plant locations as our priority focus areas. We also have a provision for expansion of our programs to include villages and districts which are far from our priority focus areas. Our CSR Committee and Board ensure timely follow-ups and monitor all CSR projects through a well-defined monitoring mechanism.



## INVESTING WITH PURPOSE

At our Company, we recognize the importance of measuring the impact of our initiatives on stakeholders. We regularly interact to gather information and assess the effectiveness of our community initiatives. We understand that this is an ongoing process, and are committed to continuing to evaluate our impact in the future.

To ensure that we capture feedback from all relevant parties, we have established a well-defined process for identifying key stakeholder groups for each of our community initiatives. This process involves carefully considering different groups of people who may be impacted by our initiatives and making a concerted effort to engage with them throughout the process.







Major projects covered under the community engagement initiatives are highlighted below.

## EDUCATION:

Education is an essential aspect of community development, as it empowers individuals to acquire the skills and knowledge necessary to advance their lives and contribute positively to the society. Education continues to be our Company's priority focus area in terms of community development programs. This includes construction of educational facilities, training program for teachers, providing learning materials, and promoting literacy. Some of our key highlights in this area during the year and their impact are given below:



Initiatives	Impact
Total Expenses	₹ 43.3 Lacs
Total Beneficiaries	5,504 People
Sikshasathi Project	 <p>This initiative was launched to overcome the scarcity of teachers in the schools situated in remote villages. A total of 45 teachers were empaneled for 36 schools in the Narmada District in the current fiscal year. Our Company will provide for the salaries and benefits for these 45 teachers. This initiative has not only helped generate local employment for them but also benefited the schools and their students. A total of 3,279 students are expected to benefit from this initiative.</p>
Kanya Kelavni and Praveshutsav Project	 <p>This project covered around 20 schools and 15 anganwadis. We provided for stationery items such as school bags, water bottle, notebooks, compass boxes, compass kits, slates, pencil boxes, drawing books, pens to around 1,500 students.</p>



### Poshanvahini Project



The Poshanvahini Project was launched to strengthen the Anganwadi centers through engagement of one additional helper to overcome the shortage of helpers. This supported the fight against malnutrition in children. The project also helped in spreading awareness among villagers and convinced them to send their children to these centers for proper education. Secondly, it helped in providing employment to 50 women from the tribal area. Around 650 children benefited from this initiative and around 83 children recovered from malnutrition.

### Financial assistance (supply of steel) for construction of residential building for orphan students






Through this project, we contributed towards the construction of building for residence, dining hall, and study room to M/s. Shehwan a charitable trust providing free education to children whose parents had committed suicide due to draught in Vidharbh and Marathwada region of Maharashtra. Upon completion of this project, around 75 students will have access to basic life ammenities.

## HEALTHCARE:

The availability of quality healthcare services is important for the well-being of individuals and development of communities. Developing healthcare infrastructure, training healthcare professionals, and providing essential medical supplies and medicines are critical to the progress of the healthcare sector. Some of our key highlights in this area during the year and their impact are given below:



Initiatives	Impact
Total Expenses	₹ 8.36 Lacs
Total Beneficiaries	2,204 People
Support for Improving Women's Hygiene	 <p>We undertook this initiative to spread awareness about women's hygiene and support this cause by providing a year's supply of sanitary napkins. This benefited around 1,490 women from 7 villages – Bamalla, Kaliyapura, Tavadi, Shir, Raysingpura, Vali, and Dabhal of the Narmada District.</p>
Nutrition Support for Eradication of Tuberculosis (TB)	 <p>Tuberculosis (TB) is still affecting many lives in the tribal and rural parts of our country. Providing timely awareness and proper nutrition can help eradicate TB from our society. We supported this cause by providing government-prescribed nutrition kits to around 714 patients in Jhagadia and Netrang Taluka, out of which ~17% patients recovered during this year.</p>  <p>We also received special appreciation and certificate from the Chief District Health Officer of Gujarat for being the biggest supporter of 'Pradhan Mantri TB Mukta Bharat Abhiyan.' It is a campaign to mobilize and render community support for those with TB, with the aim of completely eradicating the disease by FY 2025.</p>







## ACCESS TO WATER:

Access to clean water is vital to human life and community development. Lack of access to clean water may result in the spread of water-borne diseases, poor sanitation, and limited agricultural productivity. Developing and maintaining clean water sources, constructing water storage and distribution systems, and implementing proper water management practices are all crucial elements of the development of this sector. Some of our key highlights in this area during the year and their impact are given below:






Initiatives	Impact
Total Expenses	₹ 7.63 Lacs
Total Beneficiaries	11,500 People
Drinking Water Facility - Chiller	 <p>A highly advanced and high-capacity water chilling plant was installed in Umalla village, which will help the village with the basic requirement of availability of clean drinking water. Around 10,000 people are expected to benefit from this initiative.</p>
Diesel Generator for Water Supply in Bamalla village	 <p>A 35-KVK Diesel Generator Set and DG Trolley was installed in Bamalla village for providing continuous supply of water for day-to-day household activities. This initiative is expected to help around 1,500 people of the village.</p>

## RURAL INFRASTRUCTURAL DEVELOPMENT:

Developing rural infrastructure is crucial for the overall growth and development of a community. This includes constructing roads and bridges, providing electricity and communication services, and building markets, schools, and health centers. Improvement in this sector can enhance the accessibility of essential services and create opportunities for economic growth and social development. Some of our key highlights in this area during the year and their impact are given below:



Initiatives	Impact
Total Expenses	₹ 37.05 Lacs
Total Beneficiaries	15,300 People
Developed Community Hall	 <p>We have supported the Gram Panchayat of Shir village in constructing a community hall, which will be used for multiple purposes by the people of Shir village. This is expected to help around 1,800 people to conduct various events.</p>
Toilet Construction for Public Use	 <p>We donated funds to help Rajpardi village build a public toilet, which will enable the community to provide access to clean toilet/urinals. Around 12,000 people are expected to benefit from this facility.</p>
Construction of Culvert with Hume Pipe	 <p>We helped built a culvert bridge with hume pipes at Raysingpura village to improve transportation for locals during rainy season. Around 1,500 villagers are benefiting from this project.</p>





## BUILDING RELATIONSHIPS WITH CUSTOMERS

Our approach to customer engagement involves working collaboratively to provide solutions that meet the evolving needs and requirements of our customers. We maintain regular interactions with both dealers and customers to gain a deep understanding of their preferences and continuously strive to meet them. Our primary objective in engaging with customers is to enhance their experience by offering top-quality products and related services through various modes such as personal meets, participation in exhibitions and trade fairs, direct mailers giving information about our product range, new products. To gauge customer satisfaction, we conduct semi-annual surveys that cover various aspects including quality, pricing, after-sales service, and product availability. Our customers are aware of sustainability and its importance, and to meet their expectations, we shall be ensuring a circular model in handling our material. We are glad to declare that we have not faced any incidents of non-compliance with regards to the health and safety of our product. As a responsible organization, we are accountable for our customers' safety and awareness.

For NFY, our customer technical sale team conducts personal visits to gather feedback regarding any quality issues experienced by customers. They promptly offer solutions whenever feasible and collect samples (yarn, fabric) for further analysis, as needed. Additionally, the necessary improvements are also communicated to the production team. We have also implemented a customer grievance redressal mechanism to understand and maintain a procedure for handling customer complaints and taking timely action to resolving them. Our continuous efforts in ensuring customer centricity in our processes are supported by structured mechanisms, policies, and guidelines. This mechanism handles all complaints intimated by the customer in Nylon Filament Yarn, Nylon Tyre Cord, greige fabric /yarn / Dipped fabric divisions. Also, we believe that safeguarding customer privacy can help us maintain trust and increase brand and market value. We have developed a privacy policy to protect user's data. No complaints were received with respect to data privacy during the reporting period. We receive rating by our critical customers of NTCF.

As a Company committed to upholding ethical and social responsibilities, we understand that the safety and awareness of our customers is of paramount importance. Being part of the industry where products are highly customizable, our labelling process is also customized according to the customer's requirement and designed to provide our customers with all the relevant information they need to make informed decisions about the products. We believe that this approach empowers our customers to make the best choices for themselves.

To mitigate the risks associated with manual labeling processes, we have implemented a fully automated labeling system. This ensures that all products are accurately and efficiently labeled, with minimal human involvement. Additionally, our environment-friendly product, manufactured using recycled caprolactam waste and known as green polymer chips, is packaged and labeled in distinctive green packaging. This helps to put it in the category of a green product. This approach not only helps us maintain consistency in labeling across our product range but also minimizes the chances of errors or discrepancies. We take great pride in reporting that our Company has received no concerns regarding the accuracy or completeness of our product information and labeling during the reporting period.



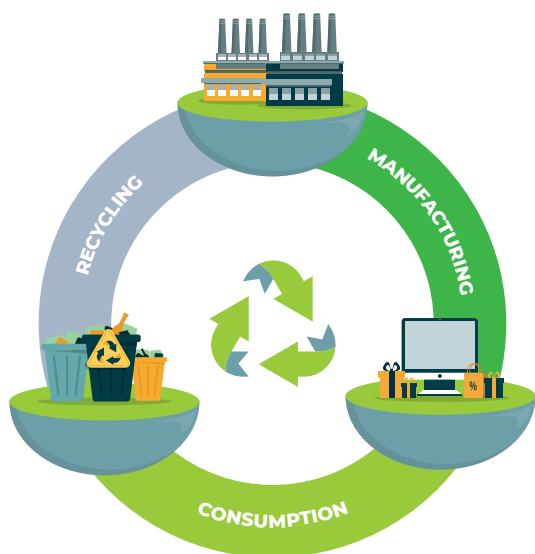
## BUILDING A SUSTAINABLE SUPPLY CHAIN

We are making continuous efforts to implement sustainable practices in our supply chain. We are dealing with various types of suppliers, including vendors for chemicals, fuel, and packaging materials. Currently, our Company has a total of **3,843** suppliers, out of which **430** were added during the current reporting period.

We have initiated a process to evaluate supplier based on ESG criteria and integrated this into our vendor registration procedures. We also reviewed our critical suppliers to ensure their services and products comply with our own and our clients' standards and certifications (such as ISO). We are currently developing an action plan to address any significant environmental damage in our supply chain.

Our Company is also taking steps towards recycling plastic as a process innovation in our supply chain. This initiative is expected to have a positive impact on the environment, as plastic waste is a significant problem globally. Furthermore, our Company assesses our critical vendors bi-annually and a complete supplier audit is done every alternate year based on performance parameters such as delivery, quality, and support in times of mishap. This collaborative approach ensures that our Company maintains high quality standards and provides reliable support to our customers.

Throughout the fiscal year, we have placed greater emphasis and resources on the localization and domestic production of various purchasing categories such as raw materials, spares, and consumables. This strategic move was implemented to mitigate macroeconomic risks.





# NATURAL CAPITAL



6 CLEAN WATER  
AND SANITATION



7 AFFORDABLE AND  
CLEAN ENERGY



12 RESPONSIBLE  
CONSUMPTION  
AND PRODUCTION



13 CLIMATE  
ACTION

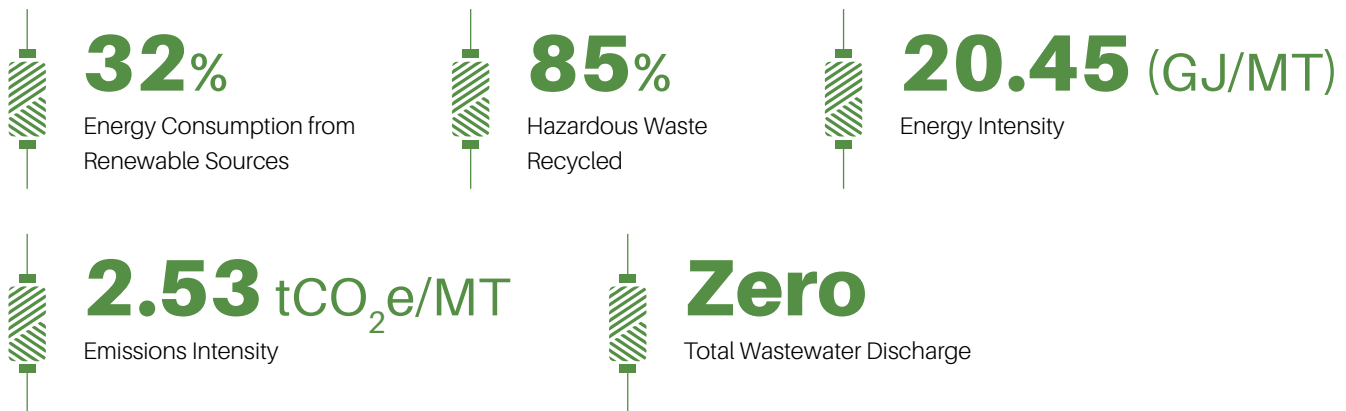


15 LIFE  
ON LAND



At Century Enka, we are committed to monitoring and minimizing the impact of our operations on the environment. To achieve this, we have implemented strict systems, processes, and controls across all our units. Our top priorities include the adoption of cutting-edge technologies, proper waste management, responsible sourcing for critical supplies, responsible resource allocation, energy-saving measures, and other similar initiatives.

## KEY HIGHLIGHTS



## INTERLINKAGE WITH OTHER CAPITALS



## LINKED MATERIAL TOPICS



Waste Management



Water Management



Energy Management



Corporate Governance and Compliances



## RESOURCE OPTIMIZATION

The synthetic yarn industry plays a crucial role in economic development. However, the process of yarn making involves a significant number of resources which can result in adverse environmental impact due to the release of emissions and effluents. We are dedicated to using the most efficient production methods to reduce waste generation and minimize our negative impact on the environment.

Our approach to managing natural capital involves various strategies, such as transitioning to low-carbon methods, reducing our dependence on freshwater consumption, controlling pollution, maximizing the value we derive from waste, and exploring opportunities in the circular economy across our value chain. We strive for operational excellence by adhering to the 'Reduce, Reuse and Recycle' approach.

We continuously invest in upgrading our manufacturing facilities and establishing best-in-class facilities that meet the highest environmental standards. Our Company has implemented environmental management systems and both the plants comply with ISO 14001:2015 and ISO 9001:2015 standards. This provides a framework for managing compliance and improving our environmental performance. In FY 2023, we invested ₹ 15 Crs for installation of reverse osmosis (RO) unit in Bharuch plant to upgrade our water management system and incorporating circular economy principles.



## MATERIAL MANAGEMENT

Material management encompasses the acquisition, purchasing, storage, and effective utilization of both direct and indirect materials within the manufacturing process. In our specific case, our primary raw materials consist of caprolactam and nylon chips, with a total consumption of **62,595** metric tons during the reporting period. We are actively aware of the importance of employing alternative raw materials to minimize the reliance on virgin resources. By doing so, we aim to significantly decrease our environmental footprint in terms of energy consumption, pollution, and waste disposal.

## RAW MATERIAL CONSUMPTION

	Caprolactam (in MT)	Nylon Chips (in MT)
Total	32,863	29,732

We have also recycled **1,342** MT of caprolactam waste, which can be reused to make Nylon chips for internal consumption and exports.

## SUSTAINABLE PACKAGING

We currently use old paper tubes and plastic as packaging material, and to reduce paper consumption, we have been requesting our critical suppliers to send back the packaging materials so that it can be reused. During the reporting period, we actively sought alternative packaging solutions to replace the plastic and paper tubes. We have started experimenting with transparent biodegradable bags, which have less microns to increase product visibility. If we are successful in finding acceptance with our customers for the new packaging solution, we will be able to replace paper tubes and plastic with biodegradable bags. We have set an ambitious goal of achieving Zero Waste to Landfill by FY 2030 and are taking proactive steps towards achieving this target.





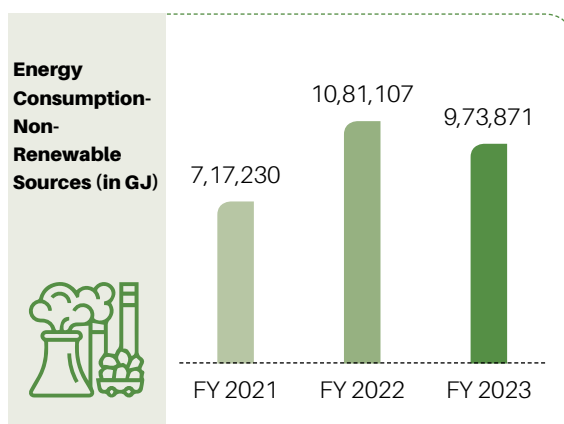
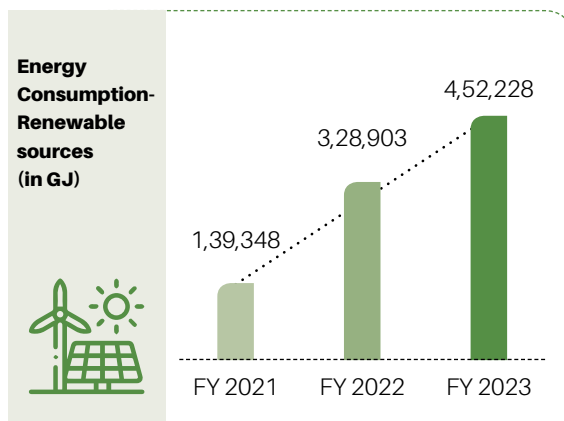
## ENERGY MANAGEMENT

Energy plays a vital role in conducting our business operations. The global economy heavily relies on fossil fuels. It is imperative for businesses to have a continuous and clean energy supply. As a responsible organization, we have actively embraced cleaner fuel alternatives to support both national and international sustainability objectives. We are dedicated to employing highly efficient production methods that contribute to energy conservation. Additionally, we are focused on reducing our greenhouse gas emissions by prioritizing the use of renewable energy sources and enhancing energy efficiency. To ensure transparency and accountability, we have implemented meticulous monitoring and reporting systems in each of our business sectors. These systems enable us to accurately track and analyse our energy consumption. By utilizing this comprehensive data, we can identify areas with high energy usage and implement tailored strategies and initiatives for further reductions.

We have taken a proactive approach towards meeting our energy demands by utilizing a combination of renewable and non-renewable sources. The steam that is purchased is generated through renewable sources like biomass (briquette). In addition, our Company also uses non-renewable energy sources such as purchased electricity, LNG, LDO, and HSD. However, we are continuously striving to find more energy-efficient ways to reduce our dependence on fossil fuels.

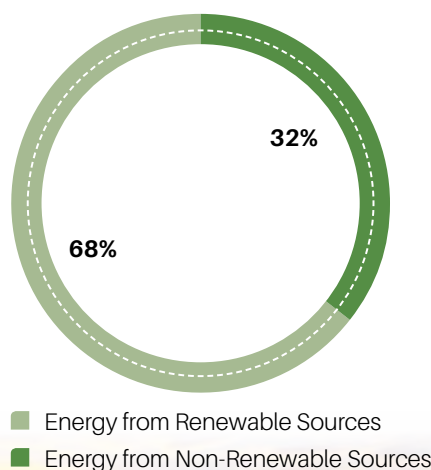
To ensure that the energy-saving projects are effective and efficient, we have set up an Energy Conservation Cell, which sets the internal targets and monitors the projects closely. Our Company has also considered the total fuel consumption from all sources, including renewable and non-renewable, as well as energy consumed through heating, cooling, and steam purchased for consumption, and self-generated energy.

Our total energy consumption for the reporting period stood at **14,26,099 GJ**, with **32%** of it derived from renewable sources. This highlights our Company's commitment towards sustainable energy practices and reducing its carbon footprint. By utilizing a combination of both renewable and non-renewable sources, we are taking a balanced approach towards meeting our energy demands while also prioritizing sustainability.



^ Change in numbers of renewable and non-renewable sources of energy consumption for FY 2022 and FY 2021 as compared to the figures reported in Integrated Report for FY 2022, due to error made in previous reporting which resulted in change in values of total energy consumption figures for both years

### FY 2023 Energy Consumption





## ENERGY EFFICIENCY

We are committed to improving energy efficiency by implementing various measures such as process improvements and investments in new technologies. To achieve this objective, our Company initiated numerous energy-saving projects at Bharuch during FY 2023. These projects included elimination of multiple cooling tubes by converting pneumatic to mechanical system, steam consumption optimization by isolating idle headers, optimizing power of IY Barmag-2 machines.

We invested a total of ₹ 81.4 Lacs in these projects, which helped in saving 4,632 kW/day of energy. This translates to an annual energy saving of ₹ 203.6 Lacs. The implementation of these energy-saving measures has not only helped our Company to reduce its energy costs but has also contributed towards reducing its carbon footprint by 20 tCO<sub>2</sub>e as energy consumption was reduced by 6,086 GJ.

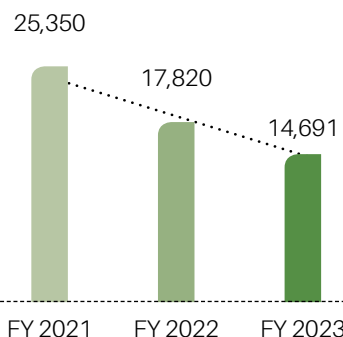
Both the plants have implemented various fuel-saving and electricity-saving initiatives. We are committed to a greener future through implementation of such measures.

## EMISSIONS MANAGEMENT

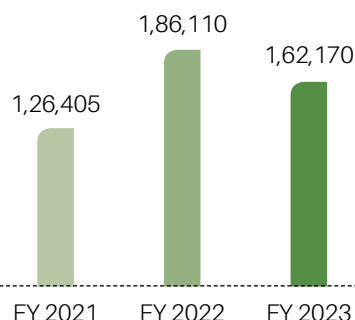
We firmly believe that climate change is a crisis and businesses around the world recognize this. Our constant endeavor is to make our processes clean and less impacting on the surrounding environment. We are adopting eco-friendly materials and processes which not only help in reducing our carbon emissions but also helps to reduce our emissions of harmful gases like SO<sub>x</sub> and NO<sub>x</sub>, and solid particulates (PM<sub>2.5</sub> & PM<sub>10</sub>).

We have also made investments in technology for producing renewable energy, such as a boiler that generates steam using briquettes, which helps to reduce our carbon emissions. We closely monitor ambient air quality and stack emissions to make sure the results are within the State Pollution Control Board's (SPCB) predetermined range.

### Scope 1 Emissions (in tCO<sub>2</sub>e)

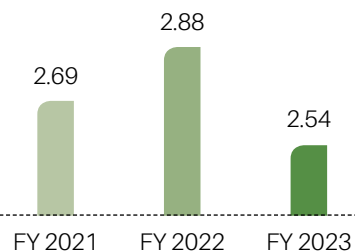


### Scope 2 Emissions (in tCO<sub>2</sub>e)



^Change in numbers of scope 1 & 2 emissions for FY 2022 and FY 2021 as compared to the figures reported in Integrated Report for FY 2022, due to error made in previous reporting which resulted in change in emissions/carbon intensity for both the years

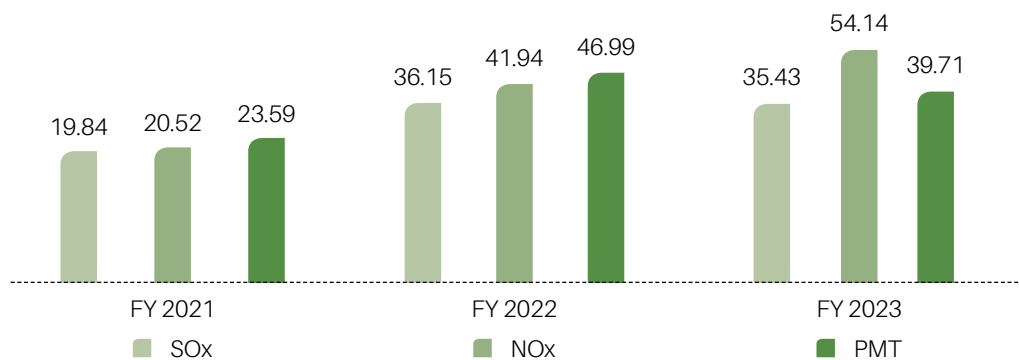
### Carbon Intensity (in Total Emissions/ MT)



We recognize the importance of clean air for everyone and strive to minimize our air emissions in the communities where we operate. A key strategy in achieving this goal has been the implementation and maintenance of advance air pollution control equipment. To remain current with the latest pollution control technology, we also monitor global developments closely. To consolidate data captured from all locations, environmental key performance indicators (KPIs) have been digitized and unified on an environment canvas, creating a reliable and consistent source of information. Online audits, a unified dashboard, and real-time measurements are utilized to gain valuable insights.



#### Air Emissions (in MT)



^Change in numbers of NOx, Sox, & PMT for FY 2022 and FY 2021 as compared to the figures reported in Integrated Report for FY 2022, due to error made in previous reporting

## EMISSIONS REDUCTION

Our objective is to achieve Net Zero GHG emissions by FY 2050, by setting targets for reducing greenhouse gas emissions. We have set an ambitious emissions reduction goal i.e., **by FY 2025, reduce CO<sub>2</sub> emission by 25%, against baseline of FY 2019.** To achieve this target, we are focusing on increasing the proportion of renewable sources in our energy consumption resultant of which our energy consumption from renewable sources increased by 37.5% as compared to last reporting period.





## WATER MANAGEMENT

Water conservation is becoming increasingly important due to several factors such as the depletion of clean water sources, a reduction in water tables, and rising demand from both residential and industrial sectors. Water is becoming a more expensive resource. While water consumption during spinning and weaving is minimal, textile wet processing operations use a significant amount of it. This large amount of water also generates huge quantity of effluents, which contain suspended solids, dissolved substances, and chemicals.

To address this issue, we use the approach of reduction at source as much as practically possible, by identifying the root of the problem, de-bottlenecking and eliminating discharge. And along with a fully functional effluent treatment plant (ETP), both our plants are already at Zero Liquid Discharge (ZLD). We have also installed an RO plant at Bharuch in the current reporting period. We are pleased to share that we will be able to reduce 365 m<sup>3</sup>/day freshwater consumption after running

of RO plant in Bharuch. The focus of this unit is to reduce wastewater generation and produce clean water that can be reused for many purposes. This approach saves money and is beneficial for the environment. As a result, our both plants have zero wastewater discharge.

We have decided to work aggressively towards **reducing 40% of our total water consumption by FY 2025 from the baseline of FY 2019**. We are progressing at a great pace and have already achieved a 35% reduction from the base line. The Pune plant relies on municipal water supply, while the Bharuch one uses groundwater as its primary source of water. In FY 2023, both plants consumed a total of **7,85,142** Kiloliters of water. By implementing water conservation measures, we have been able to reduce the environmental impact and contribute to the conservation of this precious natural resource.

## REUSING BURNOUT WASTEWATER

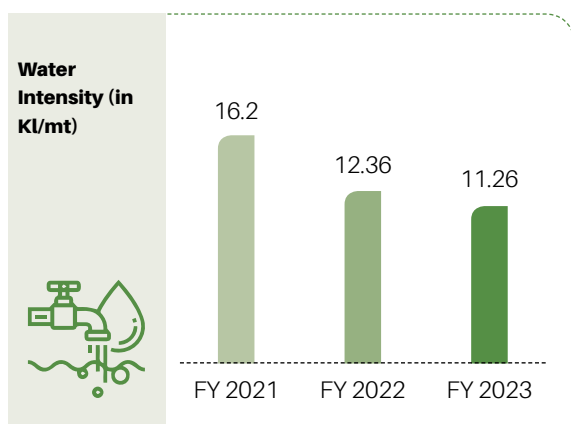
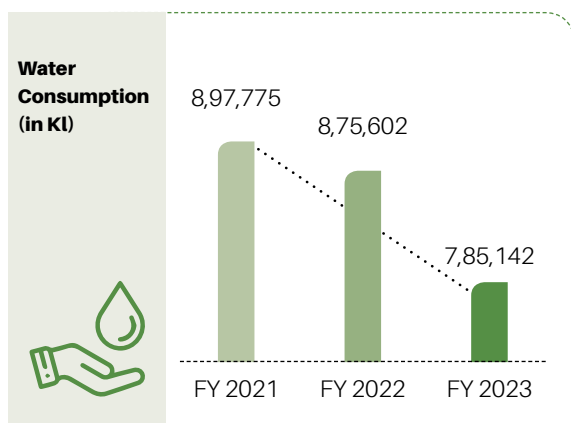
Before the recycling system was put in place, the burnout section of the Spinning Plant at Bharuch required around 35-40 m<sup>3</sup>/day of fresh water for cleaning the Spinneret. The contaminated water resulting from this cleaning process was directly sent to the ETP for treatment. However, after analysing the quality of the wastewater and considering the use of fresh water, it was determined that the wastewater from Spinneret cleaning could be reused repeatedly for the same purpose until it became sufficiently contaminated. Following a successful trial at the section level, it was decided to implement this idea.

To facilitate the recycling of the contaminated water for the same purpose, an underground Burnout Wastewater Collection tank was prepared. The wastewater generated from Spinneret cleaning in the Burnout section is now collected in this tank. The water is then used for Spinneret cleaning in the Burnout section, and this recycling process continues until the water becomes maximally contaminated. Subsequently, the water is transferred to the ETP. Currently, the section only requires freshwater for rinsing the spinneret after proper cleaning with the contaminated water. As a result, the daily generation of wastewater is now approximately 3-4 m<sup>3</sup>/day.

By implementing this recycling approach, we not only save around 30-35 m<sup>3</sup>/day of fresh water but also reduce wastewater generation. This ultimately lowers the cost of wastewater treatment and the amount of sludge produced, regardless of the reduced quantity.







^Change in numbers of water consumption for FY 2022 and FY 2021 as compared to the figures reported in Integrated Report for FY 2022, due to error made in previous reporting

## SUPPORTING BIODIVERSITY

As a manufacturing organization, it is important for us to recognize the role that businesses play in maintaining a healthy ecosystem and conserving biodiversity. We understand the threats posed to the environment by overutilization, increasing populations, and rising demand for land and resources. To maintain a balance in the ecosystem, it is necessary to preserve existing biodiversity and ensure that manufacturing operations are well within permissible limits, without posing any threat or environmental damage to the biodiversity around manufacturing locations.

We have taken various steps to mitigate the impact of our operations on the surrounding ecosystem. Our Pune plant is located outside a protected area but does not have any significant negative impact on the biodiversity surrounding it. Additionally, the manufacturing activities at both Pune and Bharuch are not closely linked or directly dependent on the biodiversity regions around the plants.

The organization conducts plantation activities and green belt development, with 52% of total land under the green belt at Bharuch unit. This promotes ecosystem restoration and helps maintain a healthy environment. In addition to these efforts, we continued to celebrate the World Environment Day during the year with our theme of 'Ecosystem Restoration' by conducting a plantation drive of fruit trees inside the factory premises. There are a total of 23,364 trees in both our plants.



**3D Map view of Bharuch Plant**

Our commitment to sustainability and biodiversity conservation serves as an example of responsible business practices and ensuring a sustainable future for the planet.



**Tree Plantation Drive Conducted on Environment Day at Pune Plant**





## RECHARGING BOREWELLS

The installation of 19 recharging borewells with a depth of 80 meters is a significant initiative that aims to enhance the sustainability of the Bharuch plant's water management system. The primary objective of this initiative is to recharge the groundwater by harvesting rainwater.

The borewells are designed to have a water intake capacity of approximately 200 liters per minute, which means that they can extract large volumes of water from the surrounding area. This extracted water is then used to recharge the groundwater in the vicinity of the borewell.

Due to the installation of these borewells, the Bharuch plant has been able to significantly increase the amount of water that is recharged into the ground. In total, all 19 borewells combined will be able to recharge groundwater by an impressive 246,240 cubic meters.



## WASTE MANAGEMENT

We are committed to sustainable operations by minimizing the amount of waste generated and maximizing its reuse and recycling. The approach adopted by our Company is to reduce, reuse, and recycle. We adhere to all the necessary regulatory requirements of the State Pollution Control Board (SPCB) when disposing of the waste generated from its operations. The handling of hazardous waste is of utmost importance to us, and we observe all safety rules when treating and disposing of such waste. Hazardous waste such as plastic, liners, bags, and drums are given to registered recyclers, while insulation waste is sent to a secured landfill.

Overall, our waste management practices reflect our commitment to sustainability and responsible operations. By adopting a reduce, reuse, and recycle approach, we aim to minimize our environmental impact while complying with all necessary regulations.

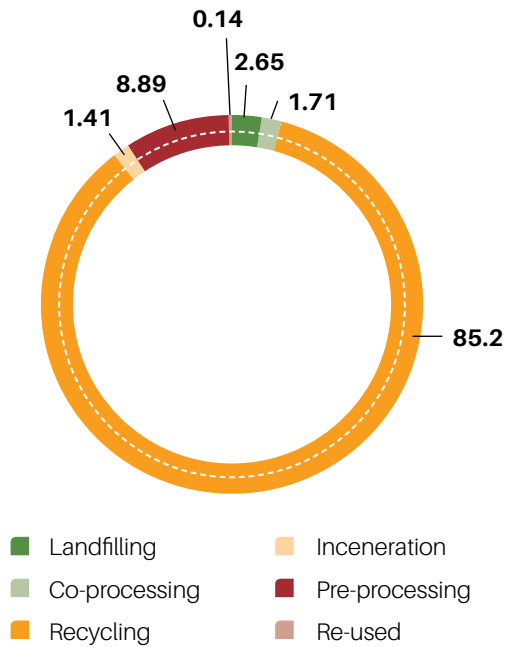
Waste Generated (in MT)			
Waste Category	FY 2023	FY 2022	FY 2021
Hazardous Waste	2,829.54	2,703.17	2,238.04
Non-Hazardous Waste	17,993	10,689	3,947

Waste Directed to Disposal (in MT)			
Waste Disposal Method	FY 2023	FY 2022	FY 2021
Incineration	39.83	22.74	287.27
Landfill	75.05	166.74	165.09
Other Disposal Operations (Boiler Ash sent to brick manufacturers and Civil Debris is sent to vendor for further processing)	17,993	10,689	3,947

Waste Diverted from Disposal (in MT)			
Waste diversion method	FY 2023	FY 2022	FY 2021
Pre-processing	251.4	261.86	Nil
Recycling	2,410.86	2,212.81	1,758.29
Co-processing	48.38	37.63	25.38
Reused	4.03	1.40	2.01

^Change in numbers of waste generated and disposal figures for FY 2022 and FY 2021 as compared to the figures reported in Integrated Report for FY 2022, due to error made in previous reporting

## Disposal of Hazardous Waste



## KITCHEN WASTE TO NUTRIENT-RICH MANURE

We are committed to sustainable operations by minimizing the amount of waste generated and maximizing its reuse and recycling. We adopt the reduce, reuse, and recycle approach.

This approach is also adopted at our Bharuch plant for kitchen waste recycling in this we have taken the initiative of installing a waste composting machine to manage the canteen waste generated in the colony. The machine has been operational since 1<sup>st</sup> March, 2023 and has an intake capacity of 100 Kg/day, with 25% output and remaining 75% are liquids that is vaporized during the process, hence resulting in zero waste.

The composting machine efficiently converts the canteen waste into compost, which can then be used in gardening and green belt development. The compost generated from the machine is rich in nutrients and is an excellent organic fertilizer for plants. By using the compost generated from the machine, we are not only managing the waste but also contributing to the development of a green and healthy environment.





# 98-103

## CERTIFICATIONS AND AWARDS

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100 Certifications

102 Awards & Recognitions











# CERTIFICATIONS

01



02



03



07



08



09



04



05



06



10





# AWARDS & RECOGNITIONS

01



Awarded by The Synthetic & Rayon Textile Export Promotion Council for Specialized and Innovative Green Synthetic Yarn Products

02



05



Received a Felicitation for Contribution towards CSR Initiative for Education of Needy Students at an Event Held by MF (Mahesh Forum) Charitable Trust

06



Awarded Silver Trophy by Quality Circle Forum of India for Integrating Quality Concepts in Our Operations



03



Received Appreciation Certificate from Indian Chamber of Commerce for A Competition Held by Dupont for Water Conservation Initiatives

04



Received Certificate of Merit from Frost & Sullivan for Safety Excellence at Century Enka Limited (Bharuch)

07



Recognized by National Safety Council of India for Appreciable Achievement in Occupational Health & Safety Management

08



Received Certificate of Appreciation from Chief District Health Officer of Gujarat for Contributing to The Nation's Objective of Eradication of TB and Registered as Ni-Kshay Mitra under 'Pradhan Mantri TB Mukh Bharat Abhiyan'





# 104-116

## ANNEXURE

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- 106 GRI Content Index
- 114 UN SDGs Index
- 116 Corporate Information





# GRI CONTENT INDEX

Statement of use	Century Enka Limited has reported with reference to GRI Standards for the period 1 <sup>st</sup> April, 2022 to 31 <sup>st</sup> March, 2023
GRI 1 used	GRI 1: Foundation 2021

GRI Standard	GRI Disclosure 2021		Reference Section	Page Number	Omission
GRI 2: General Disclosures	Organizational Profile				
	2-1	Organizational details	About Us, BRSR	20, 162	
	2-2	Entities included in the organization's sustainability reporting	About the Report – Scope and Boundary	6	
	2-3	Reporting period, frequency and contact point	About the Report – Reporting Period, BRSR	7, 162	
	2-4	Restatements of information	About the Report – Restatements	6	
	2-5	External assurance	About the Report – External Assurance	6	
	2-6	Activities, value chain and other business relationships	About Us	20-21	
	2-7	Employees	Human Capital – Diversity & Inclusion	67	
	2-8	Workers who are not employees	Human Capital – Diversity & Inclusion	67	
	2-9	Governance structure and composition	Introduction – Governance	16	
	2-10	Nomination and selection of the highest governance body	Corporate Governance Report	141-143	
	2-11	Chair of the highest governance body	Corporate Governance Report	141	
	2-12	Role of the highest governance body in overseeing the management of impacts	Stakeholder Engagement & Corporate Governance Report	40, 141, 150	

GRI Standard	GRI Disclosure 2021	Reference Section	Page Number	Omission
	2-13	Delegation of responsibility for managing impacts	Corporate Governance Report	141
	2-14	Role of the highest governance body in sustainability reporting	Leadership – Managing Director’s Message	10
	2-15	Conflicts of interest	Corporate Governance Report, BRSR	154, 174, 175
	2-16	Communication of critical concerns	Corporate Governance Report	150
	2-17	Collective knowledge of the highest governance body	Corporate Governance Report	142, 143
	2-18	Evaluation of the performance of the highest governance body	Corporate Governance Report, Directors’ Report	119, 145
	2-19	Remuneration policies	Corporate Governance Report, Directors’ Report	118-119, 145
	2-20	Process to determine remuneration	Corporate Governance Report, Directors’ Report	118-119, 145
	2-21	Annual total compensation ratio	Directors’ Report – Annexure III	129
	2-22	Statement on sustainable development strategy	Leadership – Managing Director’s Message	10
	2-23	Policy commitments	BRSR – Section B	170-173
	2-24	Embedding policy commitments	BRSR – Section B	170-173
	2-25	Processes to remediate negative impacts	BRSR – Grievance Redressal Mechanism	165
	2-26	Mechanisms for seeking advice and raising concerns	BRSR – Grievance Redressal Mechanism	165
	2-27	Compliance with laws and regulations	Corporate Governance Report	154-155
	2-28	Membership associations	BRSR	178
	2-29	Approach to stakeholder engagement	Stakeholder Engagement	40
	2-30	Collective bargaining agreements	BRSR	178





GRI Standard		GRI Disclosure 2021	Reference Section	Page Number	Omission
<b>GRI 201: Economic Performance</b>					
GRI 3: Management of Material Topics	3-3	Management of material topics	Financial Capital	50	
GRI 201: Economic Performance	201-1	Direct economic value generated and distributed	Financial Capital – Economic Value Creation	50	
	201-3	Defined benefit plan obligations and other retirement plans	Human Capital – Employee Well-being	70-71	
<b>GRI 203: Indirect Economic Impacts</b>					
GRI 203: Indirect Economic Impacts	203-1	Infrastructure investments and services supported	Social & Relationship Capital	78	
	203-2	Significant indirect economic impacts	Social & Relationship Capital	78	
<b>GRI 205: Anti-Corruption</b>					
GRI 205: Anti-Corruption	205-1	Operations assessed for risks related to corruption	BRSR	174-175	
	205-3	Confirmed incidents of corruption and actions taken	BRSR	175	
<b>GRI 301: Materials</b>					
GRI 3: Management of Material Topics	3-3	Management of material topics	Natural Capital – Material Management	90	
GRI 301: Materials	301-1	Materials used by weight or volume	Natural Capital – Material Management	90	
	301-2	Recycled input materials used	Natural Capital – Material Management	90	
	301-3	Reclaimed products and their packaging materials	BRSR	176	
<b>GRI 302: Energy</b>					
GRI 3: Management of Material Topics	3-3	Management of material topics	Natural Capital – Energy Management	91	
GRI 302: Energy	302-1	Energy consumption within the Organization	Natural Capital – Energy Management, BRSR	91, 188	

GRI Standard	GRI Disclosure 2021		Reference Section	Page Number	Omission
	302-3	Energy intensity	Natural Capital, BRSR	92, 188	
	302-4	Reduction of energy consumption	Natural Capital - Energy Management, BRSR	91	
<b>GRI 303: Water</b>					
GRI 3: Management of Material Topics	3-3	Management of material topics	Natural Capital - Water Management	94-95	
GRI 303: Water & Effluents	303-1	Interactions with water as a shared resource	Natural Capital - Water Management, BRSR	94-95	
	303-2	Management of water discharge-related impacts	Natural Capital - Water Management, BRSR	94-95, 191-192	
	303-3	Water withdrawal	Natural Capital - Water Management, BRSR	94-95, 192	
	303-4	Water discharge	Natural Capital - Water Management, BRSR	94-95, 191	
	303-5	Water consumption	Natural Capital - Water Management, BRSR	94-95, 188	
<b>GRI 304: Biodiversity</b>					
GRI 3: Management of Material Topics	3-3	Management of material topics	Natural Capital - Supporting Biodiversity	95	
GRI 304: Biodiversity	304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Natural Capital - Supporting Biodiversity, BRSR	95, 194	
	304-2	Significant impacts of activities, products, and services on biodiversity	Natural Capital - Biodiversity Management, BRSR	95, 194	
<b>GRI 305: Emissions</b>					
GRI 3: Management of Material Topics	3-3	Management of material topics	Natural Capital - Emissions	92-93	
GRI 305: Emissions	305-1	Direct (Scope 1) GHG emission	Natural Capital - Emissions, BRSR	92, 189	
	305-2	Indirect (Scope 2) GHG emissions	Natural Capital - Emissions, BRSR	92, 189	
	305-4	GHG emissions intensity	Natural Capital - Emissions, BRSR	92, 189	
	305-5	Reduction of GHG emissions	Natural Capital - Emissions, BRSR	92, 189	



GRI Standard		GRI Disclosure 2021	Reference Section	Page Number	Omission
		305-7 Nitrogen oxides (NOX), sulfur oxides (SOX), ODS and other	Natural Capital – Emissions, BRSR	93, 189	
<b>GRI 306: Effluents and Waste</b>					
GRI 3: Management of Material Topics	3-3	Management of material topics	Natural Capital – Waste Management, BRSR	96-97, 189-190	
GRI 306: Effluents and Waste	306-1	Waste generation and significant waste-related impacts	Natural Capital – Waste Management, BRSR	96-97, 189-190	
	306-2	Management of significant waste-related impacts	Natural Capital – Waste Management, BRSR	96-97, 189-190	
	306-3	Waste Generated	Natural Capital – Waste Management, BRSR	96-97, 189-190	
	306-4	Waste diverted from disposal	Natural Capital – Waste Management, BRSR	96-97, 189-190	
	306-5	Waste directed to disposal	Natural Capital – Waste Management, BRSR	96-97, 189-190	
<b>GRI 307: Environmental Compliance</b>					
GRI 3: Management of Material Topics	3-3	Management of material topics	Natural Capital -Environmental Compliance	175	
GRI 307: Environmental Compliance	307-1	Non-compliance with environmental laws and regulation	Natural Capital, BRSR	175	
<b>GRI 401: Employment</b>					
GRI 3: Management of Material Topics	3-3	Management of material topics	Human Capital	66	
GRI 401: Employment	401-1	New employee hires and employee turnover	Human Capital – Human Resource Management	66	
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employee	Human Capital - Human Resource Management, BRSR	66, 177-178	
	401-3	Parental leave	BRSR	178	
<b>GRI 402: Labor/Management Relations</b>					
GRI 402: Labor/Management Relations	402-1	Minimum notice period regarding operational changes	There is no official notice period available, but all our employees and workers are informed about the implementation of operational changes sufficiently in advance.	-	

GRI Standard	GRI Disclosure 2021	Reference Section	Page Number	Omission
<b>GRI 403: Occupational Health &amp; Safety</b>				
GRI 3: Management of Material Topics	3-3	Management of material topics	Human Capital – Health & Safety	74
GRI 403: Occupational Health & Safety	403-1	Occupational health and safety management system	Human Capital – Occupational Health & Safety Management, Employee Wellbeing, BRSR	73, 179
	403-2	Hazard identification, risk assessment, and incident investigation	Human Capital – Hazard Identification and Risk Assessment, BRSR	77, 180
	403-3	Occupational health services	Human Capital – Occupational Health & Safety Management, BRSR	73, 179
	403-4	Worker participation, consultation, and communication on occupational health and safety	Human Capital – Occupational Health & Safety	73
	403-5	Worker training on occupational health and safety	Human Capital – Safety Training, BRSR	76, 173
	403-6	Promotion of worker health	Human Capital – Employee Well-being	70-72
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Human Capital – Health & Safety, BRSR	73-77, 179-181
	403-8	Workers covered by an occupational health and safety	Human Capital – Health & Safety, BRSR	73-77, 179-181
	403-9	Work-related injuries	Human Capital – Occupational Health & Safety, BRSR	75, 180
<b>GRI 404: Training &amp; Education</b>				
GRI 3: Management of Material Topics	3-3	Management of material topics	Human Capital – Learning and Development	68



















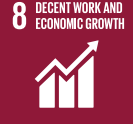




GRI Standard	GRI Disclosure 2021	Reference Section	Page Number	Omission
GRI 404: Training & Education	404-1	Average hours of training per year per employee	Human Capital – Learning and Development	68
	404-2	Programs for upgrading employee skills and transition assistance programs	Human Capital – Learning and Development, BRSR	68, 179
	404-3	Percentage of employees receiving regular performance and career development reviews	BRSR	179
<b>GRI 405: Diversity and Equal Opportunity</b>				
GRI 3: Management of Material Topics	3-3	Management of material topics	Human Capital – Diversity & Inclusion, BRSR	67
GRI 405: Diversity and Equal Opportunity	405-1	Diversity of governance bodies and employees	Human Capital – Diversity & Inclusion, BRSR	67, 164
	405-2	Ratio of basic salary and remuneration of women to men	Average Pay Ratio of Women/Men = 0.89 (Excluding Board of Directors & KMP)	-
<b>GRI 406: Non-discrimination</b>				
GRI 406: Non-discrimination	406-1	Incidents of discrimination and corrective actions taken	Human Capital – Inclusion and Diversity, BRSR	67, 186
<b>GRI 407: Freedom of Association &amp; Collective Bargaining</b>				
GRI 407: Freedom of Association & Collective Bargaining	407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Human Capital – Human Rights, BRSR	69, 178
<b>GRI 408: Child Labor</b>				
GRI 408: Child Labor	408-1	Operations and suppliers at significant risk for incidents of child labor	Human & Social and Relationship Capital, BRSR	69, 186
<b>GRI 409: Forced or Compulsory labor</b>				
GRI 409: Forced or Compulsory labor	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	Human & Social and Relationship Capital, BRSR	69, 186

GRI Standard	GRI Disclosure 2021	Reference Section	Page Number	Omission
<b>GRI 411: Rights of Indigenous people</b>				
GRI 411: Rights of Indigenous people	411-1	Incidents of violations involving rights of indigenous peoples	Human Capital – Human Rights	69
<b>GRI 413: Local Communities</b>				
GRI 3: Management of Material Topics	3-3	Management of material topics	Social and Relationship Capital – Community Initiatives and Their Impacts	80-85
GRI 413: Local Communities	413-1	Operations with local community engagement, impact assessments, and development programs	Social and Relationship Capital – Community Initiatives and Their Impacts	80-85
<b>GRI 416: Customer Health and Safety</b>				
GRI 3: Management of Material Topics	3-3	Management of material topics	Social and Relationship Capital – Building Relationship with Customers	86, 197-198
GRI 416: Customer Health and Safety	416-2	Incidents of non-compliance concerning the health and safety impacts of products and service	Social and Relationship capital – Building Relationship with Customers	86, 197-198
<b>GRI 417: Marketing &amp; Labeling</b>				
GRI 417: Marketing & Labeling	417-1	Requirements for product and service information and labeling	Social and Relationship Capital – Building Relationship with Customers, BRSR	86
	417-2	Incidents of non-compliance concerning product and service information and labeling	Social and Relationship Capital – Building Relationship with Customers, BRSR	86
<b>GRI 418: Customer Privacy</b>				
GRI 418: Customer Privacy	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Social and Relationship Capital – Building Relationship with Customers, BRSR	86, 197-198



# UN SDGs INDEX



	UN Sustainable Development Goal	Overview	Report Section	Page Number
	<b>Good Health &amp; Wellbeing</b>	Ensure healthy lives and promote well-being for all at all ages	 	70-72
	<b>Quality Education</b>	Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all	 	81-82
	<b>Gender Equality</b>	Achieve gender equality and empower all women and girls	 	87
	<b>Clean Water &amp; Sanitation</b>	Ensure availability and sustainable management of water and sanitation for all	 	73, 84
	<b>Affordable &amp; Clean Energy</b>	Ensure access to affordable, reliable, sustainable, and modern energy for all		88-97
	<b>Decent Work &amp; Economic Growth</b>	Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all	   	50-59, 64-87



**Financial  
Capital**



**Manufactured  
Capital**



**Intellectual  
Capital**



















**Human  
Capital**



**Social & Relationship  
Capital**



**Natural  
Capital**

	UN Sustainable Development Goal	Overview	Report Section	Page Number
	<b>Industry, Innovation &amp; Infrastructure</b>	Build resilient infrastructure, promote sustainable industrialization and foster innovation	  	54-63, 78-87
	<b>Reduced Inequalities</b>	Reduce inequality within and among countries	 	64
	<b>Responsible Production &amp; Consumption</b>	Ensure sustainable consumption and production patterns	   	54-63, 78-97
	<b>Climate Action</b>	Urgent actions to combat climate change and its impacts		88-97
	<b>Life on Land</b>	Protect, restore, and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss		88-97

# CORPORATE INFORMATION

## BOARD OF DIRECTORS

### **Mrs. Rajashree Birla**

Chairperson - Non-Executive

### **Mr. Sohanlal K. Jain**

Independent Director

### **Mr. Krishna S. Thar**

Independent Director

### **Mrs. Krupa R. Gandhi**

Independent Director

### **Mr. Devajyoti N. Bhattacharya**

Non-Executive Director

### **Mr. Suresh Sodani**

Managing Director

## KEY MANAGERIAL PERSONNEL

### **Mr. Krishna G. Ladsaria**

Chief Financial Officer

### **Mr. Rahul Dubey**

Company Secretary

## AUDITORS

### **KKC & Associates LLP**

## REGISTERED OFFICE

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

## SURAT OFFICE

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

## FACTORIES

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

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

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

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

## SHARE TRANSFER AGENT

LINK INTIME INDIA PRIVATE LIMITED  
C-101, 247 Park, L.B.S. Marg,  
Vikhroli (West),  
Mumbai 400 083  
Tel. No. 022-49186270  
Fax No. 022-49186060



# DIRECTORS' REPORT FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH, 2023

To  
The Shareholders  
Century Enka Limited

The Directors present the 57<sup>th</sup> Annual Report together with audited financial statements (Standalone & Consolidated) of the Company for the financial year ended 31<sup>st</sup> March, 2023 ('Period under review').

## FINANCIAL HIGHLIGHTS

₹ /Lacs

Particulars	Standalone		Consolidated
	FY 2023	FY 2022	FY 2023
Net Revenue from Operations	2,07,205	2,09,783	2,07,205
Profit before Depreciation, Finance Cost, Exceptional Items and Tax	16,137	28,492	16,137
<b>Add/(Less):</b>			
Depreciation	(4,122)	(3,962)	(4,122)
Finance Cost	(235)	(124)	(235)
Share in Loss of Associate (net of tax)	-	-	(12)
Taxation (Net)	(2,736)	(5,990)	(2,736)
<b>Net Profit</b>	<b>9,044</b>	<b>18,416</b>	<b>9,032</b>

## DIVIDEND

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

## UNPAID/UNCLAIMED DIVIDEND

Equity shares in respect of which dividend remained unpaid/unclaimed for a period of seven consecutive years shall be transferred to the Investor Education and Protection Fund ('IEPF') Authority within the timeline laid down by the Ministry of Corporate Affairs ('MCA'), Government of India. The dividend of said equity shares shall also be transferred to the IEPF Authority. However, shareholders can claim the equity shares as well as dividend from the IEPF Authority in accordance with the procedure prescribed under the Companies Act, 2013 and rules made thereunder ('the Act').

The Company has already been transferred equity shares along with dividend for the financial year ended 31<sup>st</sup> March, 2015 to the IEPF

Authority. For the financial year ended 31<sup>st</sup> March, 2016, the dividend and equity shares shall be transferred to the IEPF Authority, after the Annual General Meeting, within the timeline laid down under the Act.

## DIVIDEND DISTRIBUTION POLICY

In terms of provisions of Regulation 43A of the Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015, ('Listing Regulations'), the Company has formulated a Dividend Distribution Policy. The Board of Directors recommended dividend for the financial year based on criteria specified in Dividend Distribution Policy of the Company.

The said policy is hosted on the website of the Company and can be accessed at <https://www.centuryenka.com/pdf/policies/dividend-distribution-policy.pdf>

## TRANSFER TO GENERAL RESERVES

The Board of Directors of the Company has decided not to transfer any amount to the General Reserves, for the financial year ended 31<sup>st</sup> March, 2023.

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

### Course of Business-

On a standalone basis, net revenue from operations is lower at ₹2,07,205 lacs compared to ₹2,09,783 lacs, mainly on account of lower volumes in both the products, Nylon Filament Yarn (NFY) and Nylon Tyre Cord Fabric (NTCF). The profit before interest, depreciation, and tax (PBITD) is lower at ₹16,137 lacs compared to ₹28,492 lacs in last year. The net profit is lower at ₹9,044 lacs compared to ₹18,416 lacs in last year. On consolidated basis, the net profit for the year is ₹9,032 Lacs.

### Excise Duty Demand

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

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

## DIRECTORS' REPORT (Contd.)

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

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

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

### EXPANSION AND MODERNISATION

During the year, the expansion project for increasing the capacities of Nylon Tyre Cord Fabric (NTCF) and Draw Texturizing Yarn (DTY) commissioned. Polyester Tyre Cord Fabric (PTCF) and additional Mother Yarn capacity will commission in FY 2024. Additional Capex is planned on modernization, generation of renewable energy, energy conservation, safety and building the infrastructure.

### CHANGE IN THE NATURE OF BUSINESS

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

### CONSOLIDATED FINANCIAL STATEMENTS

In accordance with the Companies Act, 2013 ('the Act') read with the Companies (Accounts) Rules, 2014, Listing Regulations and IND AS 110 - Consolidated Financial Statements and IND AS 28 - Investment in Associates/Joint Ventures, the Audited Consolidated Financial Statements forms integral part of this Annual Report.

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

During the period under review, ABREL Century Energy Limited became associate of the Company.

In accordance with the provisions of Section 129(3) of the Act, read with the Companies (Accounts) Rules, 2014, the performance and financial position of ABREL Century Energy Limited is as under:

Latest Audited Balance Sheet Date	2 <sup>nd</sup> May, 2023
Number of shares held as on Balance Sheet date	88,47,800
Amount of Equity Investment	₹884.78 Lacs
Extent of Holding (%)	26%
Net Worth attributed to shareholding as per latest audited Balance Sheet	₹873 Lacs

Net Profit / (Loss) for the year	₹(45.03) Lacs
Considered in consolidation	₹11.70 Lacs
Not considered in consolidation	₹33.33 Lacs

### ENVIRONMENT

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

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

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

### MANAGEMENT DISCUSSION AND ANALYSIS REPORT

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

### CORPORATE GOVERNANCE

The Board of Directors reaffirmed their continued commitment towards good corporate governance practices. Corporate Governance principles form an integral part of the core values of the Company. The Company has complied with the provisions relating to corporate governance. The Corporate Governance Report for the period under review, as stipulated under Regulation 34 of the Listing Regulations, is presented in a separate section, and forms an integral part of the Annual Report.

### POLICY ON DIRECTORS' APPOINTMENT, REMUNERATION & OTHER RELATED MATTERS

Nomination and Remuneration Committee formulated a policy name as Nomination, Remuneration and succession Policy. The main objective of the policy is to lay down criteria for:

- identification of persons who are qualified to become Directors, Key Managerial Personnel and Senior Management Personnel.

## DIRECTORS' REPORT (Contd.)

- b) determining qualifications, positive attributes and independence of a director.
- c) remuneration of Directors, Key Managerial Personnel, Senior Management Personnel & other employees
- d) evaluation of the performance of the Board, Committees and individual Directors and recommend to the board, all remuneration, in whatever form, payable to senior management.

The Company's remuneration strategy is market-driven and aims at attracting and retaining high caliber talent. The strategy is in consonance with the existing industry practice and is directed towards rewarding performance, based on review of achievements, on a periodical basis.

The said policy is hosted on the website of the Company and can be accessed at <https://www.centuryenka.com/pdf/policies/nomination-remuneration-and-succession-policy.pdf>

Further, the details of remuneration and criteria for non-executive & executive directors disclosed in the Corporate Governance Report, which forms an integral part of the Annual Report.

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

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

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

### **DECLARATION OF INDEPENDENCE BY THE INDEPENDENT DIRECTORS**

Necessary declarations have been obtained from Independent Directors that they meet the criteria of independence as prescribed

under Section 149(6) of the Act and Regulation 16(1)(b) & Regulation 25(8) of Listing Regulations. The Independent Directors have also confirmed that they have complied with Schedule IV of the Act and the Company's Code of Conduct. In the Board's opinion, there has been no change in the circumstances which may affect the status of Independent Directors of the Company and the Board is satisfied of the integrity, expertise and experience (including proficiency in terms of Section 150(1) of the Act and applicable rules thereunder) of all Independent Directors. In terms of Section 150 read with Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014, all the Independent Directors of the Company have registered their names in the databank of Independent Directors maintained with the Indian Institute of Corporate Affairs.

### **DIRECTORS' RESPONSIBILITY STATEMENT**

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

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

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

## DIRECTORS' REPORT (Contd.)

### DIRECTORS AND KEY MANAGERIAL PERSONNEL

#### Appointment/Re-appointment of Directors & Key Managerial Personnel

In accordance with the provisions of section 152 and other applicable provisions, if any, of the Act read with the Companies (Appointment & Qualification of Directors) Rules, 2014, and the Articles of Association of the Company, Mrs. Rajashree Birla (DIN: 00022995), Director of the Company, is liable to retire by rotation at the ensuing Annual General Meeting (AGM) and, being eligible, has offered herself for re-appointment. Brief profile of Mrs. Rajashree Birla forms part of the notice convening the 57<sup>th</sup> AGM to be held on Thursday, 24<sup>th</sup> August, 2023. The Board recommended her re-appointment in ensuing AGM.

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

#### Key Managerial Personnel

Following are the Key Managerial Personnel of the Company:

Mr. Suresh Sodani – Managing Director (MD)

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

Mr. Rahul Dubey – Company Secretary (CS)

#### Meetings of Board of Directors

During the period under review, 6 (six) Board meetings were held. The details thereof are furnished in the Corporate Governance Report. The intervening gap between the meetings was within the period prescribed under the Act and the Listing Regulations.

During the period under review, a meeting of the Independent Directors was held on 16<sup>th</sup> March, 2023.

#### Details of Committees of Directors

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

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

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

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

### PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

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

### LOANS, INVESTMENTS AND GUARANTEES BY THE COMPANY

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

### INTERNAL FINANCIAL CONTROLS

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

### PUBLIC DEPOSITS

The Company has not accepted any deposits from the public during the financial year ended 31<sup>st</sup> March, 2023 and there are no outstanding deposits in terms of the Companies (Acceptance of Deposits) Rules, 2014.

### COMPLIANCE OF SECRETARIAL STANDARDS

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

### RISK MANAGEMENT

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

## DIRECTORS' REPORT (Contd.)

The Risk Management Policy is available on the website of the Company and can be accessed at <https://www.centuryenka.com/pdf/risk-management-policy.pdf>

### VIGIL MECHANISM/WHISTLE BLOWER POLICY

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

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

The policy on Vigil Mechanism/ Whistle Blower is available on the website of the Company and can be accessed at <https://www.centuryenka.com/pdf/policies/vigil-mechanism-whistle-blower-policy.pdf>

### PREVENTION OF SEXUAL HARASSMENT OF WOMEN AT WORKPLACE

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

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

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

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

- No. of complaints received: 1
- No. of complaints disposed of: 0
- No. of complaints pending: 1\*

\* Complaint has been disposed of within the prescribed timelines, after the end of the reporting period i.e., 31<sup>st</sup> March, 2023, before the date of this report.

## CORPORATE SOCIAL RESPONSIBILITY

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

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

The CSR Policy of the Company is available on its website and can be accessed at <https://www.centuryenka.com/csr/>

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

## ANALYSIS OF REMUNERATION

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

## PARTICULARS OF EMPLOYEES

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

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

## AUDITORS

### Statutory Auditors

Pursuant to the provisions of section 139 of the Act, read with the Companies (Audit and Auditors) Rules, 2014, as amended from time to time, M/s. KKC & Associates LLP, (formerly, Khimji Kunverji & Co. LLP, Chartered Accountants, (ICAI Firm Registration No. FRN 105146W/



## DIRECTORS' REPORT (Contd.)

W100621) were appointed as Statutory Auditors of the Company to hold office for a term of 5 (five) consecutive years from the conclusion of 55<sup>th</sup> Annual General Meeting (AGM) until the conclusion of the 60<sup>th</sup> AGM and confirmation of shareholder of the Company has been obtained in the 55<sup>th</sup> AGM held on 13<sup>th</sup> August, 2021.

### Cost Auditors

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

The Board of the Company in its meeting held on 11<sup>th</sup> May, 2022 has re-appointed M/s Dhananjay V. Joshi & Associates, Cost Accountants, as a Cost Auditor of the Company for the FY 2023 for auditing the cost records of Nylon and Polyester products of the Company as covered under the aforesaid laws.

Further, M/s Dhananjay V. Joshi & Associates, Cost Accountants have been re-appointed to undertake the Cost Audit of the Company for the financial year ending on 31<sup>st</sup> March, 2024.

Pursuant to Section 148(3) of the Act read with Rule 14 of Companies (Cost Records and Audit) Rules, 2014, the remuneration payable to the Cost Auditor is required to be ratified by the members of the Company and accordingly, a resolution seeking the ratification for the remuneration payable to M/s Dhananjay V. Joshi & Associates, Cost Accountants for the financial year ending on 31<sup>st</sup> March, 2024 is included in the Notice convening the 57<sup>th</sup> AGM to be held on 24<sup>th</sup> August, 2023.

The cost audit report given by M/s Dhananjay V. Joshi & Associates, Cost Accountants, Cost Auditor for the FY 2022 was filed with the Ministry of Corporate Affairs on 29<sup>th</sup> August, 2022.

### Secretarial Auditors

Pursuant to the provisions of Section 204 of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company had appointed M/s. Sanjay Sangani & Co., Company Secretaries in practice (CP No.-3847), to undertake the Secretarial Audit of the Company for the financial year ending 31<sup>st</sup> March, 2023. The Secretarial Audit Report for the period under review is annexed herewith as Annexure-V and forming part of the report. There is one remark/observation in the Secretarial Audit Report for the period under review which is self-explanatory in nature.

Further, M/s. Sanjay Sangani & Co., Company Secretaries in practice (CP No. 3847), have been re-appointed to undertake the Secretarial Audit of the Company for the financial year ending on 31<sup>st</sup> March, 2024.

The Secretarial Compliance Report for the period under review, in relation to compliance of all applicable SEBI regulations/circulars/guidelines issued thereunder, pursuant to requirement of regulation 24A of the Listing Regulations, is available on the website of the Company and can be accessed at <https://www.centuryenka.com/pdf/annual-secretarial-compliance-report-2023.pdf>

### REPORTING OF FRAUDS BY AUDITORS

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

### ANNUAL RETURN

Pursuant to Section 134(3)(a) and Section 92 of the Act read with Rule 12(1) of the Companies (Management and Administration) Rules, 2014, the Annual Return of the Company as on 31<sup>st</sup> March, 2023 in Form MGT-7 is available on the website of the Company and can be accessed at [https://www.centuryenka.com/investor-relations/index.html#parentHorizontalTab6|ChildVerticalTab\\_212](https://www.centuryenka.com/investor-relations/index.html#parentHorizontalTab6|ChildVerticalTab_212)

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

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

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

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

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

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

## DIRECTORS' REPORT (Contd.)

### GENERAL DISCLOSURES

During the period under review:

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

### ACKNOWLEDGEMENT

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

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

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

**S. K. Jain**  
**Director**

DIN: 02843676

**Suresh Sodani**  
**Managing Director**

DIN: 08789604

Place: Mumbai

Date: 18<sup>th</sup> May, 2023

# ANNEXURE TO THE DIRECTORS' REPORT

ANNEXURE -I

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

## (A) CONSERVATION OF ENERGY

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

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

Sr. No.	Steps Taken	Impact (Annualised Savings)
<b>A</b>	<b>Electricity</b>	<b>KWH (Lacs)</b>
a	Replacement of old cable corder machines with latest technology energy efficient machines	2.80
b	Installation of dryer to supply booster instrument air thereby reducing the generation pressure for other applications.	2.18
c	Installation of VFD to save energy.	1.68
d	Reduction of compressed air consumption achieved by logic modification	1.47
e	Optimisation of power of take AHU	1.40
f	Stoppage of Polykath unit and AHU by modifying and connecting the machine.	1.35
g	Elimination of MP Air Consumption by Converting pneumatic to Mechanical system.	1.09
h	Others - Reduction in compressed air consumption by textile machines modification, optimizing pressure requirements, reduction of nitrogen by optimization of process requirements, old pump replacement with energy efficient pumps, installation of VFD for ETP aerator, additional power generation through steam turbine and energy saver installation for lighting in production areas	3.69
<b>B</b>	<b>Steam</b>	<b>Tonnes</b>
a	Reduction of steam consumption by - 1) Thermax Boiler: Utilization of heat from evaporation unit for heating Demin water for supplying to Deaerator. 2) CLMT: Steam supply to charging funnel is modified by providing the jacket.	1750
b	Stoppage of Polykath unit by modifying and connecting the Blow box AHU duct.	350
c	Steam consumption optimization by isolating idle headers	256.70
<b>C</b>	<b>Fuel</b>	<b>KL</b>
a	Optimization of standby boilers steam pressure resulting into reduction in LDO consumption	36.50

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

Conversion of Thermic Fluid heaters & Depoly super heaters from LDO to RLNG fuel is done to reduce the fuel Cost.

### (iii) Capital investments on energy conservation equipment's during the FY 2023 was ₹479.48 lacs (previous year ₹282.46 lacs).

## ANNEXURE -I (CONTD.)

### (B) TECHNOLOGY ABSORPTION FY 2022-23

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

- New PLC based system installed in NFY machine replacing obsolete electrical contactor logic for winding area
- NFY area HSS machines Tangling Air PLC logic modification
- PLC & SCADA system installation in NTCF Chips transport and PLC installation in NTCF Conversion area and Nitrogen Area
- Replacement of obsolete control system in Steam turbine.
- Replacement of obsolete electrical contactor logic panels with latest Thyristor heating control system
- Developed inhouse birth card printing system for the traceability of product.
- Upgradation of SCADA system for DG and Heater.
- Inhouse development of SCADA for AHU monitoring system
- Upgradation of Lift control system of NFY plant.

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

- Close monitoring & control of production parameters.
- To improve safety and equipment reliability.
- To reduce downtime.
- Energy saving & better control of production hall conditions

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

Nil

#### (IV) Expenditure on Research and Development (R&D)

₹ Lacs

Particulars	FY 2023	FY 2022
1. Capital	See Note Below	
2. Revenue	296	71
<b>3. Total</b>	<b>296</b>	<b>71</b>

Note: The Company has spent amount of ₹61 lacs during the financial year 2022-23 (previous year ₹651 lacs) as Normal Capital Expenditure although it is also used for R&D activities.

### (C) FOREIGN EXCHANGE EARNING AND OUTGO

Total foreign exchange used ₹69,095 lacs (previous year ₹88,264 lacs) and earned ₹6,067 lacs (previous year ₹8,669 lacs)

# ANNEXURE TO THE DIRECTORS' REPORT

ANNEXURE -II

## ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES FOR THE FINANCIAL YEAR ENDED 31<sup>st</sup> MARCH, 2023

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

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

### 2. COMPOSITION OF CSR COMMITTEE:

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

### 3. PROVIDE THE WEB-LINK(S) WHERE COMPOSITION OF CSR COMMITTEE, CSR POLICY AND CSR PROJECTS APPROVED BY THE BOARD ARE DISCLOSED ON THE WEBSITE OF THE COMPANY.

[https://www.centuryenka.com/investor-relations/index.html#parentHorizontalTab6|ChildVerticalTab\\_215](https://www.centuryenka.com/investor-relations/index.html#parentHorizontalTab6|ChildVerticalTab_215)

### 4. PROVIDE THE EXECUTIVE SUMMARY ALONG WITH WEB-LINK(S) OF IMPACT ASSESSMENT OF CSR PROJECTS CARRIED OUT IN PURSUANCE OF SUB-RULE (3) OF RULE 8, IF APPLICABLE

Not Applicable

5. (a) Average net profit of the company as per sub-section (5) of section 135: **₹13,757 Lacs**
- (b) Two percent of average net profit of the company as per sub-section (5) of Section 135: **₹276 Lacs**
- (c) Surplus arising out of the CSR Projects or programmes or activities of the previous financial years: **NIL**
- (d) Amount required to be set-off for the financial year, if any: **NIL**
- (e) Total CSR obligation for the financial year [(b)+(c)-(d)]: **₹276 Lacs**
6. (a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project): **₹276 Lacs**
- (b) Amount spent in Administrative Overheads: **NIL**
- (c) Amount spent on Impact Assessment, if applicable: **Not Applicable**
- (d) Total amount spent for the Financial Year [(a)+(b)+(c)]: **₹276 Lacs**
- (e) CSR amount spent or unspent for the Financial Year:

Total Amount Spent for the Financial Year. (₹)	Amount Unspent (₹)				
	Total Amount transferred to Unspent CSR Account as per sub-section (6) of section 135		Amount transferred to any fund specified under Schedule VII as per second proviso to sub-section (5) of section 135		
	Amount	Date of Transfer	Name of the Fund	Amount	Date of Transfer
276 Lacs	NIL	-	-	NIL	-



ANNEXURE -II (CONTD.)

(f) Excess amount for set-off, if any:

Sl. No.	Particular	Amount (₹)
(1)	(2)	(3)
(i)	Two percent of average net profit of the company as per sub-section (5) of section 135	₹276 Lacs
(ii)	Total amount spent for the Financial Year	₹276 Lacs
(iii)	Excess amount spent for the Financial Year [(ii)-(i)]	NIL
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous Financial Years, if any	NIL
(v)	Amount available for set off in succeeding Financial Years [(iii)-(iv)]	NIL

**7. DETAILS OF UNSPENT CORPORATE SOCIAL RESPONSIBILITY AMOUNT FOR THE PRECEDING THREE FINANCIAL YEARS:**

1	2	3	4	5	6	7	8
Sl. No.	Preceding Financial Year(s)	Amount transferred to Unspent CSR Account under subsection (6) of section 135 (₹)	Balance Amount in Unspent CSR Account under subsection (6) of section 135 (₹)	Amount Spent in the Financial Year (₹)	Amount transferred to a Fund as specified under Schedule VII as per second proviso to subsection (5) of section 135, if any	Amount remaining to be spent in succeeding Financial Years (₹)	Deficiency, if any
					Amount (₹)	Date of Transfer	
1	FY-1	-	-	-	-	-	-
2	FY-2	-	-	-	-	-	-
3	FY-3	-	-	-	-	-	-

**8. WHETHER ANY CAPITAL ASSETS HAVE BEEN CREATED OR ACQUIRED THROUGH CORPORATE SOCIAL RESPONSIBILITY AMOUNT SPENT IN THE FINANCIAL YEAR:**

(a) Yes (✓) (b) No

If Yes, enter the number of Capital assets created/ acquired: 3

## ANNEXURE -II (CONTD.)

Furnish the details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the Financial Year:

Sl. No.	Short particulars of the property or asset(s) [including complete address and location of the property]	Pincode of the property or asset(s)	Date of creation	Amount of CSR spent	Details of entity/ Authority/ beneficiary of the registered owner		
(1)	(2)	(3)	(4)	(5)	(6)		
					CSR Registration Number, if applicable	Name	Registered address
1	Construction of three lab and three classroom along with approach road (Rajashree Vidya Mandir-Cenka Samaj Kalyan Sanstha) Address: Village: Bamalla, Po: Umalla, Dist: Bharuch-393120, Gujarat	393120	In progress	₹71.53 Lacs	CSR00005188 (Cenka Samaj Kalyan Sanstha)	Rajashree Vidya Mandir Owned by Cenka Samaj Kalyan Sanstha	Village: Bamalla, Po: Umalla, Dist: Bharuch-393120, Gujarat
2	Support in establishing a computer lab with furniture. (Rajashree Private Industrial Training Institute-Cenka Samaj Kalyan Sanstha) Address: Village: Bamalla, Po: Umalla, Dist: Bharuch-393120, Gujarat	393120	31.01.2023	₹16.90 Lacs	CSR00005188 (Cenka Samaj Kalyan Sanstha)	Rajashree Private Industrial Training Institute owned by Cenka Samaj Kalyan Sanstha	Village: Bamalla, Po: Umalla, Dist: Bharuch-393120, Gujarat
3	Financial assistance (Supply of Steel) for construction of residential building for orphan students. (Snehwan-Koyali Forest, Koyali Tarfe Chakan, Tq. Khed, Dist.Pune-410501)	410501	In progress	₹13.50 Lacs	CSR00013552	Snehwan	Sr. No. 186, Hanuman Colony- 2, Near Hanuman Temple, Chakrapani Vasahat, Bhosari, Pune-411039, Maharashtra

### 9. SPECIFY THE REASON(S), IF THE COMPANY HAS FAILED TO SPEND TWO PER CENT OF THE AVERAGE NET PROFIT AS PER SUBSECTION (5) OF SECTION 135.

Not Applicable

For and on behalf of the Board of Directors

Place: Mumbai  
Date: 18<sup>th</sup> May, 2023

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

**Suresh Sodani**  
Managing Director  
DIN: 08789604

# ANNEXURE TO THE DIRECTORS' REPORT

ANNEXURE -III

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

- i. The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the financial year 2022-23, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2022-23 are as under:

Sr. No.	Name of Director / KMP	Designation	FY 2023 (₹ / Lacs)			FY 2022 (₹ / Lacs)		
			Remuneration* of Director / KMP for financial year	% increase in Remuneration in the Financial Year	Ratio of remuneration of each Director to median remuneration of employees	Remuneration* of Director / KMP for financial year	% increase in Remuneration in the Financial Year	Ratio of remuneration of each Director to median remuneration of employees
1	Mrs. Rajashree Birla	Chairperson	9.00	5.88	2.00	8.50	47.83	1.91
2	Mr. Sohanlal K. Jain	Independent Director	10.20	9.32	2.26	9.33	35.22	2.10
3	Mr. Krishna S. Thar	Independent Director	10.28	6.53	2.28	9.65	39.86	2.17
4	Mr. Devajyoti Bhattacharya	Non Independent Director	9.15	5.78	2.03	8.65	**	1.94
5	Mrs. Krupa Rajen Gandhi	Independent Director	9.95	2.26	2.21	9.73	**	2.19
6	Mr. Suresh Sodani	Managing Director	298.76	18.32	66.24	252.50	**	56.74
7	Mr. Krishna G. Ladsaria	Chief Financial Officer	139.64	-4.55	30.96	146.29	15.34	32.87
8	Mr. Rahul Dubey	Company Secretary	47.17	8.34	10.46	43.54	**	9.78

\* Directors Remuneration is including sitting fees.

\*\* Not comparable as remuneration for prior to previous year was part of the year.

- ii. The median remuneration of employees of the Company for the financial year was ₹4.52 Lacs (Previous Year ₹4.45 Lacs)
- iii. During the financial year, there was a increase of 1.61 % in the median remuneration of employees (Previous Year increase of 15.11%).
- iv. Number of permanent employees on the rolls of the Company as on 31<sup>st</sup> March, 2023 was 1590 Nos. and as on 31<sup>st</sup> March, 2022 was 1595 Nos.
- v. Average percentage increase made in the salaries of employees other than the managerial personnel in the FY 2023 and FY 2022 was 10.22 % and 9.98% respectively and the managerial remuneration for the FY 2023 and FY 2022 was increased by 18.32% and decreased by 7.53%, respectively.
- vi. It is hereby affirmed that the remuneration paid is as per the Remuneration Philosophy / Policy of the Company

# ANNEXURE TO THE DIRECTORS' REPORT

ANNEXURE-IV

## STATEMENT CONTAINING INFORMATION AS PER SECTION 197(12) READ WITH THE RULES 5(2) AND 5(3) OF COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014 AND FORMING PART OF DIRECTORS' REPORT FOR THE YEAR ENDED, 31<sup>ST</sup> MARCH, 2023.

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

- (a) Employed throughout the financial year and was in receipt of remuneration for the year in aggregate of not less than ₹1,02,00,000
- Mr. Suresh Sodani, Managing Director, ₹298.76 Lacs, Contractual, I.C.W.A, C.A, 31, 01-09-2020, 56, Grasim Chemical Division Vilayat, NIL.
  - Mr. Krishna G. Ladsaria, Chief Financial Officer, ₹139.64 Lacs, Non-Contractual, B. Com, A.C.A., 29, 01-12-2016, 52, Hindalco Industries Limited, NIL.
- (b) Employed for a part of the financial year and was in receipt of remuneration at a rate in aggregate not less than ₹8,50,000/- per month.
- Nil
- (c) Employed throughout the financial year or part thereof, was in receipt of remuneration in the year which, in the aggregate or at a rate which in the aggregate was in excess of that drawn by the Whole time Director and holds by himself or along with his spouse and dependent children, not less than 2% of the equity shares of the company.
- Nil

### NOTES:

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

For and on behalf of the Board of Directors

**S. K. Jain**  
Director

DIN: 02843676

**Suresh Sodani**  
Managing Director

DIN: 08789604

Place: Mumbai

Date: 18<sup>th</sup> May, 2023

# ANNEXURE TO THE DIRECTORS' REPORT

ANNEXURE -V

## SECRETARIAL AUDIT REPORT

### FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH, 2023

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

To,  
**The Members of Century Enka Limited**

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Century Enka Limited (hereinafter called 'the Company') for the financial year ended 31<sup>st</sup> March, 2023. Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31<sup>st</sup> March, 2023, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31<sup>st</sup> March, 2023 according to the provisions of:

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

- c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; (Not Applicable to the Company during the Audit Period)
- d) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021; (Not Applicable to the Company during the Audit Period)
- e) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021; (Not Applicable to the Company during the Audit Period)
- f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; (Not Applicable to the Company during the Audit Period)
- g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; (Not Applicable to the Company during the Audit Period); and
- h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; (Not Applicable to the Company during the Audit Period)

- 6) The management of the Company has informed that there is no industry specific law which is applicable to the Company.

We have also examined compliance with the applicable clauses/ regulations of the following:

- a) Secretarial Standards with respect to Meetings of Board of Directors (SS-1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India;
- b) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI LODR Regulations, 2015')

We report that during the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above. However, in one case of a delay of few hours in giving prior intimation to the Stock Exchanges in respect of the Board Meeting for approval of the Financial Results as required by Regulation 29 of SEBI LODR Regulations, 2015, the Company has explained in detail to the Stock Exchanges that the delay in intimation of Board Meeting caused due to 'accidental loss of connectivity with server/ network' was technical in nature and beyond the control of the Company.



## ANNEXURE TO THE DIRECTORS' REPORT

ANNEXURE –V

### We further report that

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

Adequate notice for the meetings of the Board and Committees constituted by the Board were given to all the Directors and members of the Committee and where shorter notice of meetings were given and/or agenda and notes on agenda were circulated less than seven days before the meetings, the provisions of Section 173 (3) of the Act were complied with and due consent of the Board/ Committee was taken, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

As per the minutes of the meetings duly recorded and signed by the Chairperson, the decisions of the Board and Committees of the Board were unanimous and no dissenting views have been recorded.

We further report that based on review of compliance mechanism established by the Company and on the basis of Management Representation Letter received from the Company, we are of the

opinion that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period, no major events/actions 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  
Peer Review Certificate No. : 1689/2022

**Sanjay H. Sangani**

Proprietor  
M. No. : FCS 4090  
C.P. No. : 3847  
UDIN : F004090E000323255  
Mumbai, 18<sup>th</sup> May, 2023

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

# ANNEXURE TO THE DIRECTORS' REPORT

ANNEXURE -V

## Annexure 'A'

To,  
**The Members of Century Enka Limited**

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

1. Maintenance of Secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these Secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial records. We believe that the process and practices, we followed provide a reasonable basis of our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management Representation about the compliance of laws, rules and regulations and happening of events, etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

**For Sanjay Sangani & Co.**

Company Secretaries  
Peer Review Certificate No. : 1689/2022

**Sanjay H. Sangani**

Proprietor  
M. No. : FCS 4090  
C.P. No. : 3847  
UDIN : F004090E000323255  
Mumbai, 18<sup>th</sup> May, 2023

# MANAGEMENT DISCUSSION AND ANALYSIS REPORT

## 1. OVERALL REVIEW

The year 2022-23 began under the shadow of Russia-Ukraine war. Waning of pent-up demand and inflationary pressures started impacting demand from Q2 FY 2023. To control inflation, Global Central Banks started, increasing the interest rates and tightening the liquidity, in coordinated manner. RBI increased interest rates by 2.5%. Even after lifting of lockdowns and opening-up of the economy, Chinese growth remained subdued. Rising interest rates, slower growth in China and vanishing liquidity led to global slowdown and resulting in dent on exports and private capex investments. However, normalizing supply-chain, cooling down of inflation and Crude towards end of the year created hope for next financial year. As per various estimates, India's real GDP is estimated to have grown at around 7% in 2022-23.

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

### Industry Status

The Company manufactures Nylon Tyre Cord Fabric (NTCF) and Nylon Filament Yarn (NFY) in the synthetic yarn segment of the textile industry.

### Nylon Tyre Cord Fabric (NTCF)

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

The Indian Tyre Industry is one of the fastest-growing tyre markets globally and will continue to grow at healthy rate. The industry is driven by various factors, including the increasing demand for vehicles and government initiatives to promote the manufacturing under 'Make in India' banner and use of electric vehicles. Governments thrust on infrastructure and modernization of agriculture are expected to lead to increased demand for Off-the-road (OTR) and farm tyres.

The Indian government has also implemented various policies and programs to support the growth of the automotive sector which aims to promote the adoption of electric and hybrid vehicles. This is expected to drive the demand for specialized tyres used in electric and hybrid vehicles, providing further opportunities for growth in the Indian tyre industry.

However, improving road infrastructure and restriction on overloading may lead to higher pace of radialisation in Medium and Heavy Commercial Vehicles (MHCV) and Light Commercial Vehicles (LCV). Impact of increasing radialisation will, however, be partially off-set by expected increase in demand for two wheeler, OTR and Farm tyres.

### Nylon Filament Yarn (NFY)

The global Nylon Filament Yarn market is anticipated to rise at a stable rate.

The Nylon Filament Yarn industry in India is expected to experience moderate growth in the coming years. The demand for Nylon Filament Yarn in India is driven by various factors, including the growth of the textile industry, increasing demand for ethnic wear and rising popularity of athleisure and sportswear.

The Indian government's Make in India campaign, which aims to promote domestic manufacturing, is also expected to drive the growth of the textile industry, further boosting the demand for nylon filament yarn in the country. The Indian market for athleisure and sportswear is growing rapidly, and nylon filament yarn is commonly used in the production of high-performance fabrics used in these applications. Draw textured nylon yarn (DTY) type would be the fastest growing segment in the Nylon 6 Filament Yarn market as it possesses the properties of both natural and synthetic fiber like high durability and high retention. Draw textured nylon yarn finds its application in sport's shoes, sports bags, weaving fabric for clothes, home furnishings, and many others. Synthetic polymer nylon 6 filaments are mostly used in high performance sport shoes because of its properties like abrasion and wear resistant, glossy finish. Asia-Pacific is the fastest growing region in the nylon 6 filament yarn market.

However, the Indian nylon filament yarn industry also faces challenges, including fluctuating raw material prices, increasing competition from other synthetic fibers, and environmental concerns regarding the production and disposal of synthetic fibers. China has built-up significant over capacity in Nylon Filament Yarn and the Industry faces stiff competition from dumping by China.

Overall, while the Indian nylon filament yarn industry is expected to experience moderate growth in the coming years. The industry will also need to focus on adopting sustainable and eco-friendly practices to reduce its environmental impact and meet changing consumer preferences.

### Company Performance

In FY 2023, performance of the Company was adversely impacted by many factors. While dumping by China led to unremunerative prices, increased variable cost particularly high power and fuel prices further exerted pressure on margin. Also, steep fall in Caprolactam prices in Q2 FY 2023, resulted in losses on inventory in hand. Reduction in exports due to global slowdown and high yarn prices led to lower volume for both NTCF and NFY. These factors cumulatively impacted the Earnings before interest, depreciation, and tax (EBIDTA). EBIDTA was down by 43% to ₹161 Crs. in FY 2023 against ₹285 Crs. in FY 2022.

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT (Contd.)

### Company Outlook

Inflation now has started cooling off and supply chain has normalized. With inflation fear behind us, focus is expected to shift back to growth. Governments effort for 'Make in India' and global preference for 'China plus one' is expected to boost Indian manufacturing.

The Company has incurred significant Capex to increase NTCF capacity and is diversifying in Polyester Tyre Cord Fabric (PTCF). CAPEX is also incurred on increasing capacities of value-added products, modernizing the plant and augmenting capacities. Simultaneously, production from old and inefficient machines has been rationalized. Investment is also made on renewable power production to reduce the power cost.

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

## 3. SAFETY, HEALTH, ENVIRONMENT & SUSTAINABILITY

### Safety

The Company believes that 'Life is precious, and we should care for it'. Therefore, the Company takes care of its impact on the safety of its employees, visitors, customers, vendors, those residing in proximity to our Company's operations and plants and equipments. The Company has adopted safety as a culture by adopting structured approach, through leadership involvement. People at all levels, whether employees, contractors, service providers, suppliers, or the community, have been involved to bring those changes, which shows safety as one of the top priorities. The Bharuch site is awarded with Certificate of merit - Safety Excellence under Frost & Sullivan Sustainability 4.0 award 2022. Bharuch site is also awarded with National Safety award - Certificate of Appreciation by National Safety Council and Safety Excellence by Quality Circle Forum of India (Surat Chapter). During the period under review, the Company has achieved the Zero Accident Target. The Key highlights of safety features adopted during the year are as follows:

- Encouraging reporting of near-miss, unsafe condition, unsafe action/safety observations.
- Organizing safety promotional activities as awareness sessions / workshops, circulation of leaflets, bulletins and accident case studies etc. and safety motivational activities like campaigns, contests & competition, suggestion scheme etc.
- Displaying cautionary notices & warning signs.
- Machine guarding & fencing, plant safety round & safety survey.

- Shop floor safety training, leadership workshops and National Safety week celebration.
- Risk Assessment/HAZOP (Hazard & Operability Study)/JSA (Job Safety Study).
- Fire prevention, protection & firefighting system and third-party fire safety audit.
- Regular mock drill of emergency response plan & fire drill was conducted to check adequacy of emergency management system.
- National Safety Week -2023 celebrated in which various special safety training programs conducted like Electrical safety, Mechanical safety, Boiler safety, LPG safety & BBS. In the National Safety Week, CPR & First Aid training was organized by authorized doctor to our employees. Further, firefighting & accident prevention training was also imparted to neighboring small & medium scale industries.

### Health

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

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

The Company emphasizes on cleanliness, personal hygiene and good housekeeping. Mechanized means of control are used such as dust extraction, fume exhaust system and noise absorbers. WASH Committee is constituted to monitor and review workplace sanitation, hygiene and availability of safe drinking water.

To ensure effective safety management, the Company has its fire safety system, electricity system, JSA, HIRA, and IMS surveillance system audited by external agencies during the period under review. Occupational Health and Safety Management System of the Company's Pune and Bharuch sites are certified ISO 45001:2018. MITR (Making Individuals and Team Resilient) Project provided and encouraged mental health education to all staff members at both the location.

### Mental Health:

MPOWER - An initiative by Aditya Birla Education Trust, endeavors to be the movement to affect change. Our company encourages and pursues actively towards creating awareness, advocate prevention and provide services with a professional, holistic and multidisciplinary approach.

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT (Contd.)

### We follow The OASIS Concept

#### O- OPEN CULTURE

It advocates that no one needs to hide their mental health issues from the fear of discrimination or losing their jobs. For this we offer and organize Sensitivity Training sessions for Managers.

#### A - AWARENESS

It entails Mental health literacy. For this we offer Mental Health Awareness Webinars, Soft Launch Posters and Emailers.

#### S - SUPPORT

It endorses giving mental health the same weightage as physical health. For this we offer a 24x7 Helpline, - "MITR".

#### I - INTERVENTIONS

To help employees tide over difficult periods. For this we offer Counselling Cells, & Workshops.

#### S - STRESS BUSTING INITIATIVES

With mental health professionals. For this we offer Special Expert Workshops on Mindfulness.

### ENVIRONMENT AND SUSTAINABILITY

The Company respects, protects and makes effort to restore environment. The Environment Management System of both Bharuch & Pune site is certified with ISO 14001:2015. Its structured risk management approach which encompasses identifying potential environmental risks, assessing their potential impact, mitigating them through taking timely action and continuous monitoring. During the year under review, consumption of water, fuel & resources, generation and treatment of wastewater, hazardous waste & gaseous emission was under SPCB norms. The Company is devoted to nurturing sustainable development and explores new ways of environment preservation, responsible use of non-renewable resources, rationalized energy consumption, accelerated water conservation, moderated use of finite fossil fuels and increased environment protection. The key highlights of activities for the period under review are as under:

1. Amendment for change of disposal path for pre-processing & co-processing of hazardous waste.
2. Installation of rainwater harvesting recharge wells, to recharge rainwater into ground.
3. Usage of renewable source of energy like Biofuel in Boilers & Thermic Fluid Heaters for steam and heat production in line with the Company's endeavors toward energy conservation.

4. Installation of Solar Power Generation System of 100 KW.
5. Provision of Waste Heat Recovery System and VAM (Vapor Absorption Machine) for resources conservation.
6. Usage of High Calorific Hazardous Waste as fuel by Co-processors.
7. Installation of Zero Liquid Discharge (ZLD) unit for treatment of process wastewater for in-house green belt development and sewage water in cooling tower makeup.
8. Replacement of ODS by non ODS refrigerants.
9. Celebration of World Environment Day & Ozone Day in presence of Forest Department and State Pollution Control Board Officials.
10. Review & tracking of Pollution Prevention & Control system like stacks, ETP (Effluent Treatment Plant), STP (Sewage Treatment Plant) and ambient air by third party.
11. Assessment of third-party water Audit and Hydrogeological impact.
12. NTCF products fulfill the requirements of Annex XVII and XIV of the European Chemicals Regulation REACH (registration, evaluation, authorization and restriction of chemicals) & ECHA SVHC (European Chemical Agency - Substances of Very High Concern).
13. Nylon Textile product is OEKO - TEX S-100 Certified Product and fulfills Requirements of Annex XVII and XIV of the European Chemicals Regulation REACH & ECHA SVHC.

The Company is incurring CAPEX on ZLD plant to conserve water & the ZLD plant at Bharuch site is under commissioning and investing in 10.5 MW wind-solar hybrid Group Captive Scheme for its Bharuch Plant.

### 4. HUMAN RESOURCE AND INDUSTRIAL RELATIONS

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

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

The key initiatives in this pursuit are:

- Enriching learning & development interventions on the fronts of nurturing skills, capabilities and competencies of individuals and teams.



## MANAGEMENT DISCUSSION AND ANALYSIS REPORT (Contd.)

- Implementing progressive, objective and Enthusing Performance Management System to catalyze performance outcomes of employees.
- Strengthening the wellness & wellbeing interventions, not limiting to team members but their family members also, thereby addressing to work-life balance, physically & spiritually.
- Adding value in the Mediclaim Policy and Scholarship Programmes.
- Conducive employee relations resulting in not a single-man days' loss during the year.

### 5. INTERNAL CONTROL SYSTEM AND ITS ADEQUACY

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

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

### 6. INFORMATION TECHNOLOGY

Digitalization is a key growth pillar for Century Enka. To accelerate digitalization, significant progress has been made in building a robust foundation. We are leveraging technology, to improve productivity, operational efficiency and in better decision-making. Several initiatives are planned or under evaluation to increase digitalization to achieve operational efficiencies, increase customer base and customer delight. The cyber security and data privacy continue to remain the Company's focus area and make necessary investments to secure its systems and information assets. It remained focused on all three aspects i.e., People, Process and Technology, in every effort to secure the organization. Adequate cloud-based secure internet access, identity and data protection solutions are deployed to enable secure working of employees from anywhere. The move to Cloud also strengthen business continuity in case of any disaster / major outage. Deployment of collaborative solutions allowed seamless operations with internal and external stakeholders.

The Company increased coverage of modern workplace solutions based on cloud.

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

#### I. Highlights

₹ / Lacs

Particulars	Standalone		Consolidated
	FY 2023	FY 2022	FY 2023
Net Revenue from Operations	2,07,205	2,09,783	2,07,205
Profit before Depreciation, Finance Cost, Exceptional Items and Tax	16,137	28,492	16,137
<b>Add/(Less):</b>			
Depreciation	(4,122)	(3,962)	(4,122)
Finance Cost	(235)	(124)	(235)
Share in Loss of Associate (net of tax)	-	-	(12)
Taxation(Net)	(2,736)	(5,990)	(2,736)
<b>Net Profit</b>	<b>9,044</b>	<b>18,416</b>	<b>9,032</b>

#### a. Net Revenue from Operations

Net revenue for the year was lower by 1.23%. Sales in terms of volume (MT) was lower by about 1.57%. Lower revenue for the year reflects lower volumes in both NFY and NTCF and lower realizations.

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT (Contd.)

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

PBIDT is lower on account of lower margins over raw material cost.

### c. Finance Cost

Finance cost is higher due to higher borrowings.

## II. Key Financial Ratios (Standalone)

Ratio	FY 2023	FY 2022	Explanation for change
Debtors Turnover Ratio	9.02	8.83	Lower sales and increase in sales realization period
Inventory Turnover Ratio	8.38	9.38	Lower sales
Interest Coverage Ratio	68.67	229.8	Lower PBIDT and higher debt in current year
Operating Profit Margin (On PBIT excl. income on investments)	5.46%	11.32%	Lower margin
Net Profit Margin	4.36%	8.78%	Lower operating margins earned during current year.
Debt Equity Ratio	0.05	0.01	Additional borrowing during the current year

## III. Return on Net Worth

Ratio	FY 2023	FY 2022	Explanation for change
Return on Net Worth	6.84%	14.72%	Lower profit earned in current year.

## 8. CORPORATE SOCIAL RESPONSIBILITY (CSR)

The Company is committed to contributing towards global efforts to achieve the Sustainable Development Goals (SDGs) outlined in the United Nations 2030 Agenda for Sustainable Development. Our CSR efforts are directed at community upliftment through cluster development approaches with a focus on education, women's health care, skill development, rural infrastructure, healthcare & promotion of rural sports. We have forged long-term partnerships with various NGOs working at grass root level to ensure efficient, effective, and successful execution of CSR activities.

This year we have collaborated with 38 villages and reached out to the 47,302 people living in tribal belt and aspirational district.

### 1. Education and Skill Development

#### a. Vocational Training

The Company's objective is to impact the lives of underprivileged youth by providing them skill, employment, and livelihood. In the last few years since our inception, we have skill trained youth in both formal and informal sectors. The Company financially supported workshop machines & qualified teacher staff for vocation training institute in remote area on the Bharuch site. More than 200 students

acquired vocational training education. Numerous girls started jobs in textile industry and thus, purpose for women empowerment is accomplished.

#### b. Poshanvahini Project

Poshanvahini project aims to a system strengthening program to build the capacity of frontline workers to deliver effective services for children, pregnant mothers, lactating mothers and adolescent girls in the community. Poshanvahini project has covered programs for children from prenatal to six years of age, catering to their needs in all domains of development i.e. health and nutrition. The project provided the employment to 50 women and strengthening the Anganwadi centers. This initiative benefited around 650 students, of whom 83 children have overcome the malnutrition concerns.

This program has been delivered through Anganwadi centers, run as part of the Integrated Child Development Services (ICDS) by the Ministry of Women and Child Development. The Company has implemented this program in partnership with the Department of Women and Child Development (WCD), District Administration in Narmada.

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT (Contd.)

### c. Shiksha Sathi Project

The Company has enhanced the quality of education, learning levels, scarcity of teachers and reduced the drop-out ratio in government schools for students from underprivileged backgrounds in aspirational district-Narmada. The Company sponsored 45 teachers for 36 primary schools in the tribal area to combat their scarcity. Through these initiatives, we have positively impacted the lives of 3279 students and provided employment to 45 teachers.

### d. Educational Material and School Uniform

- Supported computer lab, D Laboratory, and interactive board fees for 366 students at Kalyan.
- Provided basic education aid to students like school bags notebooks, stationery kit, sketchbook, color box & etc. to 1500 student.
- Provided uniforms & shoes to 226 students.

### e. School Infrastructure

- Sponsored 1519, Library Books useful for Std I to Std XII, benefitting around 3434 students, and 70 sets of table & chairs for Sr. KG & Std I, benefitting around 280 students, to a school located at Sahad, Maharashtra,
- Provided two laptops to school situated in Mahad, Maharashtra for administration purposes.
- Provided Financial Assistance for construction of residential buildings for orphan students for residence and study rooms to children's whose Parents were committed suicide due to draught at Vidharbh & Marathwada region of Maharashtra.
- With the aim to start with the higher secondary education in a school located in tribal area the company supported for construction of lab (biology, chemistry & physics) and 3 classrooms. Also provided with furniture such as Cupboards, Chairs, Green Boards, Tables, benches and Ceiling fans.
- Provided printer, inverter & battery to an Industrial training institute situated in nearby area.
- Supported for establishing computer lab and provided furniture, light fittings, e-learning facilities etc. in industrial training institute which benefitted around 200 students.

- Facilitated renovation of Aaganwadi situated in Bamalla Gram Panchayat-Kaliyapura village.

## 2. Healthcare and Medical Programmes

The Company has been providing preventive and curative healthcare services to the surrounding villages. The preventive healthcare services are executed by way of health camps, health education and awareness camps etc.

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

These health camps were organized with the objectives of providing free medical check-up and medication to poor villagers and reinforce National Rural Health Mission (NRHM) under the corporate social responsibility. The company Organized 5 eye check-up and cataract operation camps in Umalla, Asha, Amletha, Pratapnagar and Rajpardi villages. It covered about 35 villages of nearby area of Bharuch site.

As a result, a total 2493 patients eyes were checked, 172 patients underwent free cataract operation, distributed 889 Spectacles free of cost and free medicines distributed to 224 patients.

### b. Blood Donation Camp

To wipe off the scarcity of blood and ensure availability of safe and quality blood, the Company organized blood donation camps in the premises of its Bharuch site in association with Red Cross Society, Rajpipla-Narmada Dist. wherein the Company's employees donated 67 units of blood.

### c. Gynec Camp

Created awareness of general health among the women, provided general health care services and counselled them of basic healthcare and hygiene. Provide free and good quality medical service to poor population.

The company organized 3 Gyno camps in Umalla, Bammala and Tavadi villages. Wherein 112 patients were checked, and 52 women underwent an advance Pap SMEAR Test.

### d. Drinking Water Facility

Provided a water chilling plant for safe and clean drinking water in Umalla village, benefitting around 10,000 people with filtered drinking water.

### e. Medical Aid

- Distributed Walker, Walking Sticks, KneeCap, LS Belt, Face Mask & Skin care soap etc. for beggars to improve their health at Pune to 300 beggars for a healthy living near its Pune plant.

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT (Contd.)

- Distributed Weighing Scales & Cotton Mask at Pune for a hygiene & healthy living nearby area
- Donated free medicines to homeopathic dispensary situated near its Pune site.

### **f. Women's hygiene (Distribution of sanitary Napkins)**

Women from rural areas are not using sanitary napkins due to lack of awareness, non-availability at village level, high cost of napkins and awkwardness to buy it from male shopkeepers. To overcome all these reasons and to encourage women and girls to use sanitary pads for better menstrual hygiene the company distributed 62700 Nos sanitary napkins to 1490 beneficiaries in Bamalla, Kaliyapura, Tavadi, Shir, Raisangpura, and Vali & Dabhal Villages.

### **g. Nutrition support in eradication of T.B.**

The National Tuberculosis Elimination Program (NTEP) is the Public Health initiative of the Government of India that organizes its anti-Tuberculosis efforts. It functions as a flagship component of the National Health Mission (NHM) and provides technical and managerial leadership for anti-tuberculosis activities in the country. As per the National Strategic Plan 2017-25, the program has a vision of achieving a "TB free India", with strategies under the broad themes of "Prevent, Detect, Treat and Build Pillars for Universal Coverage and Social Protection". The program provides, various free of cost, quality tuberculosis diagnosis and treatment services across the country through the government health system.

The Company participated in eradication of T.B program. The Company supported providing nutrition kit to T.B patient in Jhagadia and Netrang Taluka. 714 no's nutrition kit delivered to T.B patients. During the year, 219 patients were cured, accounting for nearly 17% of all patients.

### **h. Renovation of Health Care Centre**

Company Sponsored renovation of civil work, electric work, painting work & cleaning work in Community Health Centre (CHC), Umalla, Bharuch which extends health care facilities to around 10,000 villagers of nearby areas.

## **2. Rural Infrastructure**

### **a. High Mask Tower**

Provided 16 high mask light towers in 9 villages in the vicinity of its Bharuch site. More than 3735 villagers have benefited from this initiative.

### **b. RCC Benches**

Distributed 83 RCC Benches in 22 villages around its Bharuch site, benefiting around 2000 villagers and commuters.

### **c. Community hall**

Lack of community hall facility, no places for conducting government meetings & celebrating local events company financially supported to construct a large gathering capacity hall in rural area. The community hall will benefit around 1500 people of Shir / Tavdi villages.

### **d. Paver block in village**

The Company financially supported the repair of damaged roads by fixing paver block in a village.

### **e. Toilet/ Urinal constuction in Rajpardi for public uses.**

Rajpardi is a destination where about the inhabitants of 20 villages used to commute on daily basis for marketing, medical purposes and there was no facility for the public toilet and thus, women were in a very scratchy condition which may also create health issues. The Company provided financial support for construction of a public toilet at Rajpardi village. This public toilet is a facility which built for the use of the floating population such as women, girls, visitors, and student, etc. This initiative benefited especially women and 12000 villagers.

### **f. Levelling of approach road**

A damaged approach road of Kalyapura Village was levelled to facilitate villagers as well students who are commuting through this road. About 250 people are benefitted from this initiative.

### **g. Construction of culver with hum pipe.**

Financial support for construction of culvert with hum pipe and road in village. During the raining season, heavy rain flow destroyed culverts & roads. It broke down the connectivity between Raysingpura and Umalla village so more than 1500 people were affected. With this connectivity, about 1500 people of 5 villages will be benefitted.

### **h. Diesel generator for water supply**

During the rainy season, there are power cut in the villages and thus, no water supply in the village. With a view to facilitating villagers, the Company provided a diesel generator to Bamalla village. This initiative benefited about 1500 people.

# CORPORATE GOVERNANCE REPORT

Corporate Governance refers to compliance of laws, regulations in true letter & spirit, best management practices and adherence of ethical standard that enables an organisation to perform its business efficiently and ethically to generate long-term wealth and create value for all its stakeholders. The essence of Corporate Governance lies in promoting and maintaining integrity, fairness, transparency, sustainability, accountability, and responsibility across all business practices. Good Corporate Governance provides for sound strategic planning, better risk management, long-term sustainability, and adherence to the highest standards of transparency & business ethics.

## A. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

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

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

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

## B. BOARD OF DIRECTORS

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

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

As on 31<sup>st</sup> March, 2023, the Board comprises of six Directors out of these, one is Managing Director and five are Non-Executive Directors including two Women Directors. Out of six Directors, three Directors are Independent Directors including one independent woman Director. The Managing Director is entrusted with substantial powers of management of the affairs of the Company. The Chairperson of the Company is a Non-Executive, Non-Independent Director and not related to Managing Director pursuant to definition of the term "relative" defined under the Act. The total strength of independent directors comprises half of the total strength of the Board. The Non-Executive Directors having considerable experience in their respective fields of industry, management & finance. The brief profile of the Directors on the Board is available on the Company's website and can be accessed at <https://www.centuryenka.com/about-us/overview.html>

The composition of the Board of Directors of the Company including their shareholding as on 31<sup>st</sup> March, 2023 and the outside directorships and committee positions held by them as on 31<sup>st</sup> March, 2023 are as under:

Name of the Director	Category of Directors	No. of shares held in the Company	No. of outside* Directorships in Public Limited Companies**	No. of outside* Committee position(s) held***		Name of other Listed Companies in which the Director holds Directorship	Category of Directorship in other Listed Companies
				Member	Chairman		
Mrs. Rajashree Birla (00022995)	Non-Executive and Promoter	26,080	5	-	-	1. Grasim Industries Limited	Non-Executive-Non-Independent
						2. Hindalco Industries Limited	Non-Executive- Non-Independent
						3. Ultratech Cement Limited	Non-Executive- Non-Independent
						4. Century Textiles and Industries Limited	Non-Executive-Non-Independent
						5. Pilani Investment & Industries Corporation Limited	Non-Executive- Non-Independent



## CORPORATE GOVERNANCE REPORT (Contd.)

Name of the Director	Category of Directors	No. of shares held in the Company	No. of outside* Directorships in Public Limited Companies**	No. of outside* Committee position(s) held***		Name of other Listed Companies in which the Director holds Directorship	Category of Directorship in other Listed Companies
				Member	Chairman		
Mr. Sohanlal K. Jain (02843676)	Non-Executive & Independent	125	1	1	-	Century Textiles and Industries Limited	Non-Executive-Independent
Mr. Krishna S. Thar (00390137)	Non-Executive & Independent	-	-	-	-	-	-
Mrs. Krupa R. Gandhi (00294629)	Non-Executive & Independent	-	-	-	-	-	-
Mr. Devajyoti N. Bhattacharya (00868751)	Non-Executive & Non-Independent	-	6	-	-	T.V. Today Network Limited	Non-Executive- Non-Independent
Mr. Suresh Sodani (08789604)	Executive - Managing Director	-	-	-	-	-	-

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

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

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

### Number of Board Meetings and attendance

During the financial year 2022-23, the Board met six times. The details of Board meetings and attendance of Directors at the Board Meetings and in the last Annual General Meeting (AGM) are as under:

Name of Director	Attendance at Board Meetings held on						Attendance %	Attended AGM held on 18.08.2022
	11.05.2022	09.08.2022	22.09.2022	21.10.2022	08.02.2023	28.02.2023		
Mrs. Rajashree Birla	✓	✓	✓	✓	✓	✓	100	✓
Mr. Sohanlal K. Jain	✓	✓	✓	✓	✓	✓	100	✓
Mr. Krishna S. Thar	✓	✓	✓	✓	✓	✓	100	✓
Mrs. Krupa R. Gandhi	✓	✓	✓	✓	Leave of Absence	✓	83.33	✓
Mr. Devajyoti N. Bhattacharya	✓	✓	✓	✓	✓	✓	100	Leave of Absence
Mr. Suresh Sodani	✓	✓	✓	✓	✓	✓	100	✓

### Inter-se relationship between directors

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









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

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

Corporate Governance	Industry Experience or Knowledge	Finance & Taxation	Strategic Leadership
Legal and Compliance	Risk Management	Sustainability	Social Impact/ Philanthropy

## CORPORATE GOVERNANCE REPORT (Contd.)

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

Skills/expertise/ attributes/ competencies	Mrs. Rajashree Birla	Mr. Sohanlal K. Jain	Mr. Krishna S. Thar	Mrs. Krupa R. Gandhi	Mr. Devajyoti N. Bhattacharya	Mr. Suresh Sodani
 <b>Corporate Governance</b>	✓	✓	✓	✓	✓	✓
 <b>Industry Experience or Knowledge</b>	✓	-	-	-	✓	✓
 <b>Finance &amp; Taxation</b>	-	-	✓	✓	✓	✓
 <b>Strategic Leadership</b>	✓	-	-	✓	✓	✓
 <b>Legal and Compliance</b>	-	✓	-	-	-	✓
 <b>Risk Management</b>	-	✓	-	-	✓	✓
 <b>Sustainability</b>	✓	-	-	-	-	✓
 <b>Social Impact/ Philanthropy</b>	✓	-	-	-	-	-

### Appointment and Tenure of Directors

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

### Directors' interest in other Company

Every director shall at the first meeting of the Board in which he participates as a director and thereafter at the first meeting of the Board in every financial year or whenever there is any change in the disclosures already made, then at the first Board meeting held after such change, disclose his concern or interest in any company or companies or bodies corporate, firms, or other association of individuals which shall include the shareholding.

## CORPORATE GOVERNANCE REPORT (Contd.)

Whenever, the Company enters into contracts with such companies in which a Director of the Company is interested as director or member, the management will ensure that such contracts are in the ordinary course of business and at arm's length basis.

Full particulars of contracts, in which directors are directly or indirectly concerned or interested, are entered in the Register of Contracts maintained under section 189 of the Act and the same is placed in the next Board Meeting for the noting of the Directors.

### Directors and Officers insurance

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

### Succession Planning

Succession planning is a necessary tool for an organization to ensure smooth functioning of the Company and its continued effective performance through leadership continuity. The Company is artificial person and will survive forever. This necessitates the formation and existence of orderly succession planning. To avoid any leadership gap, the Company has succession plan in place for orderly succession for appointment to the Board of Directors and Senior Management and Nomination, Remuneration and Succession Policy is available in the Company's website and can be accessed at <https://www.centuryenka.com/pdf/policies/nomination-remuneration-and-succession-policy.pdf>

### Legal Compliance Reporting

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

## C. AUDIT COMMITTEE

The Audit Committee comprises of three Independent Directors including a Woman Independent Director, headed by Mr. Sohanlal K. Jain, Non-Executive Independent Director.

The Board in its meeting held on 21<sup>st</sup> October, 2022 had approved the Charter for Audit Committee which includes revised terms of reference of the Committee. The Audit Committee empowered to act in accordance with the specific terms of reference, as approved by the Board.

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

During the financial year 2022-23, the Committee met five times on 11.05.2022, 09.08.2022, 21.10.2022, 08.02.2023 and 28.02.2023. Mr. Rahul Dubey, Company Secretary and Compliance Officer, acts as the Secretary to the Committee. Besides the Committee members, Managing Director, Chief Financial Officer and Partners/other representatives of the firms of Statutory Auditors and Internal Auditors were also present at the meetings to answer the queries raised by the Committee Members. The composition of Audit Committee as on 31<sup>st</sup> March, 2023 and attendance of the Committee members for FY 2023 are given below:

Name of the Director	Category of Directors	Attendance at Audit Committee Meetings held on					Attendance %	Attended AGM held on 18.08.2022
		11.05.2022	09.08.2022	21.10.2022	08.02.2023	28.02.2023		
Mr. Sohanlal K. Jain	Non-Executive & Independent Director (Chairperson)	✓	✓	✓	✓	✓	100	✓
Mr. Krishna S. Thar	Non-Executive & Independent Director (Member)	✓	✓	✓	✓	✓	100	✓
Mrs. Krupa R. Gandhi	Non-Executive & Independent Director (Member)	✓	✓	✓	Leave of absence	✓	80	✓

## CORPORATE GOVERNANCE REPORT (Contd.)

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

The NRC comprises of three Independent Directors including a Woman Independent Director, headed by Mr. Sohanlal K. Jain, Non-Executive Independent Director.

The Board in its meeting held on 21<sup>st</sup> October, 2022 had approved the Charter for NRC which includes revised terms of reference of the Committee. The NRC empowered to act in accordance with the specific terms of reference, as approved by the Board.

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

During the financial year 2022-23, the Committee met once on 22.09.2022. Mr. Rahul Dubey, Company Secretary and Compliance Officer, acts as the Secretary to the Committee. The composition of NRC as on 31<sup>st</sup> March, 2023 and attendance of the Committee members for FY 2023 are given below:

Name of the Director	Category of Directors	Attendance at NRC Meetings held on	Attendance %	Attended AGM held on
		22.09.2022		18.08.2022
Mr. Sohanlal K. Jain	Non-Executive & Independent Director (Chairperson)	✓	100	✓
Mr. Krishna S. Thar	Non-Executive & Independent Director (Member)	✓	100	✓
Mrs. Krupa R. Gandhi	Non-Executive & Independent Director (Member)	✓	100	✓

#### Performance Evaluation

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

The performance evaluation of the Board as a whole, its Committees and the Individual Board members (including Independent Directors) for the financial year 2022-23 has been carried out in accordance with the Performance Evaluation Framework adopted by the Company.

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

The SRC comprises of three directors, two Independent and one Executive Director, headed by Mr. Sohanlal K. Jain, Non-Executive Independent Director.

The Board in its meeting held on 21<sup>st</sup> October, 2022 had approved the Charter for SRC which includes revised terms of reference of the Committee. The SRC empowered to act in accordance with the specific terms of reference, as approved by the Board.

The brief terms of reference of SRC inter-alia includes consideration of various aspect of interest of shareholders, debenture holders and other security holders and resolve their grievances including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.; review of measures taken for effective exercise of voting rights by shareholders; review of adherence to the service standards adopted by the Company in respect of services being rendered by the Registrar & Share Transfer Agent; review of the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company.

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 SRC.

## CORPORATE GOVERNANCE REPORT (Contd.)

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

During the financial year 2022-23, the Committee met on 08.02.2023. Mr. Rahul Dubey, Company Secretary and Compliance Officer, acts as the Secretary to the Committee. The composition of SRC as on 31<sup>st</sup> March, 2023 and attendance of the Committee members for FY 2023 are given below:

Name of the Director	Category of Directors	Attendance at SRC Meetings held on	Attendance %	Attended AGM held on
		08.02.2023		18.08.2022
Mr. Sohanlal K. Jain	Non-Executive & Independent Director (Chairperson)	✓	100	✓
Mr. Krishna S. Thar	Non-Executive & Independent Director (Member)	✓	100	✓
Mr. Suresh Sodani	Executive-Managing Director (Member)	✓	100	✓

Status of Shareholders'/Investors' Complaints for the period 01.04.2022 to 31.03.2023

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

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

## F. RISK MANAGEMENT COMMITTEE (RMC)

The RMC comprises of four members, three Directors including one Independent Director and Chief Financial Officer of the Company, headed by Mr. Devajyoti N. Bhattacharya, Non-Executive Non- Independent Director.

The Board in its meeting held on 21<sup>st</sup> October, 2022 had approved the Charter for the RMC which includes revised terms of reference of the Committee. The RMC empowered to act in accordance with the specific terms of reference, as approved by the Board.

The brief terms of reference of the RMC are as under:

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



## CORPORATE GOVERNANCE REPORT (Contd.)

During the financial year 2022-23, the Committee met two times on 26.07.2022 and 16.01.2023. Mr. Rahul Dubey, Company Secretary and Compliance Officer, acts as the Secretary to the Committee. The composition of RMC as on 31<sup>st</sup> March, 2023 and attendance of the Committee members for FY 2023 are given below:

Name of the Members	Category of Members	Attendance at RMC Meetings held on		Attendance %	Attended AGM held on 18.08.2022
		26.07.2022	16.01.2023		
Mr. Devajyoti N. Bhattacharya	Non-Executive & Non-Independent Director (Chairperson)	✓	✓	100	✓
Mr. Sohanlal K. Jain	Non-Executive & Independent Director (Member)	✓	✓	100	✓
Mr. Suresh Sodani	Executive - Managing Director (Member)	✓	✓	100	✓
Mr. Krishna Ladsaria	Chief Financial Officer (Member)	✓	✓	100	✓

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

The CSR Committee comprises of three directors, two Independent Directors & one Executive Director, headed by Mr. Sohanlal K. Jain, Non-Executive Independent Director.

The Board in its meeting held on 21<sup>st</sup> October, 2022 had approved the Charter for CSR Committee which includes revised terms of reference of the Committee. The CSR Committee empowered to act in accordance with the specific terms of reference, as approved by the Board.

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

During the financial year 2022-23, the Committee met two times on 11.05.2022 and 21.10.2022. Mr. Rahul Dubey, Company Secretary and Compliance Officer, acts as the Secretary to the Committee. The composition of CSR Committee as on 31<sup>st</sup> March, 2023 and attendance of the Committee members for FY 2023 are given below:

Name of the Director	Category of Directors	Attendance at CSR Committee Meetings held on		Attendance %	Attended AGM held on 18.08.2022
		11.05.2022	21.10.2022		
Mr. Sohanlal K. Jain	Non-Executive & Independent Director (Chairperson)	✓	✓	100	✓
Mrs. Krupa R. Gandhi	Non-Executive & Independent Director (Member)	✓	✓	100	✓
Mr. Suresh Sodani	Executive - Managing Director (Member)	✓	✓	100	✓

### H. SHARE TRANSFER COMMITTEE (STC)

The STC comprises of two Independent Directors. The Board in its meeting held on 21<sup>st</sup> October, 2022 had approved the Charter for STC which includes terms of reference of the Committee. STC empowered to act in accordance with the specific terms of reference, as approved by the Board.

There is also a delegation of authorities to Senior Executives to attend share related formalities i.e., transmission, name deletion, etc. and register the same within stipulated time, provided all the documents are valid and complete in all respect. Number of transaction in each such categories approved by the delegated authorities are placed before the STC/Board for its review & noting.

## CORPORATE GOVERNANCE REPORT (Contd.)

During the financial year 2022-23, the Committee met five times on 20.06.2022, 27.08.2022, 28.11.2022, 19.12.2022 and 24.02.2023. Mr. Rahul Dubey, Company Secretary and Compliance Officer, acts as the Secretary to the Committee. The composition of STC as on 31<sup>st</sup> March, 2023 and attendance of the Committee members for the FY 2023 are given below:

Name of the Director	Category of Directors	Attendance at STC Meetings held on					Attendance %	Attended AGM held on 18.08.2022
		20.06.2022	27.08.2022	28.11.2022	19.12.2022	24.02.2023		
Mr. Krishna S. Thar	Non-Executive & Independent Director (Chairperson)	✓	✓	✓	✓	✓	100	✓
Mrs. Krupa R. Gandhi	Non-Executive & Independent Director (Member)	✓	✓	✓	✓	✓	100	✓

### I. INDEPENDENT DIRECTORS

All the Independent Directors are independent and are not related to any Director or Key Managerial Personnel and the Company's Management. None of the Independent Directors serve as an independent director in more than seven listed companies in line with the requirements of the Listing Regulations. Independent Directors have also confirmed about inclusion of their names in the databank of Independent Directors maintained with the Indian Institute of Corporate Affairs in terms of Section 150 read with Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014.

#### Meeting of Independent Directors and attendance records

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

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

The meeting of Independent Directors of the Company was held on 16.03.2023, without the presence of Non-Independent Directors and the management, to discuss the aforesaid matters. The Independent Directors expressed satisfaction on the overall performance of the Directors and the Board as a whole. The Independent Directors also expressed satisfaction on the Board's freedom to express views on matters transacted at meetings and the manner in which the management discusses various subject matters specified in the agenda of meetings. Suggestions made by the Independent Directors were discussed at the Board meeting and are being implemented.

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

Name of the Director	Category of Directors	Attendance at Independent Directors Meeting held on	Attendance %
		16.03.2023	
Mr. Sohanlal K. Jain	Non-Executive & Independent Director (Chairperson)	✓	100
Mr. Krishna S. Thar	Non-Executive & Independent Director (Member)	✓	100
Mrs. Krupa R. Gandhi	Non-Executive & Independent Director (Member)	✓	100

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

Necessary declarations have been obtained from all the Independent Directors that they meet the criteria of independence under Section 149(6) of the Act and under Regulation 25 read with Regulation 16 of Listing Regulations. In terms of Regulation 25(8) of the Listing Regulations, Independent Directors have confirmed that they are not aware of any circumstance or situation which exists or may be reasonably anticipated, that could impair or impact their ability to discharge their duties with an objective of independent judgement and without any external influence.

## CORPORATE GOVERNANCE REPORT (Contd.)

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

### Terms and Conditions of appointment

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

### Familiarization Programme

Familiarisation programmes for the Independent Directors generally forms part of the Board process. Board and Committees are updated on business performance; operating results; risk management and mitigation plans; efforts and initiatives around environment and sustainability; management outlook on business; economic / industry developments, among others. Directors get opportunity to interact with the senior management team including the Statutory and the Internal Auditors of the Company. The Directors are also regularly kept informed of other developments and regulatory changes and corresponding impact on the Company. The details of familiarization programme are available on the Company's website and can be accessed at <https://www.centuryenka.com/pdf/policies/familiarisation-programme-independent-director.pdf>

### Resignation of Independent Directors

During the financial year 2022-23, no Independent Directors has resigned before the expiry of his/her tenure.

## J. REMUNERATION OF DIRECTORS

### (a) Non-Executive Directors

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

#### (i) Sitting Fees

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

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

#### (ii) Commission

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

Remuneration paid/payable to Non-Executive Directors for the FY 2023:

Name of Non-Executive Director	Sitting Fees paid for Board/ Committee Meetings attended (₹)	Commission Payable (₹)
Mrs. Rajashree Birla	1,50,000/-	7,50,000/-
Mr. Sohanlal K. Jain	2,70,000/-	7,50,000/-
Mr. Krishna S. Thar	2,77,500/-	7,50,000/-
Mrs. Krupa R. Gandhi	2,45,000/-	7,50,000/-
Mr. Devajyoti Nirmal Bhattacharya	1,65,000/-	7,50,000/-

There were no other pecuniary relationships or transactions between the Company and Non-Executive Directors during the financial year 2022-23.

## CORPORATE GOVERNANCE REPORT (Contd.)

### (b) Executive Director

During the financial year 2022-23, the Company has paid remuneration to its Managing Director within the limits as prescribed under the applicable provisions of the Act and the Listing Regulations.

Remuneration paid/ payable to Mr. Suresh Sodani, Managing Director for the FY 2023 are as under:

	₹ Lacs
All elements of remuneration package i.e., salary, benefits, pension etc.	238.28
Variable Pay	60.48
Total Remuneration	298.76
Appointment Period	Five years w.e.f. 01.09.2020
Notice Period	Three months' notice in writing on either side.
Severance Fees	No severance fees payable to the Managing Director.
Stock options	Nil

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

A sum of ₹60.48 Lacs was paid towards annual variable pay linked to the achievement of business and individual performance.

## K. GENERAL BODY MEETINGS

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

Financial Year	Date & Time	Location	Particulars of Special Resolution passed
2019-20 54 <sup>th</sup> AGM	13.08.2020 & 12:30 P.M. (IST)	Through Video Conferencing: Recorded at Century Enka Limited Plot No. 72 & 72-A, MIDC, Bhosari, Pune-411026	(a) Continuation of holding office by Mrs. Rajashree Birla (DIN: 00022995) on her re-appointment as Director liable to retire by rotation and on her attaining the age of 75 years on 15 <sup>th</sup> September, 2020.
2020-21 55 <sup>th</sup> AGM	13.08.2021 & 02:30 P.M (IST)	Through Video Conferencing: Recorded at Century Enka Limited Plot No. 72 & 72-A, MIDC, Bhosari, Pune-411026	(a) Reappointment of Mrs. Rajashree Birla (DIN: 00022995) as a Director of the Company, liable to retire by rotation. (b) Consider and adopt new set of Articles of Association of the Company pursuant to the Companies Act, 2013.
2021-22 56 <sup>th</sup> AGM	18.08.2022 & 02:30 P.M (IST)	Through Video Conferencing: Recorded at Century Enka Limited Plot No. 72 & 72-A, MIDC, Bhosari, Pune-411026	No Special Resolution proposed and passed at 56 <sup>th</sup> AGM of the Company

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

There was no resolution passed in the financial year 2022-23 through postal ballot.

- (iii) Whether any special resolution is proposed to be conducted through postal ballot.

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

## L. MEANS OF COMMUNICATION

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

## CORPORATE GOVERNANCE REPORT (Contd.)

### M. GENERAL SHAREHOLDER INFORMATION

(a) **Annual General Meeting**

Day, Date and Time: Thursday, 24<sup>th</sup> August, 2023, 2:30 PM (IST)  
 Venue: Plot No. 72&72-A, MIDC, Bhosari, Pune-411026  
 Mode: Through Video Conference

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

(c) **Financial Calendar:**

Board Meetings for approval of financial reporting for the	Tentative Dates
Quarter ending 30 <sup>th</sup> June, 2023	On or before 14 <sup>th</sup> August, 2023
Quarter ending 30 <sup>th</sup> September, 2023	On or before 14 <sup>th</sup> November, 2023
Quarter ending 31 <sup>st</sup> December, 2023	On or before 14 <sup>th</sup> February, 2024
Quarter ending 31 <sup>st</sup> March, 2024	On or before 30 <sup>th</sup> May, 2024

(d) **Book Closure:** The Register of Members and Share Transfer Register will remain closed from Monday, the 14<sup>th</sup> August, 2023 to Wednesday, the 16<sup>th</sup> August, 2023 (both days inclusive) for the purpose of payment of dividend.

(e) **Dividend Payment Date:** On or after Monday, 28<sup>th</sup> August, 2023

(f) **Registered Office & contact details:** Plot No. 72 & 72-A, MIDC, Bhosari, Pune- 411026  
 Tel. No. (020) 66127 304  
 Fax No. (020) 27120 113  
 E-mail: cel.investor@adityabirla.com  
 Website: www.centuryenka.com

(g) **Listing at Stock Exchanges:** The Company's Equity Shares are listed at the following Stock Exchanges:  
**BSE Limited**  
 25<sup>th</sup> Floor, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400001  
**The National Stock Exchange of India Limited**  
 Exchange Plaza, C-1, Block G, Bandra-Kurla Complex, Bandra (East), Mumbai - 400051

(h) **Payment of Annual Listing Fees:** The Annual Listing Fees for the FY 2024 to BSE and NSE have been paid.

(i) **Stock Code:** BSE Limited: 500280  
 National Stock Exchange of India Limited: CENTENKA

(j) **ISIN allotted to Equity Shares:** INE485A01015

(k) **Stock Market Data:**

Monthly high and low prices of equity shares of the Company quoted at BSE Ltd. (BSE) and National Stock Exchange of India Ltd. (NSE) during the financial year 2022-23 are given below:

(Amount/ ₹)

Month	BSE		NSE	
	High	Low	High	Low
April-22	671.95	558.35	675.00	555.05
May-22	604	442	604.00	441.55
June-22	518	410.35	518.45	410.00
July-22	452.4	403.05	452.45	400.10
August-22	489.5	425.5	490.00	425.50
September-22	489.9	423.25	490.00	423.00
October-22	486.35	423.15	486.65	423.10

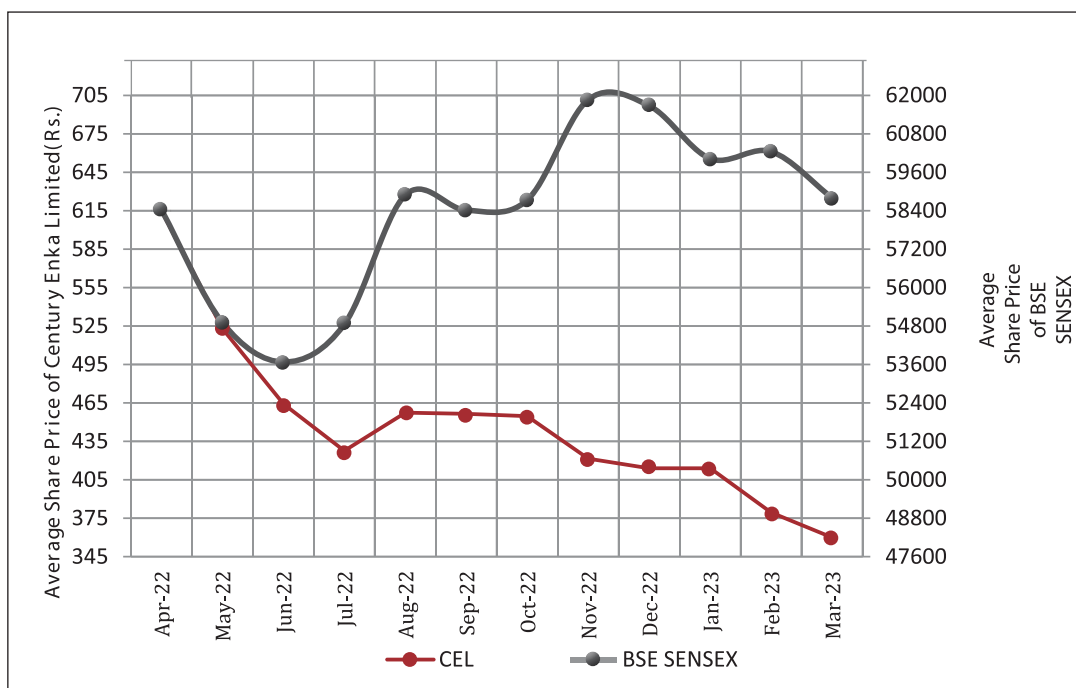


**CORPORATE GOVERNANCE REPORT (Contd.)**

(Amount/ ₹)

Month	BSE		NSE	
	High	Low	High	Low
November-22	438.05	405.05	438.90	405.45
December-22	439.05	389.05	438.70	389.00
January-23	426	402	426.80	402.00
February-23	413.95	345.2	413.55	351.00
March-23	379.8	340	381.35	340.00

(l) **Stock Performance Index:**



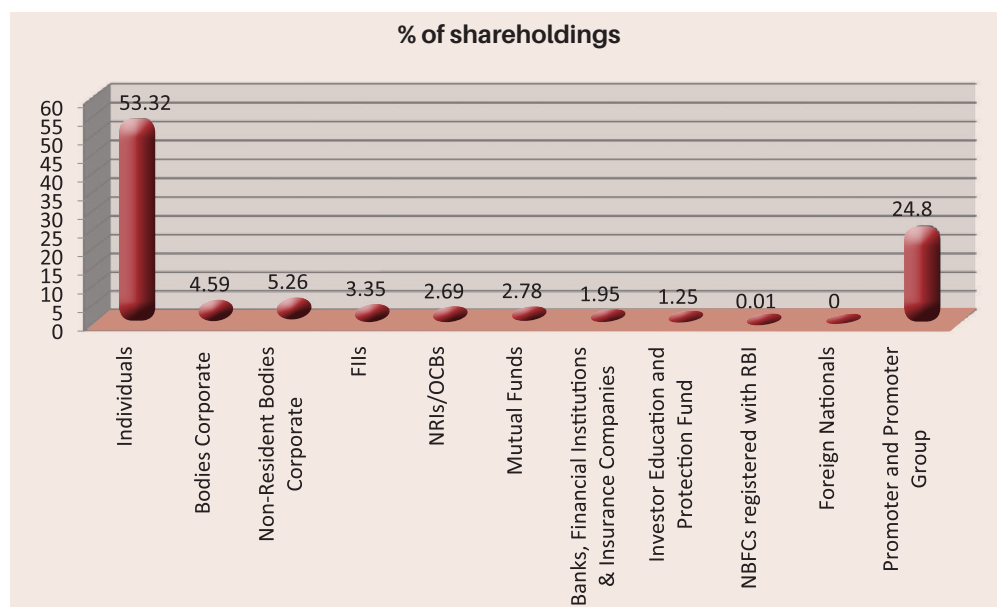
(m) **Distribution of Shareholding of the equity shares of the Company as on 31<sup>st</sup> March, 2023:**

No. of equity shares held	No. of shareholders	% of shareholders	No. of equity shares held	% of shareholding
1 to 10	13985	28.83	78657	0.36
11 to 50	17274	35.61	515558	2.36
51 to 100	6551	13.51	573724	2.62
101 to 500	7750	15.98	1914105	8.76
501 to 1000	1409	2.90	1098497	5.03
1001 to 5000	1215	2.50	2634678	12.06
5001 and above	325	0.67	15035370	68.81
<b>Total</b>	<b>48509</b>	<b>100</b>	<b>21850589</b>	<b>100</b>

**CORPORATE GOVERNANCE REPORT (Contd.)**

(n) **Categories of Shareholding as on 31<sup>st</sup> March, 2023:**

Category	No. of shareholders	% of shareholders	No. of shares held	% of shareholdings
<b>Non-Promoters</b>				
Individuals	47309	97.54	11650627	53.32
Bodies Corporate	472	0.97	1002059	4.59
Non-Resident Bodies Corporate	3	0.01	1150000	5.26
FIIIs	46	0.09	731874	3.35
NRIs/OCBs	616	1.27	588531	2.69
Mutual Funds	7	0.02	606796	2.78
Banks, Financial Institutions & Insurance Companies	40	0.08	426527	1.95
Investor Education and Protection Fund	1	0.00	273962	1.25
NBFCs registered with RBI	2	0.00	1725	0.01
Foreign Nationals	2	0.00	440	0.00
<b>Total Non-Promoter</b>	<b>48498</b>	<b>99.98</b>	<b>16432541</b>	<b>75.20</b>
<b>Promoter and Promoter Group</b>	<b>11</b>	<b>0.02</b>	<b>5418048</b>	<b>24.80</b>
<b>Total</b>	<b>48509</b>	<b>100</b>	<b>21850589</b>	<b>100</b>



(o) <b>Dematerialisation of Shares and Liquidity:</b>	92.51% of equity shares have been dematerialized as on 31 <sup>st</sup> March, 2023. Trading in shares of Century Enka Limited is available in dematerialised form only.
(p) <b>Outstanding GDRs, ADRs, Warrants or any Convertible Instruments:</b>	The Company does not have any outstanding GDRs/ADRs/ Warrants/Convertible Instruments.
(q) <b>Commodity Price Risk or Foreign Exchange Risk &amp; Hedging activities:</b>	It is the policy of the Company to cover its foreign currency exposure for imports to avoid currency exchange fluctuation. There is no hedging available in caprolactam, the raw material of the Company.
(r) <b>Plant Locations:</b>	a) MIDC Bhosari, Pune, Maharashtra b) Rajashree Nagar, Bharuch, Gujarat & c) Mahad, Raigad, Maharashtra (Not in operation)

## CORPORATE GOVERNANCE REPORT (Contd.)

(s)	<b>Registrar to an issue and share transfer agent:</b>	Link Intime India Private Limited (Unit: Century Enka Limited) C 101, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai - 400083. Tel.: 022-49186270, Fax: 022-49186060, E-mail: <a href="mailto:rnt.helpdesk@linkintime.co.in">rnt.helpdesk@linkintime.co.in</a>
(t)	<b>Share Transfer System:</b>	Share Transfer System is explained in the para of Share Transfer Committee of this Report.
(u)	<b>Address for Correspondence:</b>	Century Enka Limited Plot No. 72 & 72-A, MIDC, Bhosari, Pune-411026. Tel. No.: (020) 66127304 Fax No.: (020) 27120113 E-mail: <a href="mailto:cel.investor@adityabirla.com">cel.investor@adityabirla.com</a>

(v) **In case the securities are suspended from trading, the directors report shall explain thereof:**

The shares are actively traded on NSE and BSE and have not been suspended from trading.

(w) **List of credit ratings along with any revisions thereto during the financial year**

There has been no change in the credit ratings during the financial year 2022-23. The credit ratings have been reaffirmed for the bank facilities are as under:

Particulars	Facilities ₹ (Cr.)	Credit Ratings
<b>Bank Facilities (for debt instruments/facilities)</b>		
Long Term Ratings	180	CRISIL A+/Stable (Reaffirmed)
Short Term Ratings	365	CRISIL A1+ (Reaffirmed)
<b>Total Bank Facilities</b>	<b>545</b>	

## N. OTHER DISCLOSURES

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

During the financial year 2022-23, there is no transaction of materially significant nature with related party that may have a potential conflict with the interest of the Company at large.

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

There has been no non-compliance by the Company nor any penalties imposed or strictures passed against the Company by the Stock Exchanges, SEBI or any other Statutory Authority on any matter related to capital markets in the last three years, except there was a delay of few hours in giving prior intimation to NSE & BSE about the Board Meeting to be held on 9<sup>th</sup> August, 2022 for approval of the financial results for the quarter ended 30<sup>th</sup> June, 2022. The Company has responded to the Show Cause Notice and applied for waiver of fine stating that the delay was due to 'accidental loss of connectivity with server/ network' was technical in nature and beyond the control of the Company. No further communication has been received from the Stock Exchanges.

Furthermore, as reported in the previous Corporate Governance Report for the FY 2022, the Securities Appellate Tribunal (SAT), in the matter of Regulation 17(1) of the Listing Regulations regarding the composition of directors, quashed the order of SEBI & Stock Exchanges, vide its order dated 25<sup>th</sup> March, 2022. In pursuance of the same, both the Stock Exchanges refunded an amount of ₹625,000 each to the Company, being the amount paid by the Company in protest.

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

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

## CORPORATE GOVERNANCE REPORT (Contd.)

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

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

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

The Policy is available on the website of the Company and can be accessed at <https://www.centuryenka.com/pdf/policies/vigil-mechanism-whistle-blower-policy.pdf>

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

The Company has complied with all applicable mandatory requirements of the Listing Regulations during the financial year 2022-23 and adopted discretionary requirements (refer para 'discretionary requirements of this report') as specified in Part E of Schedule II of the Listing Regulations.

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

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

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

The policy on Related Party Transactions as approved by the Board of Directors is available on the website of the Company and can be accessed at <https://www.centuryenka.com/pdf/policies/policy-on-related-party-transactions.pdf>

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

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

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

During the financial year 2022-23, the Company has not raised any fund through preferential allotment or qualified institutions placements as specified under Regulation 32(7A) of the Listing Regulations.

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

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

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

During the financial year 2022-23, the Board of Directors of the Company has accepted all the recommendation of the committees.

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

Total Fees paid/payable to Statutory Auditors for the FY 2023 is ₹5,369,401. (There is no subsidiary company/ network firm/ network entity)

## CORPORATE GOVERNANCE REPORT (Contd.)

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

The Company has received one complaints during the financial year 2022-23.

Number of complaints filed during the financial year 2022-23	Number of complaints disposed of during the financial year 2022-23	Number of complaints pending as on end of the financial year 2022-23
1	0	1*

\* Complaint has been disposed of within the prescribed timelines, after the end of the reporting period i.e., 31<sup>st</sup> March, 2023, before the date of this report.

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

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

### (n) Code of Conduct

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

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

The Code is available on the website of the Company and can be accessed at <https://www.centuryenka.com/pdf/policies/code-conduct-members-board-senior-management.pdf>

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

### (o) Prevention of Insider Trading

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

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

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

#### (i) Dividend Distribution Policy

Dividend Distribution Policy is available on Company's website and can be accessed at <https://www.centuryenka.com/pdf/policies/dividend-distribution-policy.pdf>

#### (ii) Policy on Determination of materiality of events or information for disclosure

Policy on Determination of Materiality of events or Information for Disclosure is available on Company's website and can be accessed at [https://www.centuryenka.com/pdf/policies/Policy\\_01122015.pdf](https://www.centuryenka.com/pdf/policies/Policy_01122015.pdf)

#### (iii) Secretarial Compliance Report

Annual Secretarial Compliance Report for the financial year ended 31<sup>st</sup> March, 2023 is available on the Company's website and can be accessed at [https://www.centuryenka.com/investor-relations/index.html#parentHorizontalTab6|ChildVerticalTab\\_216](https://www.centuryenka.com/investor-relations/index.html#parentHorizontalTab6|ChildVerticalTab_216)

#### (iv) Annual Return

The Annual Return of the Company as on 31<sup>st</sup> March, 2023 in the prescribed Form MGT-7 under section 92 of the Act is available on the Company's website and can be accessed at [https://www.centuryenka.com/investor-relations/index.html#parentHorizontalTab6|ChildVerticalTab\\_212](https://www.centuryenka.com/investor-relations/index.html#parentHorizontalTab6|ChildVerticalTab_212)



## CORPORATE GOVERNANCE REPORT (Contd.)

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

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

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

Discretionary requirements adopted by the Company are as follows:

#### (i) The Board

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

#### (ii) Shareholders Rights

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

#### (iii) Modified opinion(s) in Audit Report

The Statutory Auditors have expressed an unmodified opinion on the financial statements of the Company. The Company is in the regime of financial statements with unmodified audit opinion.

#### (iv) Separate posts of Chairman and Chief Executive Officer

The Chairperson of the Company is a Non-Executive Director. Separate individuals hold the positions of Chairperson and the Managing Director of the Company.

#### (v) Reporting of Internal Auditors

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

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

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

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

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

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

Currently, not applicable

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

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

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

Pursuant to section 124 of the Act read with Rule 6 of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 as amended from time to time, all shares in respect of which dividend had not been paid or claimed for 7 (seven) consecutive years were required to be transmitted to the Investor Education and Protection Fund Authority (IEPF Authority). Accordingly, 55,260 equity shares of ₹10/- each face value representing 678 folios which had not encashed dividend for 7 (seven) consecutive years from the financial year 2014-15 were transmitted to the IEPF Authority on 21<sup>st</sup> September, 2022 (16,036 equity shares of ₹10/- each face value of 620 shareholders were transmitted to IEPF Authority on 12<sup>th</sup> November, 2021 in the FY 2022).

## CORPORATE GOVERNANCE REPORT (Contd.)

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

<b>Name of the Director</b>	<b>Mrs. Rajashree Birla</b>
Directors Identification Number (DIN)	00022995
Age	77 years
Date of Appointment	5 <sup>th</sup> May, 2015
Qualification	B.A.
Nature of expertise	As per the resolution at Item no. 3 of this Notice, read with the explanatory statement thereto.
Name of other companies in which holds directorship	<p><b>A. Public Limited Companies</b></p> <ol style="list-style-type: none"> <li>Grasim Industries Limited</li> <li>Hindalco Industries Limited</li> <li>UltraTech Cement Limited</li> <li>Century Textiles and Industries Limited</li> <li>Pilani Investment and Industries Corporation Limited</li> </ol> <p><b>B. Private Limited Companies</b></p> <ol style="list-style-type: none"> <li>Aditya Birla Health Services Private Limited</li> <li>Birla Brothers Private Limited</li> <li>Birla Group Holdings Private Limited</li> <li>IGH Holdings Private Limited</li> <li>Rajratna Holdings Private Limited</li> <li>Vaibhav Holdings Private Limited</li> <li>Vaibhav Medical and Education Foundation</li> <li>Vikram Holdings Private Limited</li> <li>G. D. Birla Medical Research and Education Foundation</li> <li>Mananam Foundation</li> </ol>
Name of the companies in the committees of which also holds membership/ chairpersonship	<p>Chairpersonship/Membership of Corporate Social Responsibility Committee of following companies:</p> <p><b>Chairperson:</b></p> <ol style="list-style-type: none"> <li>Grasim Industries Limited</li> <li>Hindalco Industries Limited</li> <li>UltraTech Cement Limited</li> <li>Century Textiles and Industries Limited</li> <li>Pilani Investment and Industries Corporation Limited</li> </ol> <p><b>Member:</b></p> <ol style="list-style-type: none"> <li>Aditya Birla Health Services Private Limited</li> </ol>
Names of listed companies from which resigned in the past three years	NA
Terms and conditions for appointment and re-appointment	Non-Executive Director liable to retire by rotation.
Remuneration last drawn	As mentioned in Corporate Governance Report (forming part of Annual Report for the financial year ended 31 <sup>st</sup> March, 2023)
Remuneration proposed to be paid	Entitled to sitting fees for the Board meetings attended and Commission as per the provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
No. of shares held in the Company	26,080
Relationship with other directors, Manager, Key Managerial Personnel of the Company	None
No. of Board meetings attended during the year	6 (six)

## CORPORATE GOVERNANCE REPORT (Contd.)

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

All the members of the Board and Senior Management Personnel of the Company have affirmed due observance of the Code of Conduct, framed pursuant to Regulation 26(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, in so far as it is applicable to them and there is no non-compliance thereof during the financial year ended on 31<sup>st</sup> March, 2023.

#### Suresh Sodani

Managing Director

DIN: 08789604

Place: Pune

Date: 18<sup>th</sup> May, 2023

### CEO/CFO CERTIFICATION

Regulation 17(8) of the Listing Regulations

The Board of Directors

Century Enka Limited

#### We certify that:

- A. We have reviewed the financial statements and the cash flow statement of 'the Company for the financial year ended on 31<sup>st</sup> March, 2023 ('year') and that to the best of our knowledge and belief:
  - 1) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading; and
  - 2) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting. We have disclosed to the Company's Auditors and the Audit Committee of the Company's Board of Directors, deficiencies in the design or operation of internal controls, if any, of which we are aware, and the steps taken or proposed to be taken to rectify the deficiencies.
- D. We have indicated to the Auditors and the Audit Committee:
  - 1) significant changes in the internal control, if any, over financial reporting during the year;
  - 2) significant changes in accounting policies during the year, if any, and that the same have been disclosed in the notes to the financial statements; and
  - 3) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Place: Mumbai

Date: 18<sup>th</sup> May, 2023

#### Suresh Sodani

Managing Director

DIN: 08789604

#### Krishna Gopal Ladsaria

Chief Financial Officer

**CORPORATE GOVERNANCE REPORT (Contd.)****CERTIFICATE**

To,  
**The Members of Century Enka Limited**

We have examined the compliance of the conditions of Corporate Governance by Century Enka Limited ('the Company') for the year ended 31<sup>st</sup> March, 2023, as stipulated in Regulations 17 to 27, clauses (b) to (i) and (t) of Regulation 46 (2) and para C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time ('Listing Regulations').

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

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance for the year ended 31<sup>st</sup> March, 2023, as stipulated in the above mentioned Listing Regulations and as applicable.

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

**For Sanjay Sangani & Co.**

Company Secretaries

Peer Review Certificate No. : 1689/2022

**Sanjay H. Sangani**

Proprietor

M. No. : FCS 4090

C.P. No. : 3847

UDIN : F004090E000323354

Place: Mumbai

Date: 18<sup>th</sup> May, 2023

## CORPORATE GOVERNANCE REPORT (Contd.)

### CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

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

To,  
**The Members of Century Enka Limited**

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

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company and its officers, we hereby certify that none of the Directors on the Board of the Company, as stated below for the financial year ending on 31<sup>st</sup> March, 2023, has been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

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

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

#### For Sanjay Sangani & Co.

Company Secretaries  
Peer Review Certificate No. : 1689/2022

#### Sanjay H. Sangani

Proprietor  
M. No. : FCS 4090  
C.P. No. : 3847  
UDIN : F004090E000323310

Place: Mumbai  
Date: 18<sup>th</sup> May, 2023



# BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT

We at Century Enka Limited are delighted to present our second Business Responsibility and Sustainability Report (BRSR), which highlights our unwavering commitment to responsible business practices and sustainability as a crucial responsibility towards the environment and the future. As a leading Synthetic Yarn Manufacturing Company, we take great pride in our ability to influence the nylon textiles industry in India, yet also acknowledge the responsibility that comes with this influence.

Our firm belief is that our responsible and sustainable business practices extend beyond a mere compliance - it is an opportunity to create a positive impact on the environment and society. We are dedicated to implementing sustainable and responsible business practices that foster positive outcomes for our stakeholders, the community at large and the planet itself. Our BRSR includes our responses to questions on our practices and performance on key principles defined by Regulation 34(2)(f) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, covering topics across the Environmental, Social and Governance (ESG) dimensions.

We are committed to reducing our carbon footprint by maximizing the efficient utilization of resources along with implementing effective waste and water management techniques to minimize negative environmental impact. Moreover, we also recognize the importance of our social impact and responsibility towards the communities and the individuals with whom we work with. By adopting best practices, the aim is to enhance people's well-being and create a positive influence on the society as a whole. Our commitment to sustainability extends to governance practices as well. We have always maintained and strives to achieve highest standards of transparency, accountability, and ethical conduct across all levels within the organization. We have implemented systems, policies and processes that result in highest levels of compliance with applicable laws, regulations, including relevant international standards, thereby ensuring that all our business activities are conducted with integrity and in line with industry best practices.

Through ambitious goals, continuous improvement, and collaboration with stakeholders, we aspire to be a leader in sustainable business practices. By embracing sustainability, the aim is to generate long-term value for our shareholders, contribute to the well-being of society, and help build a resilient and sustainable future for our stakeholders.

## SECTION A: GENERAL DISCLOSURES

### I. Details of the listed entity

1.	Corporate Identity Number (CIN) of the Listed Entity	L24304PN1965PLC139075
2.	Name of the Listed Entity	Century Enka Limited
3.	Year of incorporation	1965
4.	Registered office address	Plot No. 72 & 72-A MIDC, Bhosari, Pune-411026, Maharashtra
5.	Corporate address	Plot No. 72 & 72-A MIDC, Bhosari, Pune-411026, Maharashtra
6.	E-mail	cel.investor@adityabirla.com
7.	Telephone	020-66127304
8.	Website	www.centuryenka.com
9.	Financial year for which reporting is being done	1 <sup>st</sup> April, 2022 to 31 <sup>st</sup> March, 2023
10.	Name of the Stock Exchange(s) where shares are listed	National Stock Exchange of India Limited (NSE) and BSE Limited
11.	Paid-up Capital	₹ 2,185 lacs
12.	Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report	Mr. Rahul Dubey Company Secretary & Compliance Officer Tel. No.: 020-66127304 E-mail Id: cel.investor@adityabirla.com
13.	Reporting boundary Are the disclosures under this report made on a standalone basis (i.e., only for the entity) or on a consolidated basis (i.e., for the entity and all the entities which form a part of its consolidated financial statements, taken together).	Disclosures under this report are made on a standalone basis for Century Enka Limited.

### II. Products/services

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

S. No.	Description of main activity	Description of business activity	% Of turnover of the entity (FY 2023)
1	Manufacturing	Manufacturing of nylon and other man-made fibres and fabrics*	94%

\* Industry as per NIC code: Textile, leather and other apparel products

## BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT (Contd.)

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

S. No.	Product/Service	NIC Code	% Of total turnover contributed
1	Nylon Tyre Cord Fabric	13999	51
2	Nylon Filament Yarn	20203	42
3	Nylon Chips	20297	1

### III. Operations

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

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

\* Includes one plant located at Mahad (District: Raigad) in Maharashtra which is not in operation.

17. Markets served by the entity:

- a. Number of locations

Locations	Number
National (No. of States)	19
International (No. of Countries)	7

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

2.93%

- c. A brief on types of customers

Our customers are primarily B2B (Business-to-Business), which means that we sell our products to other companies rather than directly to end consumers. Customers can be broadly categorized into three types:

- Original Equipment Manufacturers (OEMs): We supply our products to OEMs in the automotive industry. These OEMs use our products as raw materials in their production processes.
- Traders and Distributors: We also sell our products to traders and distributors who supply raw materials to small, medium and large-scale industries in textile sector.
- Export Customers: We export our products to various countries in Europe, the Middle East, South-East Asia, and US. Our customers in these regions use our products in industries such as textiles, automotive.

Overall, our customers are diverse and spread across various industries and geographies. Our focus on quality, innovation, and customer service which has enabled us to maintain strong relationships with customers and remain a preferred supplier in the market.

### IV. Employees

18. Details as at the end of the Financial Year:

- a. Employees and workers (including differently abled):

S. No.	Particulars	Total(A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
EMPLOYEES						
1.	Permanent (D)	470	455	97	15	3
2.	Other than Permanent (E)	26	22	85	4	15
3.	Total employees (D + E)	496	477	96	19	4

## BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT (Contd.)

S. No.	Particulars	Total(A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
WORKERS						
4.	Permanent (F)	1120	1120	100	0	0
5.	Other than Permanent (G)	1933	1907	99	26	1
6.	Total workers (F + G)	3053	3027	99	26	1

### b. Differently abled Employees and workers

We believe in cultivating a workplace atmosphere that is hospitable, varied, and comprehensive. We are also devoted to ensuring that every employee is treated with respect and dignity and that there is no form of discrimination present in the organization. We also acknowledge that a diverse workforce brings a vast array of perspectives, experiences, and ideas that can lead to development and progress. As a result, we are actively working towards enhancing diversity within the organization, including considering differently abled individuals.

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

### 19. Participation/Inclusion/Representation of women

Gender equality in boardrooms has emerged as a worldwide objective. Our commitment to maintaining diverse board representation stems from its ability to foster fairness, equal opportunities, and enhance decision-making. Currently, our board comprises 33% women. We promote a supportive and inclusive work environment that values and respects all individuals, enabling them to contribute effectively.

	Total (A)	No. and percentage of Females	
		No. (B)	% (B / A)
Board of Directors	6	2	33
Key Management Personnel*	3	0	Nil

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

### 20. Turnover rate for permanent employees and workers

	FY 2023 (Turnover rate in current FY)			FY 2022 (Turnover rate in previous FY)			FY 2021 (Turnover rate in the year prior to the previous FY)		
	Male%	Female%	Total%	Male%	Female%	Total%	Male%	Female%	Total%
Permanent Employees	12.20	21.43	12.49	11.65	24	12.02	11.56	16	11.69
Permanent Workers	7.52	0	7.52	6.70	0	6.70	5.78	0	5.78

## BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT (Contd.)

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

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

S. No.	Name of the holding / subsidiary / associate companies / joint ventures (A)	Indicate whether holding/ Subsidiary/ Associate/ Joint Venture	% Of shares held by listed entity	Does the entity indicated at column A participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
1.	ABREL Century Energy Limited	Associate	26	No

### VI. CSR Details

22. (i) Whether CSR is applicable as per Section 135 of Companies Act, 2013: (Yes/No)

Yes, CSR is applicable as per Section 135 of Companies Act, 2013.

(ii) Turnover (₹) - 2,07,205 Lacs

(iii) Net worth (₹) - 1,32,005 Lacs

### VII. Transparency and Disclosures Compliances -

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

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/ No) (If yes, then provide web-link for grievance redress policy)	FY 2023 (Current Financial Year)			FY 2022 (Previous Financial Year)		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities	Yes, We have a detailed centralized grievance redressal mechanism covering all the major stakeholders which are our communities, shareholders/ investors, employees and workers, customers and value chain partners, we also have designated email address along with escalation matrix for resolution of grievances. <a href="https://www.centuryenka.com/investor-relations/index.html#parentHorizontalTab6">https://www.centuryenka.com/investor-relations/index.html#parentHorizontalTab6</a> ChildVerticalTab_211	0	0	-	0	0	-
Investors (other than shareholders)		0	0	-	0	0	-
Shareholders		6	0	-	10	0	-
Employees and workers		0	0	-	0	0	-
Customers		48	7	All the pending complaints were resolved as on the date of report.	26	0	-
Value chain partners		0	0	-	0	0	-

24. Overview of the entity's material responsible business conduct issues

Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications, as per the following format

Our materiality assessment focusses on identifying and ranking the most important business conduct and sustainability issues that the business should target to maximize value us and our stakeholders. These issues are identified based on careful research, insights generated from operations and meaningful engagement with stakeholders. All the major stakeholder groups are represented, including employees, investors, customers, communities and suppliers, as well as regulators.

## BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT (Contd.)

After analyzing the major ESG standards and frameworks, our stakeholders were asked to select and rate the topics based on their understanding of our Company and operations, and then the topics were weighted according to their importance in the discussions. Refer table below for the material issues identified by us through stakeholder engagement process, the corresponding risks and opportunities associated with such issues, the approach to risk mitigation and the financial implications of the risk or opportunity.

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1	Occupational Health and Safety	Opportunity, Risk	<p><b>Opportunity:</b></p> <p>A safe and healthy work environment can significantly improve productivity and can create multiple opportunities. By implementing proper occupational health and safety measures, we can prevent accidents, injuries, and promote about improving mental health of our people by reducing stress and creating awareness. We follow OASIS concept which also promotes sense of open culture, awareness, support, interventions, and stress busting initiatives. Employees who feel safe and supported are more likely to focus on their tasks and contribute to our overall productivity.</p> <p><b>Risk:</b></p> <p>Even with proper training and established safety protocols, human error can still occur. Mistakes or lapses in judgement can lead to accidents or injuries, these process failure can also pose a significant reputational and operational risks, if proper maintenance of the tools is not conducted. E.g., alarms failure can turn near miss case into a disaster.</p>	<p>We have a robust mitigation plans and procedures in place to address occupational health and safety risks.</p> <p>We also have well-defined training and awareness programs for our employees to promote a culture of safety and improve mental health. Initiatives such as MITR (Making Individuals and Team Resilient), MPOWER that encourages mental health education to all staff members at both the location.</p> <p>Additionally, we also have an ISO certified Occupational Health and Safety Management Systems (ISO 45001:2018) which takes a proactive approach to identify, evaluate and remediate risks before they cause accidents and injuries.</p> <p>Hazard Identification and Risk Assessment (HIRA) is implemented to ensure safety while working on the job floors. There were Zero recordable injury and no loss time in manhours reported in this fiscal year.</p>	<p><b>Positive Implications:</b></p> <p>While investing in occupational health and safety programs may involve upfront costs, they can result in long-term cost savings. Preventing accidents and injuries reduces medical expenses, workers' compensation claims, and insurance premiums. Also giving mental health the same weightage as physical health helps to retain employees for longer period of time, reducing hiring costs as well. Moreover, a strong safety culture can reduce property damage, equipment breakdowns, and production disruptions.</p> <p>In today's business landscape, companies that prioritize employee health and safety have a distinct competitive advantage. Customers and business partners are increasingly conscious of ethical and sustainable practices. Demonstrating a commitment to occupational health and safety can enhance our reputation, attract top talent, win contracts, and build a collaborative approach with stakeholders.</p> <p><b>Negative Implications:</b></p> <p>Any major injury can impact total manhours worked and hence increasing operational cost for us.</p>
2	Waste Management	Opportunity	<p>We have implemented multiple strategies to minimize waste generation in our plants. The waste generated during the manufacturing process is repurposed within the same process, ensuring that 85% of the total hazardous waste is recycled. Only a minimal 15% is disposed of through co-processing, pre-processing, landfilling and incineration etc. This effective waste management system not only positively contributes to environmental sustainability but also enables us to explore novel possibilities.</p>		<p><b>Positive implications:</b></p> <ul style="list-style-type: none"> <li>Implementation of effective waste management practices can lead to cost savings by reducing waste generation and disposal expenses.</li> <li>It can also improve the efficiency of resource use and reduce the need for new raw materials, leading to potential cost savings.</li> </ul>



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

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
3	Water Management	Opportunity	We have achieved zero wastewater discharge from our manufacturing processes and operations. Further, the location of both the plants does not lie in any type of water stress zone. Various other initiatives are taken by us that helps to reduce total water consumption at both our plants. Further, nineteen Rainwater Recharge well are available at Bharuch site to Recharge ground water. This will enhance water quality and water level as well.		<b>Positive implications:</b> <ul style="list-style-type: none"> <li>• Cost savings through water efficiency.</li> <li>• Adherence to all the applicable compliances to avoid fines and penalties.</li> </ul>
4	Energy Management	Risk, opportunity	<b>Opportunity:</b> By gradually decreasing the reliance on non-renewable energy sources, we have the chance to define our future objectives regarding energy consumption. Additionally, this shift can mitigate the uncertainties associated with non-renewable sources.  <b>Risk:</b> Ineffective management of Greenhouse Gas (GHG) emissions and energy consumption can pose risks in terms of regulatory compliance, reputation, and financial burdens. Regulatory compliance refers to adhering to laws and standards set by governing bodies, and failure to comply can result in penalties and legal consequences. Poor GHG emissions and energy management practices can damage our reputation, leading to a loss of public trust and negative impacts on our brand and customer relationships. Financial burdens may arise from fines, remedial actions, and higher operational costs associated with inefficient energy use.	Our increasing adoption of renewable energy has ensured reduced carbon footprint and energy efficiency. This included increased usage of Biomass as fuel and installation of solar panels with a capacity of 200 KWh. We fulfilled 32% of our total energy requirements from renewable sources during the reporting period.	<b>Positive implications:</b> <ul style="list-style-type: none"> <li>• Implementing energy efficiency measures and transitioning to renewable energy sources would have positive financial implications, such as reduced energy costs, increased resource efficiency, and improved stakeholder perception.</li> </ul>
5	Employee & labour Management	Risk, Opportunity	<b>Opportunity:</b> Employees are the heart of any manufacturing business, and as a responsible corporation, their progress and well-being are of utmost importance. Effective management of human capital can create opportunities for increased productivity in terms of creativity, better decision-making, and enhanced stakeholder engagement.  <b>Risk:</b>	We undertake many measures to ensure compliance with all applicable laws and regulations. To mitigate the risk, we regularly invest in employee engagement initiatives, such as training and development programs, employee wellness programs, and work-life balance initiatives. This will help us to attract and retain skilled and motivated employees and improve their productivity and job satisfaction.	<b>Positive implications:</b> Focusing on human capital would have a positive financial implication, such as increased employee retention, productivity leading to high customer satisfaction, leading to improved revenues and reduced costs.  <b>Negative implications:</b> <ul style="list-style-type: none"> <li>• High turnover, absenteeism, and low productivity result in increased costs and reduced revenues.</li> </ul>

## BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT (Contd.)

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
			Poor management of human capital can lead to reputational risks, low employee morale, and high turnover rates.		<ul style="list-style-type: none"> <li>Recruitment and training costs escalate due to frequent hiring and training of new employees.</li> <li>Operational efficiency decreases, leading to wasted time, errors, and rework.</li> <li>Excessive overtime can increase labor costs, contribute to burnout, and reduce productivity.</li> <li>Non-compliance with employment laws and regulations can lead to legal disputes, fines, and penalties.</li> </ul>
6	Customer Centricity	Opportunity	Maintaining strong relationships with customers is an opportunity for us to increase our revenue and profitability. Having an advantage of producing highly customized product gives and edge to create effective customer relationship management practices. Positive customer relationships can result in increased customer loyalty, repeat business, and positive word-of-mouth advertising, which can further attract new customers.		<p><b>Positive Implications:</b></p> <p>By maintaining positive customer relationships and increasing customer loyalty, we would benefit from increased revenue and profitability. By improving our customer relationships, we can increase our market share and customer retention rates, leading to higher revenue and profitability in the long run.</p> <p>Moreover, positive word-of-mouth advertising from satisfied customers can also attract new customers for us, leading to further revenue growth.</p>
7	Supply Chain Management	Risk, Opportunity	<p><b>Opportunity:</b></p> <p>Embracing ethical supply chain practices presents us with opportunities to enhance our reputation as a socially responsible company, gain a competitive advantage in the market, foster collaborative relationships with suppliers, and access new markets that prioritize ethical and sustainable practices.</p> <p><b>Competitive Advantage:</b></p> <p>Customers actively seek out companies that prioritize ethical and sustainable practices. By implementing ethical supply chain management, we differentiate ourselves from competitors.</p> <p><b>Supplier Collaboration:</b> Ethical supply chain management involves close collaboration with suppliers. This collaboration leads to improved supplier performance, better communication, and joint efforts to drive innovation and efficiency throughout the supply chain. The resulting synergy benefits both parties.</p>	<p>We work with suppliers on a constant basis to enhance their capabilities and position them as important supplier partners. We also make investments in supplier technology upgradations to increase supplier efficiency.</p> <p>We support vendors and product development activities, which in turn brings opportunities to advance the supply chain management system.</p> <p>In our supplier selection process, we also check suppliers who are certified with ISO 14001, ISO 45001 and other relevant ISO certifications. We actively encourage suppliers who adhere to these standards and demonstrate best practices in ethics and sustainability, emphasizing our commitment to sourcing from responsible and environmentally conscious partners.</p>	<p><b>Positive implications:</b></p> <p>Effective supply chain management can help to save costs, improve our supplier relationships, customer service, and enhance our brand value, leading to increased revenue and profitability in the long run.</p> <p><b>Negative implications:</b></p> <p>Inefficient supply chain management can lead to increased costs, including due to higher transportation and storage expenses, as well as lost revenue from delayed deliveries and dissatisfied customers.</p>

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

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
			<p>Access to New Markets: As markets and industries increasingly demand ethical sourcing and responsible supply chains, we can capitalize on this trend. Expanding the customer base and revenue potential becomes a significant opportunity for our growth.</p> <p><b>Risk:</b></p> <p>Inefficient supply chain management could lead to delayed deliveries and customer dissatisfaction. Additionally, any violations by the suppliers with environmental and other applicable laws and regulations could lead to reputational damage and potential legal liabilities for us.</p>	<p>Going forward, we are planning to leverage analytics and data to identify supply chain risks and opportunities and will take proactive measures to manage them.</p>	
8	Community Development	Opportunity	<p>Engaging in community development is a significant opportunity for us as it allows us to contribute to the betterment of local communities while also providing benefits to the company.</p> <p>Understanding Customer Needs: By actively working with local communities, we gain valuable insights into the needs and preferences of our target audience. This understanding enables us to tailor our products and services to better meet those needs, resulting in increased customer satisfaction and loyalty. Our commitment to community development ensures that we are responsive and aligned with the values and aspirations of the people we serve.</p> <p>Partnerships and Collaborations: Engaging in community development creates opportunities to establish valuable partnerships and collaborations with local organizations and businesses. By working together towards common goals, we can leverage shared resources, knowledge, and networks. These partnerships can open up new avenues for growth and expansion, fostering mutually beneficial relationships and amplifying the positive impact we can collectively make in the community.</p>		<p><b>Positive implications:</b></p> <p>Commitment to community development not only benefits society but also has positive financial implications.</p> <ul style="list-style-type: none"> <li>• It enhances our reputation,</li> <li>• expands our customer base, identifies new business opportunities,</li> <li>• fosters valuable partnerships.</li> </ul>

## BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT (Contd.)

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
			Responsibility and Value Addition: Our focus on community development goes beyond solely benefiting the company. We recognize it as a responsibility to contribute to the welfare and development of the communities we serve. By actively participating in community development initiatives, we add value by addressing social, economic, and environmental challenges. This approach aligns with our values and ensures that our presence positively contributes to the holistic development of the communities in which we operate.		

### SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the NGRBC Principles and Core Elements.

We recognized the importance of adhering to the principles and elements of the National Guidelines on Responsible Business Conduct (NGRBCs) and has formulated several policies which are aligned to all the nine principles of NGRBC and have been duly approved by the Board.

The Board Members provide overall guidance on our policies and procedures, ensuring that they are regularly reviewed and updated to reflect changing business needs, alignment with best practices, changing stakeholder expectations and evolving regulatory requirements. Our Company's Managing Director ensures effective decision-making regarding sustainability and ESG related practices.

Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
<b>Policy and management processes</b>									
<b>1. a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)</b>	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
<b>b. Has the policy been approved by the Board? (Yes/No)</b>	Yes.								
<b>c. Web Link of the Policies, if available</b>	Policies						Principle Mapping		
	1. Anti-Harassment and Anti-Discrimination Policy 2. Code of Conduct for BoD and Senior Management 3. CSR Policy 4. Employee Wellbeing Policy 5. Environmental Policy 6. Human Rights Policy 7. Nomination-Remuneration and Succession Policy 8. Policy on Board Diversity 9. Product Responsibility Policy 10. Public Policy 11. Risk Management Policy 12. Stakeholder Relationship Policy 13. Suppliers Code of Conduct 14. Vigil Mechanism Policy 15. Policy on Sexual Harassment of Women at Workplace 16. Policy on Related Party Transactions 17. Familiarization Program for Independent Director <a href="https://www.centuryenka.com/investor-relations/index.html#parentHorizontalTab6 ChildVerticalTab_211">https://www.centuryenka.com/investor-relations/index.html#parentHorizontalTab6 ChildVerticalTab_211</a>						P1 P1 P8, P4 P3 P6, P8 P5 P3, P1 P1, P5 P2, P9 P7 P3, P6, P7 P4 P1, P3, P4, P6, P8 P3, P5 P3, P5 P1 P1		

## BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT (Contd.)

2.	Whether the entity has translated the policy into procedures. (Yes / No)	Yes								
3.	Do the enlisted policies extend to your value chain partners? (Yes/No)	Yes	No	Yes	Yes	No	Yes	No	Yes	No
4. Name of the national and international codes/certifications/labels/standards (e.g., Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustee) standards (e.g., SA 8000, OHSAS, ISO, BIS) mapped to each principle.										
Principle 1		Provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 Quality Management System (ISO 9001:2015)								
Principle 2		NABL-ISO/IEC 17025:2017 STANDARD 100-OEKO TEX								
Principle 3		ISO 45001:2018:Occupational Health and Safety Management System								
Principle 4		CSR disclosures pursuant to Section 135 of the Companies Act, 2013, read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, as amended								
Principle 5		The International Integrated Reporting Council (IIRC)- <IR> Framework United Nations Sustainable Development Goals (SDGs) Global Reporting Initiative (GRI)								
Principle 6		ISO 50001: 2018: Energy Management System ISO 9001:2015: Quality Management System ISO 14001: 2015: Environment Management System Global Recycled Standard								
Principle 7		The International Integrated Reporting Council (IIRC)- <IR> Framework United Nations Sustainable Development Goals (SDGs)								
Principle 8		CSR disclosures pursuant to Section 135 of the Companies Act, 2013, read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, as amended								
Principle 9		Quality Management System (ISO 9001:2015)								
5.	Specific commitments, goals and targets set by the entity with defined timelines, if any.	<b>Environmental - P6</b> <ul style="list-style-type: none"><li>By 2025, Reduce CO2 emissions by 25% against baseline of FY 2019.</li><li>To achieve Zero waste to landfill by 2030 and implement measures to reuse waste across all business segments in due course of time.</li><li>40% reduction in water consumption by 2025 against the baseline of FY 2019</li><li>To achieve single use plastic certification by 2025.</li></ul> <b>Social - P1,P3</b> <ul style="list-style-type: none"><li>To achieve 10% year-on-year increase in women staff of the total fresh hire until 2025.</li><li>Zero harm to be achieved by 2025</li><li>To achieve year-on-year increase in training hours per person per year by 10% until 2025.</li></ul> <b>Governance - P1,P5,P6</b> <ul style="list-style-type: none"><li>100% code of conduct training on POSH/Ethics/Human Rights for permanent employees by 2024 and other than permanent employees by 2025.</li><li>To screen new major suppliers on ESG criteria starting FY 2024.</li><li>Conducting periodic reviews of existing policies and improvement of policies as applicable</li></ul>								
6.	Performance of the entity against the specific commitments, goals, and targets along with reasons in case the same are not met.	We are cognizant of the criticality of ESG goals and have set out specific ESG targets in FY 2023. We have a detailed plan in place, and as the execution of these targets and initiatives has commenced this year, we will commence reporting the performance against the stated targets starting from the next year's report. Few general performance highlights for the reporting period with respect to sustainability initiatives undertaken are as follows; <ul style="list-style-type: none"><li>Energy consumption from renewable sources increased by 37.5% as compared to last reporting period (FY 2022)</li><li>Reduced emissions intensity by 11.8%, as compared to the last reporting period.</li><li>Total GHG emissions reduced by 13.27% as compared to last reporting period.</li><li>Reduced total water consumption by 10.33% as compared to last reporting period.</li><li>Achieved Zero LTIFR in the current reporting period.</li></ul>								



## BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT (Contd.)

Governance, leadership, and oversight	
7. <b>Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets, and achievements (listed entity has flexibility regarding the placement of this disclosure)</b>	Refer to Managing Director's Message in Integrated Report under Leadership Section.
8. <b>Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy/policies</b>	Mr. Suresh Sodani, Managing Director (Executive Director) having DIN: 08789604 is responsible for overseeing the implementation of business responsibility practices and policies
9. <b>Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes/No). If yes, provide details.</b>	Yes, our Managing Director - Mr. Suresh Sodani (Executive Director) having DIN: 08789604, has complete oversight over every aspect of sustainability in the organization.

### 10. Details of Review of NGRBCs by the Company:

Subject for Review	Indicate whether review was undertaken by Director / Committee of the Board/ Any other Committee								
	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
Performance against above policies and follow up action	Yes, it is reviewed periodically by Managing Director. <b>Frequency (Annually/ Half yearly/ Quarterly/ Any other - please specify)</b> Performance against the policies will be reviewed annually.								
Compliance with statutory requirements of relevance to the principles, and rectification of any non-compliances	<b>Indicate whether review was undertaken by Director / Committee of the Board/ Any other Committee</b> Yes, it is reviewed periodically by Managing Director. <b>Frequency (Annually/ Half yearly/ Quarterly/ Any other - please specify)</b> Quarterly								

11. <b>Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency?</b>	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
	No independent assessment has been carried out by any external agency during this financial year.								

## BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT (Contd.)

### 12. If answer to question (1) above is "No" i.e., not all Principles are covered by a policy, reasons to be stated:

Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
The entity does not consider the principles material to its business (Yes/No)	Not Applicable								
The entity is not at a stage where it is able to formulate and implement the policies on specified principles (Yes/No)									
The entity does not have the financial or/human and technical resources available for the task (Yes/No)									
It is planned to be done in the next financial year (Yes/No)									
Any other reason (please specify)									

## SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

**Principle 1: Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.**

### Essential Indicators

#### 1. Percentage coverage by training and awareness programmes on any of the principles during the financial year:

Segment	Total number of training and awareness programs held	Topics / principles covered under the training and its impact	%Age of persons in respective category covered by the awareness Programs
Board of Directors	4	<ul style="list-style-type: none"> <li>• Updates on business model, strategic aspects</li> <li>• Updates on business performance</li> <li>• Updates on Risk Management framework</li> <li>• Updates on Internal Financial Controls</li> <li>• Impact of government policies on the business of the Company</li> <li>• Capital Budgeting</li> <li>• Statutory Auditors presentation on change in laws relating to Company Accounts</li> <li>• Product offerings, quality, price trend in raw material and finished products</li> </ul>	95.83%
Key Managerial Personnel	4	<ul style="list-style-type: none"> <li>• Discussion on Environment, Health and Safety matters</li> <li>• Changes in business environment and the industry</li> <li>• Key regulatory developments &amp; statutory Compliances</li> </ul>	100%
Employees other than BoD and KMPs	62	<ul style="list-style-type: none"> <li>• Functional – Tool handling and maintenance, Kaizen, etc.</li> <li>• Behavioral – Communication, Time management, Growth mindset, etc.</li> <li>• Operational – SAP, Employee self-service, etc.</li> <li>• Essential – POSH, Values &amp; Purpose, ISO &amp; IATF, etc.</li> </ul>	81%
Workers	35	<ul style="list-style-type: none"> <li>• Health, Safety &amp; Hygiene</li> <li>• Fire Training &amp; LPG Safety</li> <li>• Dipping Process,</li> <li>• Motivational</li> <li>• First Aid</li> </ul>	74%

## BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT (Contd.)

2. Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/judicial institutions, in the financial year, in the following format (Note: the entity shall make disclosures based on materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on the entity's website):

Monetary					
	NGRBC Principle	Name of the regulatory/ Enforcement agencies/ judicial institutions	Amount (In INR)	Brief of the Case	Has an appeal been preferred? (Yes/No)
Penalty/ Fine	There were no such instances during this financial year.				
Settlement					
Compounding fee					
Non-Monetary					
	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Brief of the Case		Has an appeal been preferred? (Yes/No)
Imprisonment	There were no such instances during this financial year.				
Punishment					

3. Of the instances disclosed in Question 2 above, details of the Appeal/ Revision preferred in cases where monetary or non-monetary action has been appealed.

Case Details	Name of the regulatory/ enforcement agencies/ judicial institutions
There were no such instances during this financial year.	

4. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.

We have a code of conduct in place for employees as well as Board of directors and senior management personnel which underlines the guidelines pertaining to ethics, anti-bribery and anti-corruption and mandates all the employees, directors and senior management to adhere to the same. The code of conduct can be accessed at [https://www.centuryenka.com/investor-relations/index.html#parentHorizontalTab6ChildVerticalTab\\_211](https://www.centuryenka.com/investor-relations/index.html#parentHorizontalTab6ChildVerticalTab_211)

5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption.

	FY 2023 (Current Financial Year)	FY 2022 (Previous Financial Year)
Directors	No disciplinary action has been taken against any of the directors, KMPs, employees and workers pertaining to anti-corruption and anti-bribery during the current and previous financial year.	
KMPs		
Employees		
Workers		

6. Details of complaints about conflict of interest:

	FY 2023 (Current Financial Year)		FY 2022 (Previous Financial Year)	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	No such complaints received during the financial year.		No such complaints received during the financial year.	
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	No such complaints received during the financial year.		No such complaints received during the financial year.	

## BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT (Contd.)

### 7. Provide details of any corrective action taken or underway on issues related to fines / penalties /action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest.

There were no cases of corruption and conflicts of interests, hence no corrective action taken on issues related to fines/ penalties/ action taken by regulators/ law enforcement agencies/ judicial institutions on cases of corruption and conflicts of interest at CEL during this financial year.

#### Leadership Indicators

### 1. Awareness programs conducted for value chain partners on any of the principles during the financial year:

Total number of awareness programs held	Topics / principles covered under the training	%Age of value chain partners covered (by value of business done with such partners) under the awareness programs
No awareness programs were held for value chain partners during this financial year.		

### 2. Does the entity have processes in place to avoid/ manage conflict of interests involving members of the Board? (Yes/No) If yes, provide details of the same.

We have in place, a Code of conduct for employees as well as for Board of Directors and Senior Management Personnel which also covers Conflict of Interest.

### Principle 2: Businesses should provide goods and services in a manner that is sustainable and safe.

#### Essential Indicators

### 1. Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.

	FY 2023 (Current Financial Year) (₹/Lacs)	FY 2022 (Previous Financial Year) (₹/Lacs)	Details of improvements in environmental and social impacts
R&D	57	7	Yarn production from recycled raw material, green polymer fabric, paper tube usage for production of colour yarn & green polymer, changes in fabric creels, optimisation of additives and upgradation of system.
Capex	61	23	

### 2. a. Does the entity have procedures in place for sustainable sourcing? (Yes/No)

No. However, we are currently working on building standardized practices for sustainable sourcing. We have already added new checkpoints to our vendor registration forms that will aid us in enhancing our supplier selection criteria.

### b. If yes, what percentage of inputs were sourced sustainably?

No, there were no procedures for identification of inputs that were sourced sustainably in the current reporting period.

### 3. Describe the processes in place to safely reclaim your products for reusing, recycling, and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste.

EPR is applicable to the entity and the plastic waste collection plan is in line with the Extended Producer Responsibility (EPR) plan. We have entered into an agreement with authorized recycler to ensure management of plastic waste (including collection, storage, transportation, recycling and disposal) on behalf of us in compliance with the Plastic Waste Management Rules, 2016 as amended from time to time.

### 4. Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes/No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.

Yes, we are registered with Central Pollution Control Board (CPCB) for recycling of plastic waste. Our waste collection plan is in line with the EPR targets, and the plan has been submitted to the CPCB. We are also in compliance with the applicable laws and regulations pertaining to such waste management.

## BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT (Contd.)

### Leadership Indicators

1. Has the entity conducted Life Cycle Perspective / Assessments (LCA) for any of its products (for the manufacturing industry) or for its services (for the service industry)? If yes, provide details in the following form at?

NIC Code	Name of Product / Service	% Of total Turnover contributed	Boundary for which the Life Cycle Perspective / Assessment Was conducted	Whether conducted by independent external agency (Yes/ No)	Results communicated in public domain (Yes/ No) If yes, provide the web-link
We have not conducted Life Cycle Assessment in current financial year.					

2. If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products / services, as identified in the Life Cycle Perspective / Assessments (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same.

Name of Product / Service	Description of the risk / concern	Action Taken
NA		

3. Percentage of recycled or reused input material to total material (by value) used in production (For manufacturing industry) or providing services (for service industry).

Indicate input material	Recycled or re-used input material to total material	
	FY 2023 (Current Financial Year)	FY 2022 (Previous Financial Year)
NA		

4. Of the products and packaging reclaimed at end of life of products, amount (in metric tons) reused, recycled, and safely disposed of.

	FY 2023 (Current Financial Year)			FY 2022 (Previous Financial Year)		
	Re-Used	Recycled	Safely Disposed	Re-Used	Recycled	Safely Disposed
NA						

5. Reclaimed products and their packaging materials (as percentage of products sold) for each product category.

Indicate product category	Reclaimed products and their packaging materials as % of total products sold in respective category
NA	



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

**Principle 3: Businesses should respect and promote the well-being of all employees, including those in their value chains**

**Essential Indicators**

**1. a. Details of measures for the well-being of employees.**

Category		% of employees covered by									
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		No. (B)	% (B/ A)	No. (C)	% (C/A)	No. (D)	% (D/A)	No. (E)	% (E/ A)	No. (F)	% (F/ A)
Permanent employees											
Male	455	455	100	455	100	NA	NA	Nil	Nil	Nil	Nil
Female	15	15	100	15	100	15	100	Nil	Nil	Nil	Nil
Total	470	470	100	470	100	15	3	Nil	Nil	Nil	Nil
Other than Permanent employees											
Male	22	0	0	22	100	NA	NA	Nil	Nil	Nil	Nil
Female	4	0	0	4	100	4	100	Nil	Nil	Nil	Nil
Total	26	0	0	26	100	4	15	Nil	Nil	Nil	Nil

**b. Details of measures for the well-being of workers:**

Category	% of workers covered by										
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		No. (B)	% (B/ A)	No. (C)	% (C/A)	No. (D)	% (D/A)	No. (E)	% (E/ A)	No. (F)	% (F/ A)
Permanent workers											
Male	1120	1120	100	1120	100	NA	NA	NA	NA	NA	NA
Female	Nil	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Total	1120	1120	100	1120	100	Nil	Nil	Nil	Nil	Nil	Nil
Other than Permanent workers											
Male	1907	75	4	1907	100	NA	NA	NA	NA	NA	NA
Female	26	0	0	26	100	26	100	NA	NA	NA	NA
Total	1933	75	4	1933	100	26	1	NA	NA	NA	NA

**2. Details of retirement benefits.**

Benefits	FY 2023 (Current Financial Year)			FY 2022 (Previous Financial Year)		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
PF	100	100	Yes	100	100	Yes
Gratuity	100	100	Yes	100	100	Yes
ESI*	4.42	1.80	Yes	1.94	1.03	Yes

\*ESI is applicable only to workers with maximum salary of ₹21,000, and it is not applicable for Bharuch plant.

## BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT (Contd.)

### 3. Accessibility of workplaces

Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.

We are in compliance with the provisions of Rights of Persons with Disabilities Act, 2016 as under;

- Equality and Non-discrimination: We ensure that there is no discrimination against persons with disabilities in aspects, including recruitment, promotion, training, and work-related opportunities.
- Equal Opportunities: We also provide equal opportunities for career advancement, job security, and promotion for persons with disabilities.

### 4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.

Yes. We have an anti-harassment and anti-discrimination policy in place which covers persons with disabilities as well and can be accessed at [https://www.centuryenka.com/investor-relations/index.html#parentHorizontalTab6|ChildVerticalTab\\_211](https://www.centuryenka.com/investor-relations/index.html#parentHorizontalTab6|ChildVerticalTab_211).

### 5. Return to work and Retention rates of permanent employees and workers that took parental leave.

Gender	Permanent employees		Permanent workers	
	Return to work rate	Retention rate	Return to work rate	Retention rate
Male	None of our employees and workers availed maternity leave during the FY 2023. Retention Rate: NA, as no one availed maternity leave in FY 2022.			
Female				
Total				

### 6. Is there a mechanism available to receive and redress grievances for the following categories of employees and workers? If yes, give details of the mechanism in brief. -

	(If yes, then give details of the mechanism in brief)
Permanent Workers	Yes, we are committed to providing a safe and positive work environment. In keeping with this philosophy, the organization envisages an open-door policy. All employees and workers also have access to centralized Grievance Redressal Mechanism. We also have a 'Vigil Mechanism Policy', as per applicable laws, which inter-alia provide adequate safeguards to whistle-blowers against retaliation.
Other than Permanent Workers	
Permanent Employees	
Other than Permanent Employees	

### 7. Membership of employees and workers in association(s) or Unions recognized by the listed entity:

Category	FY 2023 (Current Financial Year)			FY 2022 (Previous Financial Year)		
	Total employees / workers in respective category (A)	No. of employees / workers in respective category, who are part of association(s) or Union (B)	% (B/A)	Total employees / workers in respective category (C)	No. of employees / workers in respective category, who are part of association(s) or Union (D)	% (D/C)
<b>Permanent Employees</b>						
Total Permanent Employees	470	NA	NA	427	NA	NA
Male	455	NA	NA	414	NA	NA
Female	15	NA	NA	13	NA	NA
<b>Permanent Workers</b>						
Total Permanent Workers	1120	440*	39	1168	486	42
Male	1120	440	39	1168	486	42
Female	0	NA	NA	NA	NA	NA

\* Membership of workers in association or unions exists only in Pune plant. Out of total 444 permanent workers in Pune, only 440 are part of unions as rest 4 have newly joined and are undergoing probation period.

## BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT (Contd.)

### 8. Details of training given to employees and workers:

Category	FY 2023 (Current Financial Year)					FY 2022 (Previous Financial Year)				
	Total (A)	On Health and safety measures		On Skill upgradation		Total (D)	On Health and safety measures		On Skill upgradation	
	No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)	
<b>Employees</b>										
Male	477	450	94	448	94	426	414	97	392	92
Female	19	15	79	15	79	13	13	100	13	100
Total	496	465	94	463	93	439	427	97	405	92
<b>Workers</b>										
Male	3027	1729	57	646	21	3011	1911	63	742	25
Female	26	13	50	0	0	24	12	50	0	0
Total	3053	1742	57	646	21	3035	1923	63	742	24

### 9. Details of performance and career development reviews of employees and worker:

Category	FY 2023 (Current Financial Year)			FY 2022 (Previous Financial Year)		
	Total (A)	No. (B)	% (B/A)	Total (C)	No. (D)	% (D/C)
<b>Employees</b>						
Male	477	431	90	426	401	94
Female	19	12	63	13	12	92
<b>Total</b>	<b>496</b>	<b>443</b>	<b>89</b>	<b>439</b>	<b>413</b>	<b>94</b>
<b>Workers*</b>						
Male	3027	735	24	3011	676	22
Female	26	Nil	Nil	24	Nil	Nil
<b>Total</b>	<b>3053</b>	<b>735</b>	<b>24</b>	<b>3035</b>	<b>676</b>	<b>22</b>

\* Performance and career development reviews for workers are conducted on an annual and triennial basis for Bharuch and Pune, respectively, hence the review values here are for Bharuch only.

### 10. Health and safety management system:

#### a. Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No). If yes, what is the coverage of such a system?

Yes, we have implemented an occupational health and safety management system with 100% coverage for all employees including contractual labour.

#### b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?

We ensure identification of work-related hazards through a regular inspection and risk identification process including safety audits, job safety analysis and hazard identification and risk assessment (HIRA). The key work-related hazards identified through the inspections are chemical handling hazards, noise hazards, mechanical hazards, ergonomics hazard and electrical hazards. The HIRA sheet lists all work activities, both routine and non-routine, and basis the risk rating, appropriate control mechanisms are implemented. Mentioned below is the overview of the process for assessing the risks:

1. Daily safety sampling round.
2. Identify potential hazards and risk factors that could cause harm.
3. Examine and assess the risk posed by the indicated hazard; and
4. Choose the best ways to apply the hierarchy of controls for risk management.

## BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT (Contd.)

**c. Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks. (Yes/No)**

Yes, we provide training and raise awareness among employees and workers regarding the identification of hazards and the procedures for reporting them. We have implemented well-defined protocols that enable our workforce to report work-related hazards and protect themselves from such risks. Various reporting mechanisms, including dedicated forms, direct communication with supervisors, and the Health and Safety department, are available to the workforce. Additionally, a safety observation tool is available, which is accessible to all the employees to report any unsafe condition/near miss/other safety observation and take action to remove themselves from the danger and inform supervisors or follow established evacuation procedures.

**d. Do the employees/ workers of the entity have access to non-occupational medical and healthcare services? (Yes/No)**

Yes, we are committed towards the health of our employees and their wellbeing by providing accessible medical services which include annual periodical health check-ups for all employees across both plants. Some of our medical services include:

1. Health Insurance: All our employees are covered under the health insurance policy. This coverage extends to the employee and their immediate family members, providing financial support for medical expenses in the event of illness or injury. This ensures that employees have access to necessary medical treatments and services outside of work-related incidents.
2. Accident Insurance: We also offer accident insurance coverage to our employees. This coverage provides financial protection in case of accidents resulting in disability or loss of life. It offers additional support to employees and their families during unforeseen circumstances.
3. Dispensary facility: We have medical dispensary at both Bharuch and Pune plant, which functions as clinic and emergency first aid facility which include general medical consultations, preventive care, vaccinations, and treatment for common illnesses and injuries. These clinics also have arrangements with specialists or hospitals for referrals and further medical care, if needed.

**11. Details of safety related incidents, in the following format:**

Safety Incident/Number	Category	FY 2023 (Current Financial Year)	FY 2022 (Previous Financial Year)
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	0	0
	Workers	0	0.57
Total recordable work-related injuries	Employees	0	0
	Workers	0	4
No. of fatalities	Employees	0	0
	Workers	0	0
High consequence work-related injury or ill-health (excluding fatalities)	Employees	0	0
	Workers	0	0

**12. Describe the measures taken by the entity to ensure a safe and healthy workplace.**

We have established a Safety Committee which ensures effective implementation of Occupational Health and Safety (OHS) management system, safety trainings, and safety awareness program for our employees. We circulate safety manuals, safety bulletins, health guides, fire manuals, and general "do's and don'ts" to all our employees, workers in the premises as part of the training and awareness activities. The "Occupational Health Prevention Guide" safety manual is distributed to workers and employees at all levels in regional languages. We also conduct theme-based safety campaigns and promote active participation of our workforce in annual safety week celebrations. In order to understand their concerns and take any recommendations into consideration, we actively communicate with our staff on safety-related issues.

The Hazard Identification and Risk Assessment (HIRA), Job Safety Analysis (JSA), and Hazard and Operability Analysis (HAZOP) initiatives cover all the employees and workers. We always try to eliminate the hazard through selection of safe machineries & materials. We have applied engineering safeguards, interlocks, and artificial intelligence. Additionally, our emphasis on hygiene and sanitation has helped to formulate a WASH Committee to ensure availability of safe drinking water, accessibility to good sanitation and hygienic practices at both the plants and colonies. All employees and workers have access to personal protective equipment (PPE) to evaluate the effectiveness of health hazard control measures. We take all necessary precautions to reduce the risks by offering regular training, posting warning signs at hazard prone areas, and scheduling regular medical examinations.

## BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT (Contd.)

### 13. Number of complaints on the following made by employees and workers.

	FY 2023 (Current Financial Year)			FY 2022 (Previous Financial Year)		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions	No such complaints have been received in the current and previous year.					
Health & Safety						

### 14. Assessments for the year

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	100%.
Working Conditions	Internally assessed by the respective location's administration team.

### 15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions.

We strive to ensure safety of the workplace and all safety related risks are mitigated and addressed effectively. To ensure efficient corrective action, we also conduct safety surveys, workplace monitoring, exposure assessments pertaining to noise, dust, fumes and gases.

There were no Lost Time Injuries reported in the current financial year. However, for other safety related incidents or the risks arising from the assessments of working conditions, we have implemented few corrective actions or preventive measures as detailed under:

1. We have implemented dedicated processes that encourage personnel to promptly report any near-miss accidents, recordable incidents, or work-related illnesses. This ensures that potential hazards are identified and addressed in a timely manner.
2. Installation of a fall protection system to mitigate incidents pertaining to fall from heights.
3. Internal and external audits have been conducted to assess our safety-related data and practices. These audits serve as a vital component of our Occupational Health and Safety (OHS) management system, enabling us to identify any gaps or areas for improvement.
4. Critical electrical panels are equipped with CO2 flooding systems and all transformers are equipped with nitrogen flooding systems to safeguard against any electrical fires, ensuring the safety of our employees and the protection of our facilities.
5. Machine guards have been installed to provide enhanced protection to workers, effectively shielding them from rotating parts and sharp edges of various equipment.
6. To address the issues of hoist failure, a cage has been provided with a door interlocked with a hoist motor; and
7. Anti-skid plates have been installed on all staircases to avoid mishaps due to slippery floors.

### Leadership Indicators

#### 1. Does the entity extend any life insurance or any compensatory package in the event of death of (A) Employees (Y/N) (B) Workers (Y/N).

Yes, we have life insurance benefits for employees and accident insurance benefits in place for both employees and workers.

#### 2. Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.

We emphasize over the importance of compliance through interactions with our value chain partners. Supplier's Code of Conduct requires the vendors to know and follow all applicable laws and have awareness of any legal or regulatory changes that may impact their operations. We also perform online checks on the Goods and Services Tax (GST) returns or deposit proofs of PF and ESI provided by the contractors or third parties.



## BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT (Contd.)

3. Provide the number of employees / workers having suffered high consequence work related injury / ill-health / fatalities (as reported in Q11 of Essential Indicators above), who have been rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:

	Total no. of affected employees/ workers		No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment	
	FY 2023 (Current Financial Year)	FY 2022 (Previous Financial Year)	FY 2023 (Current Financial Year)	FY 2022 (Previous Financial Year)
Employees	0	0	0	0
Workers	0	0	0	0

4. Does the entity provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes/ No)

No.

5. Details on assessment of value chain partners:

	% of value chain partners (by value of business done with such partners) that were assessed
Health and safety conditions	Currently we do not assess our value chain partners for health & safety and working conditions.
Working conditions	

6. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from assessments of health and safety practices and working conditions of value chain partners.

Not applicable, as assessment is not carried out for the value chain partners.

### Principle 4: Businesses should respect the interests of and be responsive to all its stakeholders

#### Essential Indicators

1. Describe the processes for identifying key stakeholder groups of the entity.

Stakeholder engagement is crucial to our business and value chain as it considers the importance of fostering good relationships with our stakeholders. Through the process of stakeholder engagement, we are able to understand the needs and expectations of our stakeholders more effectively that helps in prioritizing the business strategies. We follow an extensive process for identifying and engaging with our stakeholders based on the influence the business has on various environmental, economic and social aspects. A stakeholder exercise was conducted to analyze the expectations, gaps, enhance the Company's key ESG or sustainability initiatives and efforts and thereby create opportunities for achievement of sustainability goals.

Our approach towards stakeholder engagement was as follows:

1. Identification and prioritization of relevant stakeholders
2. Identification of the most efficient mode of engagement with relevant stakeholders
3. Collection of responses from key stakeholders and business leaders through the selected mode of engagement and collation of the responses received for improved analysis
4. Analysis of feedback and opinions received for identification of those sustainability topics which are material to the business
5. Prioritization of material sustainability topics for creating a materiality matrix which is crucial for the growth of business and creation of value for all stakeholders.

## BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT (Contd.)

### 2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly/ Quarterly / others - please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Government and Regulators	No	Official correspondence, Meetings and Consultations, Correspondence Regulatory reporting, Regulatory Submissions, Regulatory Portals and platforms, Website	As and when required	Pre-project approval, ongoing compliances, issue resolutions, transparency and reporting, collaboration, and consultation, building trust and credibility
Employees	No	Emails and meetings, training programs, Intranet portals, performance appraisal reviews and grievance redressal mechanism	Continuous	HR and internal policy-related matters and matters related to the well-being of the employees, performance of the company, important announcements, procedures, and other relevant information.
Investors	No	Annual general meeting, annual reports, Notices, Newspapers, E-mail, telecalls, Website and regular business interactions	Quarterly or Annually	Cultivate trust, improve transparency, obtain access to capital, influence shareholders, and fulfil mandatory regulatory requirements.
Customers	No	Direct Contact, Online Platforms, Emails, Phone, Survey and feedback forms, social media platforms, Website	Continuous	Pre-sales inquiries, project updates, post-sales support, understanding the demand and needs, feedback and surveys, building relationships and trust, resolving complaints and issues
Contract Labour	Yes	Direct contact, Helpline number, suggestion box, and meetings	Continuous	Safe working environment, timely and fair payment of compensation
Rating Agencies	No	Emails, Website	Annually	Timely disclosure of corporate and business performance information
Communities	Yes	Community Meetings, Outreach programs, Website	As and when required	Establish positive relationships, Address community concerns, community development, promote social responsibility
Supply chain Partners	No	Emails, phone, direct in-person meetings, website and stakeholder engagement surveys	Continuous	Supplier selection and evaluation, business operations-related matters, to enhance collaboration and innovation, explore opportunities for process improvements, contract negotiations, and cost optimization.
Future Generation	No	Social media, Job interview interactions	Continuous	Protect environment, Transparency in communication, Be a responsible organisation

## BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT (Contd.)

### Leadership Indicators

- 1. Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.**

Engagement and consultation with stakeholders on various topics are delegated by the Board and governed as per the operating policies of the Company. Feedback from such consultations is provided to the Board on a periodic basis through Board Meetings or Committee Meetings.

- 2. Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes / No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.**

Yes, stakeholder consultation is used to support the identification and management of environmental and social topics. We actively seek input from stakeholders on these issues and incorporate their suggestions into our policies and activities. Through these consultations, we reaffirm our ongoing priorities related to the identified material topics. The inputs received from stakeholders play a crucial role in shaping our approach to environmental and social matters, ensuring alignment with stakeholder expectations, and enhancing the overall sustainability of our operations.

- 3. Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/ marginalized stakeholder groups.**

As part of our corporate responsibility agenda, we engage with our communities which also includes vulnerable or marginalized groups on a regular basis and the modes of engagement are panchayat meetings, understanding problems with village sarpanch, public hearing and even direct meetings in some instances. Inputs received from people during these meetings are considered for channelizing our resources, we drive numerous projects to benefit various sections of the community. During the reporting period schools were upgraded by providing toilets, classrooms, clean drinking water, benches, theme painting, playgrounds, compound walls etc. to uplift the educational infrastructure and provide quality education. Additionally, we are working towards empowering marginalized girls/women to become leaders in their community, reduce school drop-out rate for girls through funding and installation of feminine hygiene facilities etc. We also support the holistic development of villages with focus on increasing accessibility to basic requirements and enhancing rural infrastructure for upliftment of the community. Efforts made in water management for neighboring districts have assisted in making available water for drinking and irrigation throughout the year.

### Principle 5: Businesses should respect and promote human rights.

### Essential Indicators

- 1. Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:**

Category	FY 2023 (Current Financial Year)			FY 2022 (Previous Financial Year)		
	Total (A)	No. of employees / workers covered (B)	% (B/A)	Total (C)	No. of employees / workers covered (D)	% (D/C)
<b>Employees</b>						
Permanent	470	0	0	427	0	0
Other than permanent	26	0	0	12	0	0
Total employees	496	0	0	439	0	0
<b>Workers</b>						
Permanent	1120	0	0	1168	0	0
Other than permanent	1933	0	0	1867	0	0
Total Workers	3053	0	0	3035	0	0

## BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT (Contd.)

### 2. Details of minimum wages paid to employees and workers, in the following format

Category	FY 2023 (Current Financial Year)					FY 2022 (Previous Financial Year)				
	Total (A)	Equal to minimum wage		More than minimum wage		Total (D)	Equal to minimum wage		More than minimum wage	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
Employees										
Permanent										
Male	455	Nil	Nil	455	100	414	Nil	Nil	414	100
Female	15	Nil	Nil	15	100	13	Nil	Nil	13	100
Other than Permanent										
Male	22	Nil	Nil	22	100	12	Nil	Nil	12	100
Female	4	Nil	Nil	4	100	0	Nil	Nil	0	100
Workers										
Permanent										
Male	1120	Nil	Nil	1120	100	1168	Nil	Nil	1168	100
Female	Nil	NA	NA	NA	NA	NA	NA	NA	NA	NA
Other than permanent										
Male	1907	1044	55	863	45	1843	940	51	903	49
Female	26	13	50	13	50	24	12	50	12	50

### 3. Details of remuneration/salary/wages, in the following format:

	Male		Female	
	Number	Median remuneration/ salary/ wages of respective category	Number	Median remuneration/ salary/ wages of respective category
Board of Directors (BoD)	4	10,23,750	2	9,47,500
Key Managerial Personnel*	2	93,40,343	Nil	Nil
Employees other than BoD and KMP	452	6,23,065	15	4,67,797
Workers	1120	3,30,479	Nil	Nil

\*It does not include Managing Director (Key Managerial Personnel), as the same is covered under above head i.e., 'Board of Directors'.

### 4. Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)

Yes, the HR department addresses issues pertaining to human rights.

### 5. Describe the internal mechanisms in place to redress grievances related to human rights issues.

We aim to ensure expeditious redressal of grievances of all stakeholders to reduce conflict and strengthen relationships with the stakeholders. In the process of grievance redressal, the object is to demonstrate the highest degree of probity, accountability, fairness, transparency, equitable, unbiasedness and procedural accuracy. We ensure that the mechanism will be easily accessible to stakeholders and resolution based on dialogue and discussion.

In addition to the internal mechanisms, we have implemented a whistle-blower system that enables employees to report potential violations of human rights or any other misconduct. This system allows employees to notify management about any concerns they may have, providing an additional avenue for addressing human rights issues and ensuring a culture of transparency and accountability.

## BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT (Contd.)

### 6. Number of Complaints on the following made by employees and workers:

	FY 2023 (Current Financial Year)			FY 2022 (Previous Financial Year)		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual Harassment	1	1	Complaint has been disposed of within the prescribed timelines, after the end of the reporting period i.e., 31 <sup>st</sup> March, 2023, before the date of this report.	No Complaints received during the year		
Discrimination at workplace	No Complaints received during the year			No Complaints received during the year		
Child Labor						
Forced Labor/Involuntary Labor						
Wages						
Other human rights related issues						

### 7. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.

We are committed towards creating a workplace which is free from all kinds of discrimination and harassment and ensure a healthy working environment for all the employees and workers irrespective of caste, gender, religion, disabilities, and any other forms of discrimination. We have formulated a Prevention of Sexual Harassment (POSH) Policy in accordance with the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, which aims to ensure effective redressal of grievances pertaining to sexual harassment. The complainant has to lodge a complaint with the internal committee (IC) who then takes necessary steps to ensure that the complainant is provided with the adequate redressal.

Some mechanisms to prevent adverse consequences to the complainant are:

Interim Relief: On a complainant's written request, the committee may, while the inquiry is ongoing, make recommendations to management for implementing the following:

1. Transfer the complainant or respondent to any other place of employment.
2. Give the complainant additional three months of leave other than the entitled ones.
3. Prevent the respondent from evaluating the complainant's performance at work.

Appeal Procedure: The complainant may file an appeal before the proper court of law or tribunal as prescribed by the government for the time being in effect if they are dissatisfied with the resolution of their complaint and/or the action taken by Unit IC or the Business IC.

### 8. Do human rights requirements form part of your business agreements and contracts? (Yes/No)

Yes.



## BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT (Contd.)

### 9. Assessments of the year

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child labor	100% by entity itself.
Forced/involuntary labor	
Sexual harassment	
Discrimination at workplace	
Wages	
Others – please specify	

### 10. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 9 above.

There were no significant risks or concerns arising from the assessments stated in question 9 above. We are in compliance with all applicable regulations pertaining to human rights and have also formulated a Human Rights Policy which outlines the commitment of the organization towards human rights. The policy is applicable to all employees and highlights our stance on zero-tolerance of any violations of human rights related aspects.

### Leadership Indicators

#### 1. Details of a business process being modified / introduced because of addressing human rights grievances/complaints.

We have a human rights policy in place and the same is compliant with all mandated regulations pertaining to human rights. We ensure grievance redressal through the whistle-blower and POSH policy. However, through our recently formulated human rights policy, the aim is to align our existing policies with certain human rights aspects applicable to our labor practices, including freedom of association, equal remuneration, land acquisition, supply chain management. We have also established a robust grievance redressal mechanism for addressing human rights impacts and violations.

#### 2. Details of the scope and coverage of any Human rights due diligence conducted

No separate human rights due diligence was conducted besides the internal assessments during the current financial year.

#### 3. Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?

Yes, we believe in accessibility for all and our premises are accessible to differently abled visitors.

#### 4. Details on assessment of value chain partners:

	% of value chain partners (by value of business done with such partners) that were assessed
Sexual harassment	We currently do not assess any of our value chain partners for human rights issues.
Discrimination at workplace	
Child labor	
Forced/involuntary labor	
Wages	
Others – please specify	

#### 5. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 4 above.

Not Applicable.

## BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT (Contd.)

### Principle 6: Businesses should respect and make efforts to protect and restore the environment

#### Essential Indicators

#### 1. Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:

Parameter	Unit	FY 2023 (Current Financial Year)	FY 2022 (Previous Financial Year)
Total electricity consumption (A)	GJ	7,78,090.71	8,23,639.91
Total fuel consumption (B) (Self generation)	GJ	6,48,008.33	5,86,370.21
Energy consumption through other sources (C)	GJ	Nil	Nil
Total energy consumption (A+B+C)	GJ	14,26,099.04	14,10,010.12
Energy intensity per rupee of turnover (Total energy consumption/ turnover in rupees)	(GJ/₹Lacs)	6.88	6.72
Energy intensity (optional) - the relevant metric may be selected by the entity	(GJ/MT)	20.45	19.90

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency: No.

#### 2. Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.

As per Bureau of Energy Efficiency (BEE) guidelines, for Pune plant we are declared as designated consumer (DC) under Performance, Achieve and Trade (PAT) Scheme. We have successfully achieved PAT cycle 1 targets and received 1,395 no's ESCerts. For PAT cycle 2, ESCerts declared on negative side due to formulae error. The said matter has been taken, through consultant, to BEE to sort out issue.

#### 3. Provide details of the following disclosures related to water, in the following format:

Parameter	FY 2023 (Current Financial Year)	FY 2022 (Previous Financial Year)
<b>Water withdrawal by source (in kiloliters)</b>		
(i) Surface water:	0	0
(ii) Groundwater	4,13,795	4,50,018
(iii) Third party water	3,71,347	4,25,584
(iv) Seawater / desalinated water	0	0
(v) Others	0	0
<b>Total volume of water withdrawal (in kiloliters) (i + ii + iii + iv + v)</b>	<b>7,85,142</b>	<b>8,75,602</b>
<b>Total volume of water consumption (in kiloliters)</b>	<b>7,85,142</b>	<b>8,75,602</b>
Water intensity per rupee of turnover (Water consumed / turnover) (KL/₹Lacs)	3.79	4.17
Water intensity (optional) - (Water consumption/Ton of production. KL/MT)	11.26	12.36

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency: No.

#### 4. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.

Yes, we have established an Effluent Treatment Plant (ETP) at both our plants with capacity of 4042m<sup>3</sup>/ day for waste-water treatment and is using 100% of the wastewater post the treatment for processes and gardening purposes in the plant achieving zero liquid discharge. Also, we have installed Reverse Osmosis plant along with Multi-effect Evaporator (MEE)/ Agitated Thin Film Dryer (ATFD) at our Bharuch plant for further purification and use of such water in process itself, which will be operational in the ensuing year.

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

**5. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:**

Parameter	Please specify unit	FY 2023 (Current Financial Year)	FY 2022 (Previous Financial Year)
NO <sub>x</sub>	MT	54.14	41.94
SO <sub>x</sub>	MT	35.43	36.15
Particulate Matter (PM)	MT	39.71	46.99
Persistent Organic Pollutants (POP)	-	NA	NA
Volatile organic Compounds (VOC)	-	NA	NA
Hazardous air pollutants (HAP)	-	NA	NA
Others- please specify	-	NA	NA

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency: No.

**6. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:**

Parameter	Unit	FY 2023 (Current Financial Year)	FY 2022 (Previous Financial Year)
<b>Total Scope 1 emissions</b> (Break-up of the GHG into CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , if available)	Metric tonnes of CO <sub>2</sub> equivalent	14,691.32	17,819.72
<b>Total Scope 2 emissions</b> (Break-up of the GHG into CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , if available)	Metric tonnes of CO <sub>2</sub> equivalent	1,62,169.67	1,86,110.33
<b>Total Scope 1 and Scope 2 emissions per rupee of turnover</b>	Total Scope emissions(tCO <sub>2</sub> e)/total revenue (₹Lacs)	0.85	0.97
<b>Total Scope 1 and Scope 2 emission intensity</b> (optional) – the relevant metric may be selected by the entity	Total Scope emissions/Total production (tCO <sub>2</sub> e/MT)	2.54	2.88

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency: No.

**7. Does the entity have any project related to reducing Greenhouse Gas emissions? If yes, then provide details.**

Yes, we have taken several initiatives to reduce our carbon emissions and ensure minimal environmental impact through adoption of renewable energy sources for steam and heat production.

**8. Provide details related to waste management by the entity, in the following format:**

Parameter	FY 2023 (Current Financial Year)	FY 2022 (Previous Financial Year)
<b>Total Waste generated (metric tonnes)</b>		
Plastic waste (A)	698.93	783.52
E-waste (B)	3.04	3.01
Bio-medical waste (C)	0.05	0.02
Construction and demolition waste (D)	10,593	4,614
Battery Waste (E)	0.56	0.25
Radioactive waste (F)	0	0
Other Hazardous waste. Please specify, if any. (G)	2,126.96	1,916.37
Other Non-hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e., Boiler Ash produced)	7,400	6,075
<b>Total (A+B + C + D + E + F + G + H)</b>	<b>20,822.54</b>	<b>13,392.17</b>

## BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT (Contd.)

For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (metric tonnes)		
Category of waste	FY 2023 (Current Financial Year)	FY 2022 (Previous Financial Year)
(i) Recycled	2,410.86	2,212.81
(ii) Re-used	4.03	1.40
(iii) Other recovery operations	Nil	Nil
<b>Total</b>	<b>2,414.89</b>	<b>2,214.21</b>
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
Category of waste	FY 2023 (Current Financial Year)	FY 2022 (Previous Financial Year)
(i) Incineration	39.83	22.74
(ii) Landfilling	75.05	166.74
(iii) Other disposal operations (This also includes construction debris and Boiler ash)	18,292.78	10,988.49
<b>Total</b>	<b>18,407.66</b>	<b>11,177.97</b>

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency: No.

### 9. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your Company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.

The waste management practices adopted by the Company are summarized below:

1. Lube oil and waste oil is sold to recyclers,
2. The contaminated containers and discarded liners/bags are sold to registered recyclers operating a decontaminated facility
3. ETP/WTP/Insulation waste is sent to government approved landfilling site
4. Biomedical Waste is sent to government approved common incineration facility
5. Electronic Waste is sold to the government registered recyclers
6. Batteries are purchased on a buy-back basis, so all scrap batteries are taken back by the vendors.
7. The chips, polymer lumps & yarn wastes are depolymerized and used to manufacture finished goods
8. Dipping Waste is given to Co-processing units.

There is no usage of hazardous and toxic chemicals in our products and processes, hence there is no strategy or practice available that will be applicable for managing such waste.

### 10. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details in the following format:

S.No.	Location of operations/offices	Type of operations	Whether the conditions of environmental approval / clearance are being complied with? (Y/N) If no, the reasons thereof and corrective action taken, if any.
No, we do not have any offices and plants located in/around ecologically sensitive areas.			

### 11. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:

Name and brief details of project	EIA Notification No.	Date	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web Link
No environmental impact assessments of the projects were done during the current reporting period.					

## BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT (Contd.)

12. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India, such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format:

S. No.	Specify the law / regulation / guidelines which was not complied with	Provide details of the non-compliance	Any fines / penalties / action taken by regulatory agencies such as pollution control boards or by courts	Corrective action taken if any
Yes, we affirm towards compliance with applicable environmental laws mandated by the government authorities and has not been subjected to any penalties or corrective actions from regulatory authorities.				

### Leadership Indicators

1. Provide break-up of the total energy consumed (in Joules or multiples) from renewable and non-renewable sources, in the following format:

Parameter	FY 2023 (Current Financial Year)	FY 2022 (Previous Financial Year)
<b>From renewable sources</b>		
Total electricity consumption in GJ (A)	39,087.91	28,530.97
Total fuel consumption in GJ (B)	4,13,140.11	3,00,372.4
Energy consumption through other sources in GJ (C)	Nil	Nil
<b>Total energy consumed from renewable sources (A+B+C) in GJ</b>	<b>4,52,228.02</b>	<b>3,28,903.34</b>
<b>From non-renewable sources</b>		
Total electricity consumption in GJ (D)	7,39,002.80	7,95,108.94
Total fuel consumption in GJ (E)	2,34,868.23	2,85,997.81
Energy consumption through other sources in GJ (F)	Nil	Nil
<b>Total energy consumed from non-renewable sources (D+E+F) in GJ</b>	<b>9,73,871.03</b>	<b>1,081,106.75</b>

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency: No.

2. Provide the following details related to water discharged:

We have Zero Liquid Discharge (ZLD) at both the locations.

Parameter	FY 2023 (Current Financial Year)	FY 2022 (Previous Financial Year)
Water discharge by destination and level of treatment (in kiloliters)		
<b>(i) To Surface water</b>		
- No treatment	Nil	Nil
- With treatment - please specify level of treatment	Nil	Nil
<b>(ii) To Groundwater</b>		
- No treatment	Nil	Nil
- With treatment - please specify level of treatment	Nil	Nil
<b>(iii) To Seawater</b>		
- No treatment	Nil	Nil
- With treatment - please specify level of treatment	Nil	Nil
<b>(iv) Sent to third parties</b>		
- No treatment	Nil	Nil
- With treatment - please specify level of treatment	Nil	Nil
<b>(v) Others</b>		
- No treatment	Nil	Nil
- With treatment - please specify level of treatment	Nil	Nil
<b>Total water discharged (in kiloliters)</b>	<b>Nil</b>	<b>Nil</b>

## BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT (Contd.)

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency: No.

### 3. Water withdrawal, consumption, and discharge in areas of water stress (in kiloliters):

For each facility / plant located in areas of water stress, provide the following information:

- (i) Name of the area: Not Applicable
- (ii) Nature of operations: Not Applicable
- (iii) Water withdrawal, consumption, and discharge in the following format:

Parameter	FY 2023 (Current Financial Year)	FY 2022 (Previous Financial Year)
<b>Water withdrawal by source (in kiloliters)</b>		
(i) Surface water	NA	NA
(ii) Groundwater	NA	NA
(iii) Third party water	NA	NA
(iv) Seawater / desalinated water	NA	NA
(v) Others (Recycled) Recovered water from Treated Effluent	NA	NA
Total volume of water withdrawal (in kiloliters)	NA	NA
Total volume of water consumption (in kiloliters)	NA	NA
Water intensity per rupee of turnover (Water consumed / turnover)	NA	NA
Water intensity (optional) – the relevant metric may be selected by the entity	NA	NA
<b>Water discharge by destination and level of treatment (in kiloliters)</b>		
(i) Into Surface water		
- No treatment	NA	NA
- With treatment – please specify level of treatment	NA	NA
(ii) Into Groundwater		
- No treatment	NA	NA
- With treatment – please specify level of treatment	NA	NA
(iii) Into Seawater		
- No treatment	NA	NA
- With treatment – please specify level of treatment	NA	NA
(iv) Sent to third parties		
- No treatment	NA	NA
- With treatment – please specify level of treatment	NA	NA
(v) Others		
- No treatment	NA	NA
- With treatment – please specify level of treatment	NA	NA
<b>Total water discharged (in kiloliters)</b>	<b>NA</b>	<b>NA</b>

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency: No.



## BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT (Contd.)

### 4. Please provide details of total Scope 3 emissions & its intensity, in the following format:

Parameter	Unit	FY 2023 (Current Financial Year)	FY 2022 (Previous Financial Year)
Total Scope 3 emissions (Break-up of the GHG into CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , if available)	Metric tonnes of CO <sub>2</sub> equivalent	NA	NA
Total Scope 3 emissions per rupee of turnover	Metric tonnes of CO <sub>2</sub> equivalent	NA	NA
Total Scope 3 emission intensity (optional) - the relevant metric may be selected by the entity	Metric tonnes of CO <sub>2</sub> equivalent	NA	NA

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency: No.

### 5. With respect to the ecologically sensitive areas reported at Question 10 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities.

Not Applicable as we do not have operations in ecologically sensitive areas.

### 6. If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions / effluent discharge / waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format:

S. No	Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along-with summary)	Outcome of the initiative
1.	Energy Reduction Initiatives	<ol style="list-style-type: none"> <li>Established an Energy Conservation Cell to set internal targets and monitor performance of various projects</li> <li>Adoption of renewable energy sources for heating, steaming and cooling processes</li> <li>Steam Consumption Optimization</li> <li>Fuel saving projects at Bharuch and Pune plants</li> </ol>	<p>Energy consumption from renewable sources increased by 37.5% as compared to last reporting period.</p> <p>Investing in energy reduction initiatives, we were able to save 4,632 kW/day of energy in the current reporting period. This translates to an annual energy saving of ₹203.6 lacs.</p>
2.	Emission Reduction Initiatives	<ol style="list-style-type: none"> <li>Maximum reduction in usage of LDO and increased the usage of Biomass (Briquette).</li> <li>Discontinued labour and energy intensive two step mono yarn production at Pune plant started with one step mono yarn process resulted in significant energy reduction and increased manhour efficiency.</li> <li>Replacement of Ozone Depleting Substance (ODS) refrigerants with Non-Ozone Depleting Substance</li> </ol>	<p>We were able to reduce carbon intensity (GJ/MT) by 11.90% as compared to last year.</p> <p>Total GHG emissions reduced by 13.27% as compared to last reporting period.</p>
3.	Waste Management Practices	<ol style="list-style-type: none"> <li>Reuse of packaging material</li> <li>Recycling of the generated nylon waste and converting it to Caprolactam</li> <li>Conversion of green waste to manure for gardening purposes</li> </ol>	<p>We were able to recycle 85% of the total hazardous waste generated and only 15% was sent to co-processing, pre-processing, landfilling incineration etc.</p>
4.	Water Conservation practices	<ol style="list-style-type: none"> <li>Adoption of 3R Approach - Reuse, Recycle, Reduce for effective water management</li> <li>Zero Liquid Discharge (ZLD) unit with a designed capacity of 2042 m<sup>3</sup>/day, ensuring zero wastewater generation</li> <li>Installation of Paddle dryer to the ETP has helped reduce moisture content in sludge.</li> </ol>	<p>Reduced water consumption by 10.33% as compared to last reporting period.</p> <p>Achieved Zero wastewater discharge.</p>

## BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT (Contd.)

S. No	Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along-with summary)	Outcome of the initiative
5.	Biodiversity Management Practices	<ol style="list-style-type: none"> <li>We have dedicated 52% of our Bharuch plant and 33% of our Pune plant area for plantation and green belt development which promotes planting various herbs and flora.</li> <li>We have Installed 19 groundwater recharging borewells with depth of 80 meters at Bharuch plant.</li> </ol>	<p>Supporting flora and fauna</p> <p>All 19 borewells combined will be able to recharge groundwater by an impressive 246,240 cubic meters every year.</p>

### 7. Does the entity have a business continuity and disaster management plan? Give details in 100 words/ web link.

Yes, we have an onsite emergency action plan in place which covers all natural and man-made disasters like fire explosion, release of toxic chemicals, structure collapse and other emergencies the objective of this comprehensive plan is to handle emergencies by considering the likelihood of different incidents. The plan aims to quickly control and minimize the impact of incidents, ensuring the safety of employees, as well as protecting property and the environment. It involves defining the roles and responsibilities of employees during emergencies, this plan also focuses on the safe rehabilitation of affected areas and the restoration of normalcy, ensuring the safety of personnel before resuming work. By integrating business continuity and disaster management into our operations, we strive to build resilience, adaptability, and sustainable growth, ensuring ability to navigate unforeseen challenges and contribute to a better tomorrow.

### 8. Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard?

We have not observed any adverse impacts on the environment from the suppliers. Also, we check for ISO:14001 certification which makes our critical suppliers compliant of all the environmental laws.

### 9. Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts.

Bharuch Plant assessed 15.62% and Pune plant assessed 14.58% of its value chain partners for environmental impacts.

## Principle 7: Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent

### Essential Indicators

#### 1. a. Number of affiliations with trade and industry chambers/ associations

There are 7 associations.

#### b. List the top 10 trade and industry chambers/ associations (determined based on the total members of such a body) the entity is a member of/ affiliated to.

S. No.	Name of the trade and industry chambers/ associations	Reach of trade and industry chambers/ associations (State/National)
1	The Synthetic & Rayon Textiles Export Promotion Council	National
2	Association of Synthetic Fibre Industry (ASFI)	National
3	Indian Technical Textile Association (ITTA)	National
4	Mahratta Chamber of Commerce Industries and Agriculture, Pune (MCCIA)	State
5	Federation of Gujarat Industries	State
6	Jhagadia Industries Association	State
7	Nylon Spinners association	State
8	Gujarat Employers' Organisation	State

## BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT (Contd.)

2. Provide details of corrective action taken or underway on any issues related to anti-competitive conduct by the entity, based on adverse orders from regulatory authorities.

Name of authority	Brief of the case	Corrective action taken
Not Applicable, as we do not have any adverse orders against issues related to anti-competitive conduct during the current financial year.		

### Leadership Indicators

1. Details of public policy positions advocated by the entity:

S. No.	Public policy advocated	Method resorted for such advocacy	Whether information available in the public domain? (Yes/No)	Frequency of Review by Board (Annually/ Half yearly/ Quarterly / Others - please specify)	Web Link, if available
We have not advocated public policy positions in the current financial year.					

### Principle 8: Businesses should promote inclusive growth and equitable development

#### Essential Indicators

1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year. -

Name and brief details of project	SIA Notification No.	Date of notification	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
We have not conducted any Social Impact Assessments projects in the current financial year.					

2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:

S. No.	Name of Project for which R&R is ongoing	State	District	No. of Project Affected Families (PAFs)	% Of PAFs covered by R&R	Amounts paid to PAFs in the FY (In INR)
NA.						

3. Describe the mechanisms to receive and redress grievances of the community.

We are informed of any grievances from communities through face-to-face meetings. We decide the focus areas based on the requirements or recommendations received by the general public through nearby panchayat and trusts. In addition to this, we also have grievance redressal mechanism that covers all our stakeholder including communities in which we operate.

4. Percentage of input material (inputs to total inputs by value) sourced from suppliers:

	FY 2023 (Current Financial Year)	FY 2022 (Previous Financial Year)
Directly sourced from MSMEs/ small producers	4.62	3.52
Sourced directly from within the district and neighboring districts	40.53	34.54

## BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT (Contd.)

### Leadership Indicators

1. Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above):

Details of negative social impact identified	Corrective action taken
We have not conducted any Social Impact Assessments projects in the current financial year	

2. Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies:

S. No.	State	Aspirational District	Amount spent (₹)
1	Gujarat	Narmada	20.74 Lacs

3. (a) Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized /vulnerable groups? (Yes/No)

No, we do not have a preferential procurement policy in place. However, we are also purchasing raw material from MSME and small producers.

- (b) From which marginalized /vulnerable groups do you procure?

We are sourcing raw material from MSME and small producers but we have not sourced from marginalized or vulnerable groups in the current financial year.

- (c) What percentage of total procurement (by value) does it constitute?

NA

4. Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge:

S. No.	Intellectual Property based on traditional knowledge	Owned/Acquired (Yes/No)	Benefit shared (Yes/No)	Basis of calculating benefit share
We have not applied and acquired intellectual properties in the current financial year				

5. Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved.

Name of authority	Brief of the Case	Corrective action taken
NA	NA	NA

6. Details of beneficiaries of CSR Projects:

S. No.	CSR Project*	No. of persons benefited from CSR Projects (Approx.)	% Of beneficiaries from vulnerable and marginalized groups
1	Vocational Training Project: Establishment of computer lab for students to explore, create and build digital literacy	320	Most of the CSR activities and projects undertaken by us are specifically targeted towards benefiting vulnerable and marginalized groups in society. However, presently it is challenging to provide an accurate percentage of beneficiaries from these groups.
2	Poshanvahini Project for strengthening Anganwadi centers	650	
3	Shikshasathi Project	3,279	
4	Kanya Kelvani & Praveshotsav Project	1,500	
5	Supply of school essentials to 10 Schools	850	
6	Renovation of Anganwadi - Kaliyapura Village	25	
7	Eye Checkup Camps- 35 villages	2,493	
8	Women health check-up camps	112	
9	Drinking water facility - Chiller	10,000	
10	Financial assistance for construction of residential building for orphan students.	75	

\* This list highlights some of our major projects and our integrated report constitutes details on each CSR activity and it is also available on the Company's website.

## BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT (Contd.)

### Principle 9: Businesses should engage with and provide value to their consumers in a responsible manner.

#### Essential Indicators

#### 1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.

The complaints/feedback received are acknowledged by our Technical Marketing team. It is then shared with the concerned function. Upon investigation, responses to the complaints/feedback are provided as per the requirements of the customer.

#### 2. Turnover of products and/ services as a percentage of turnover from all products/service that carry information about:

	As a percentage to total turnover
Environmental and social parameters relevant to the product	0%
Safe and responsible usage	
Recycling and/or safe disposal	

#### 3. Number of consumer complaints in respect of the following:

	FY 2023 (Current Financial Year)			FY 2022 (Previous Financial Year)		
	Received during the year	Pending resolution at end of year	Remarks	Received during the year	Pending resolution at end of year	Remarks
Data privacy	No complaints received during the year			No complaints received during the year		
Advertising						
Cyber-security						
Delivery of essential services						
Restrictive Trade Practices						
Unfair Trade Practices						

#### 4. Details of instances of product recalls on account of safety issues:

	Number	Reasons for recall
Voluntary recalls	NIL	
Forced recalls		

#### 5. Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.

Yes, refer <https://www.centuryenka.com/privacy-policy.html> for details of the policy

#### 6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of consumers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services.

Not Applicable, as there were no complaints received for mentioned topics during the current reporting period.

## BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT (Contd.)

### Leadership Indicators

**1. Channels / platforms where information on products and services of the entity can be accessed (provide web link, if available).**

A brief information about our products and services is given on the website and is also available in detail in our annual reports which are available on the website and can be accessed at <https://www.centuryenka.com>.

**2. Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.**

Based on the requirements of the customers, our technical and Marketing personnel interact with various customers for creating awareness about proper usage and technical description of the products .

**3. Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.**

We do not fall into the category of essential services hence it is not applicable to us.

**4.i. Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/Not Applicable) If yes, provide details in brief.**

No.

**4.ii. Did your entity carry out any survey about consumer satisfaction relating to the major products / services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No)**

Yes, we carry out customer satisfaction surveys, where we have customer feedback forms which captures all the related information including quality, pricing, availability and after sales services on an annual basis for NTCF customers and semi-annual basis for NFY customers, all the received data is collated and analysed for further enhancing customer satisfaction. For further details please refer to 'Building relationship with customers' section in social & relationship capital of integrated report.

**5. Provide the following information relating to data breaches:**

**a. Number of instances of data breaches along with impact.**

No.

**b. Percentage of data breaches involving personally identifiable information of consumers**

NA.

**Closing Statement:**

With this Business Responsibility and Sustainability Report, we are committed to providing valuable insights and information on our non-financial performance, showcasing the dedication to responsible business practices and sustainability. The report serves as a transparent and comprehensive source of information, enabling stakeholders to gain a deeper understanding of our initiatives and progress in key areas.

We at Century Enka Limited recognize the importance of continuous improvement in reporting practices and aim to enhance our reporting standards. By doing so, we intend to offer even more comprehensive and transparent information in future reports, ensuring that stakeholders have access to accurate and relevant data to make informed decisions. Our ultimate goal is to empower stakeholders, including investors, customers, employees, communities, and regulatory bodies, to actively engage with us and participate in our collective endeavour to build a better tomorrow. By providing comprehensive information and fostering open dialogue, we aim to create a collaborative environment where stakeholders can contribute their perspectives, insights, and feedback, thereby strengthening our sustainability efforts.

We are committed to fostering meaningful dialogue, listening to stakeholder expectations and concerns, and incorporating their feedback into our decision-making processes. By building strong relationships and partnerships, we strive to create a positive impact on society and the environment, driving sustainable development and contributing to a better future for our stakeholders.





# FINANCIAL STATEMENTS

# INDEPENDENT AUDITOR'S REPORT

To  
The Members of  
Century Enka Limited  
Report on the audit of the Standalone Financial Statements

## OPINION

1. We have audited the accompanying standalone Ind AS financial statements of Century Enka Limited ('the Company'), which comprise the standalone balance sheet as at 31<sup>st</sup> March, 2023, and the standalone statement of profit and loss (including other comprehensive income), standalone statement of changes in equity and standalone statement of cash flows for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information ('the Standalone Financial Statements').
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Financial Statements give the information required by the Companies Act, 2013 ('Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31<sup>st</sup> March, 2023, and its profit and other comprehensive income, changes in equity and its cash flows for the year then ended.

## BASIS FOR OPINION

3. We conducted our audit in accordance with the Standards on Auditing ('SAs') specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the Standalone Financial Statements under the provisions of the Act, and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have

obtained is sufficient and appropriate to provide a basis for our opinion on the Standalone Financial Statements.

## EMPHASIS OF MATTER

4. We draw attention to the fact that Note No. 46(b) of the Standalone Financial Statements wherein it is stated that, the Excise department had issued an order dated 31<sup>st</sup> December, 2013 denying the applicability of Notification No. 6/2000 dated 1<sup>st</sup> March, 2000 and raised a demand of ₹22,927 lacs plus interest thereon and penalty equivalent to duty demand amount. In this matter, CESTAT in its order dated 20<sup>th</sup> December, 2019, upheld the denial of aforesaid notification and remanded back the matter to Central Excise Department to redetermine quantum of duty short paid, imposition of equal amount of penalty on re-determined amount of duty demand and applicable interest. The Commissioner, CGST & Central Excise, Raigad Commissionerate has re-determined assessable value pursuant to order of CESTAT and confirmed the demand amounting to ₹730 lacs (as against above demand of ₹22,927 lacs), interest at appropriate rate on the duty and equal amount of penalty vide its order dated 8<sup>th</sup> September, 2020. Against the said order of the Commissioner, CGST & Central Excise, Raigad, Department has filed an appeal before the Appellate Tribunal. The Company's appeal in the matter is pending before the Honourable Supreme Court of India. The Company has deposited the amount of duty of ₹730 Lacs under protest. Based on expert legal advice and merits of the case, no provision has been considered necessary by the Company. Our opinion on the Standalone Financial Statements is not modified in respect of the above matter.

## KEY AUDIT MATTERS

5. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Standalone Financial Statements of the current year. These matters were addressed in the context of our audit of the Standalone Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	How the matter was addressed in our audit
<b>Inventory Valuation</b> <ul style="list-style-type: none"> <li>The Company has significant balances of inventory as on 31<sup>st</sup> March, 2023 (refer note 9 to the Standalone Financial Statements)</li> <li>Inventories are valued at lower of cost or net realizable value (NRV). Cost is determined using weighted average cost method</li> <li>Valuation of inventories can be subjective due to inherent uncertainty due to volatility in prices of raw material and volatility in prices of finished goods due to changes in consumer demands</li> </ul>	<b>Our procedures included:</b> <ul style="list-style-type: none"> <li>Obtaining understanding of production process and testing of key controls over recognition and measurement of inventory</li> <li>For sample locations, conducted physical verification of inventories at the year end</li> <li>For sample of inventory items, re-performed the weighted average cost calculation</li> </ul>

## INDEPENDENT AUDITOR'S REPORT (Contd.)

Key Audit Matter	How the matter was addressed in our audit
<ul style="list-style-type: none"> <li>Determination of whether inventory will be realized for value less than cost requires management to exercise judgement and apply assumption</li> <li>Because of size, inherent uncertainty in volatility in prices of raw material, assumption and complexities involved in inventory valuation, this is considered key audit matter</li> </ul>	<ul style="list-style-type: none"> <li>Obtaining management's calculation and relevant supporting for inventory valuation, validated mathematical accuracy of production costs and agreed the same with financial statements</li> <li>Assessing reasonableness of assumption and judgements applied by management in inventory valuation including evaluating consistencies with management's prior period estimations</li> <li>Assessing appropriateness of NRV estimated by management, on sample basis, by comparing NRV to recent market prices</li> <li>Obtaining and re-performing the calculation of inventory write down based on ageing and NRV of inventory</li> </ul> <p>Comparing historical trend of prices of raw material and finished goods to determine appropriateness of valuation of inventory.</p>

### OTHER INFORMATION

- The Company's Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the Standalone Financial Statements and our auditors' report thereon. The Other Information is expected to be made available to us after the date of this auditor's report.
- Our opinion on the Standalone Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.
- In connection with our audit of the Standalone Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Standalone Financial Statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

### RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE STANDALONE FINANCIAL STATEMENTS

- The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act, with respect to the preparation of these Standalone Financial Statements that give a true and fair view of the state of affairs, profit and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian accounting standards ('Ind AS') specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance

with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

- In preparing the Standalone Financial Statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.
- The Board of Directors are also responsible for overseeing the Company's financial reporting process.

### AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

- Our objectives are to obtain reasonable assurance about whether the Standalone Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or

## INDEPENDENT AUDITOR'S REPORT (Contd.)

in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Standalone Financial Statements.

13. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- 13.1. Identify and assess the risks of material misstatement of the Standalone Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- 13.2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to Standalone Financial Statements in place and the operating effectiveness of such controls.

- 13.3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.

- 13.4. Conclude on the appropriateness of the Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Standalone Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- 13.5. Evaluate the overall presentation, structure and content of the Standalone Financial Statements, including the disclosures, and whether the Standalone Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

14. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of

the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

15. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

16. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Standalone Financial Statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

17. As required by the Companies (Auditor's Report) Order, 2020 ('the Order'), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the 'Annexure A' a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

18. As required by Section 143(3) of the Act, we report that:

- 18.1. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

- 18.2. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

- 18.3. The standalone balance sheet, the standalone statement of profit and loss including other comprehensive income, the statement of changes in equity and the standalone cash flow statement dealt with by this Report are in agreement with the books of account.

- 18.4. In our opinion, the aforesaid Standalone Financial Statements comply with the Ind AS specified under Section 133 of the Act.

- 18.5. On the basis of the written representations received from the directors as on 31<sup>st</sup> March, 2023 taken on record by the

## INDEPENDENT AUDITOR'S REPORT (Contd.)

Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2023 from being appointed as a director in terms of Section 164(2) of the Act.

18.6. With respect to the adequacy of the internal financial controls with reference to Standalone Financial Statements of the Company and the operating effectiveness of such controls, refer to our separate Report in 'Annexure B'.

18.7. In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act.

19. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

19.1. The Company has disclosed the impact of pending litigations as at 31<sup>st</sup> March, 2023 on its financial position in its Standalone Financial Statements – Refer Note 46(d) to the Standalone Financial Statements;

19.2. The Company has made provision, as required under the applicable law or Ind AS, for material foreseeable losses, if any, on long-term contracts including derivative contracts – Refer Note 46(c) to the Standalone Financial Statements;

19.3. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

19.4. The Management has represented, to best of their knowledge and belief, that no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ('Intermediaries'), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

19.5. The Management has represented, to best of their knowledge and belief, that no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ('Funding Parties'), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

19.6. Based on such audit procedures, that has been considered reasonable and appropriate in the circumstances, performed by us, nothing has come to our notice that has caused us to believe that the representation under para 19.4 and 19.05 contain any material misstatement.

19.7. The final dividend paid by the Company during the year, in respect of the same declared for the previous year, is in accordance with Section 123 of the Act to the extent it applies to payment of dividend.

Refer note 39(A) to the standalone financial statements, the Board of Directors of the Company have proposed dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with Section 123 of the Act to the extent it applies to declaration of dividend.

19.8. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 (as amended), provides for the feature of recording of audit trail (edit log) facility in the accounting software used by the Company for maintenance of books of account, which is applicable to the Company from financial year beginning 1<sup>st</sup> April, 2023. The reporting under clause (g) of Rule 11 of Companies (Audit and Auditors) Rules, 2014 would be done from FY 2024 onwards.

For **KKC & Associates LLP**

(formerly Khimji Kunverji & Co LLP)

**Chartered Accountants**

Firm Registration Number: 105146W/W100621

**Kamlesh R Jagetia**

**Partner**

Place: Mumbai

Date: 18<sup>th</sup> May, 2023

ICAI Membership No: 139585

UDIN: 23139585BGXMDU1768

# ANNEXURE '[A]' TO THE INDEPENDENT AUDITOR'S REPORT

on the Standalone Financial Statements of Century Enka Limited for the year ended 31<sup>st</sup> March, 2023

(Referred to in paragraph [17] under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

- i. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of Property, Plant and Equipment ('PPE').

The Company is maintaining proper records showing full particulars of intangible assets.

- (b) The Company has a regular programme of physical verification of its PPE by which all PPE are verified in a phased manner over a period of 2 years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, certain PPE were physically verified by the Management during the

year. In our opinion, and according to the information and explanations given to us, no material discrepancies were noticed on such verification.

- (c) In our opinion and according to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of all the immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favor of the lessee) disclosed in the financial statements are held in the name of the Company except for the following which are not held in the name of the Company.

Description of property	Gross carrying value	Held in name of	Whether promoter, director or their relative or employee	Period held	Reason for not being held in name of company
Freehold Land	2	Ex Whole Time Director	NA	1982 till date	Housing Society allows individual to own the land

- (d) In our opinion and according to the information and explanations given to us, the Company has not revalued its PPE (including Right of Use assets) or intangible assets or both during the year.

- (e) In our opinion and according to the information and explanations given to us and on the basis of our examination of the records of the Company, no proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

10% in the aggregate of each class of inventory. In respect of Goods in transit, subsequent goods receipts have been verified.

- (b) In our opinion and according to the information and explanations given to us, the Company has been sanctioned working capital limits in excess of rupees five crore, in aggregate, from banks or financial institutions which are secured on the basis of security of current assets. The quarterly returns or statements filed by the Company with such banks or financial institutions are in agreement with the books of account of the Company.

- ii. (a) In our opinion and according to the information and explanations given to us, the physical verification of inventories has been conducted at reasonable intervals by the Management and, the coverage and procedure of such verification by the Management is appropriate. No discrepancies were noticed on verification between the physical stocks and the book records that were more than

- iii. (a) In our opinion and according to the information and explanations given to us, the Company has made investments in companies and has not made any investments in firms, limited liability partnership or any other parties. The Company has granted advances in the nature of loans to any other parties and the details are mentioned in the following table

(₹/Lacs)				
Particulars	Guarantees	Security	Loans	Advances in the nature of loans
<b>Aggregate amount granted/ provided during the year</b>				
Subsidiaries				
Joint Ventures				
Associates		885		
Others				



ANNEXURE '[A]' TO THE INDEPENDENT AUDITOR'S REPORT (Contd.)

(₹/Lacs)

Particulars	Guarantees	Security	Loans	Advances in the nature of loans
<b>Balance outstanding as at balance sheet date in respect of above cases</b>				
Subsidiaries				
Joint Ventures				
Associates		885		
Others				20

- (b) In our opinion and according to the information and explanations given to us, the investments made, guarantee provided, security given during the year and the terms and conditions of the grant of all loans and advances in the nature of loans and guarantee provided during the year are not prejudicial to the Company's interest.
- (c) There is no stipulated schedule of repayment of principal on advances in the nature of loans granted by the company.
- (d) No amount is overdue in respect of loans and advances in the nature of loans.
- (e) In our opinion and according to the information and explanations given to us, neither loans or advances in nature of loans have been renewed or extended nor any fresh loans have been granted to settle the overdue of existing loans.
- (f) The Company has not granted any loans or advances in the nature of loans to Promoters/Related Parties (as defined in section 2(76) of the Act which are either repayable on demand or without specifying any terms or period of repayment.
- iv. In our opinion and according to the information and explanations given to us, the Company has not granted any loans or provided any guarantees or security to the parties covered under section 185 of the Act. Hence reporting of Section 185 is not applicable. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Section 186 of the Act, with respect to the loans given, investments made, guarantees given and security provided.
- v. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits or amounts which are deemed to be deposits from the public during the year in terms of directives issued by the Reserve Bank of India or the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed there under. Accordingly, paragraph 3(v) of the Order is not applicable to the Company.
- vi. We have broadly reviewed the books of account maintained by the Company as specified under section 148(1) of the Act, for the maintenance of cost records in respect of products manufactured by the Company, and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- vii. (a) In our opinion and according to the information and explanations given to us, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including Goods and Services Tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues have been regularly deposited by the Company with the appropriate authorities
- According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, Goods and Services Tax, duty of customs, cess and other material statutory dues were in arrears as at 31<sup>st</sup> March, 2023 for a period of more than six months from the date they became payable.
- (b) In our opinion and according to the information and explanations given to us, we confirm that the following dues of Goods and Services Tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues, have not been deposited to/with the appropriate authority on account of any dispute.

## ANNEXURE '[A]' TO THE INDEPENDENT AUDITOR'S REPORT (Contd.)

(₹/Lacs)

Name of the Statute	Nature of the Dues	Amount*	Period to which the amount relates	Forum where dispute is pending <sup>^</sup>
Income tax Act, 1961	Income tax, interest and Penalty	118	A.Y. 2004-2005	Calcutta High Court
		50	A.Y. 2008-2009	Income Tax Appellate Tribunal
Central Excise Act, 1944	Excise Duty and Penalty	730 <sup>#</sup>	2000 to 2003	Supreme Court of India
		185	2007-08 to 2010-2011	Custom, Excise and Service Tax Appellate Tribunal
Finance Act, 1994	Service Tax	141	2009-10 to 2013-14	Custom, Excise and Service Tax Appellate Tribunal
Gujarat Sales Tax Act, 1969	Sales Tax including interest & Penalty	599	2000 to 2001	Joint Commissioner of Commercial Tax

<sup>^</sup>Exclude matters in respect of which favorable order has been received at various appellate authorities.

\* Net of amounts paid under protest.

<sup>#</sup> Interest to be determined at appropriate rate by the Central excise authorities.

- viii. In our opinion and according to the information and explanations given to us and on the basis of our examination of the records of the Company, we confirm that we have not come across any transactions not recorded in the books of account which have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.
- ix. (a) In our opinion, the Company has not defaulted in repayment of loans or other borrowings to financial institutions, banks or in the payment of interest thereon to any lender.
- (b) According to the information and explanations given to us and on the basis of our audit procedures, we report that the Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority or any other lender.
- (c) In our opinion and according to the information and explanations given to us, the Company has utilized the money obtained by way of term loans during the year for the purposes for which they were obtained.
- (d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the financial statements of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.
- (e) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its associates.
- (f) According to the information and explanations given to us and procedures performed by us, we report that the
- Company has not raised loans during the year on the pledge of securities held in its associate companies.
- x. (a) The Company did not raise money by way of initial public offer or further public offer (including debt instruments) during the year.
- (b) The Company has not made any preferential allotment / private placement of shares / fully / partly / optionally convertible debentures during the year.
- xi. (a) In our opinion and according to the information and explanations given to us, there has been no fraud by the Company or any fraud on the Company that has been noticed or reported during the year.
- (b) No report under sub-section (12) of section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) As represented to us by the Management, there are no whistle blower complaints received by the Company during the year.
- xii. (a) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable to the Company.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.

## ANNEXURE '[A]' TO THE INDEPENDENT AUDITOR'S REPORT (Contd.)

- |   |  |
|---|--|
| <p>xiv. (a) In our opinion and based on our examination, the Company has an internal audit system commensurate with the size and nature of its business.</p> <p>(b) We have considered the internal audit reports of the Company issued till date, for the period under audit.</p> <p>xv. According to the information and explanations given to us, in our opinion during the year the Company has not entered into any non-cash transactions with its directors or persons connected with its directors. Accordingly, paragraph 3(xv) of the Order is not applicable to the Company and hence provisions of Section 192 of the Act, 2013 are not applicable to the Company.</p> <p>xvi. (a) In our opinion, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, paragraph 3(xvi)(a) of the Order is not applicable to the Company.</p> <p>(b) The Company has not conducted any Non-Banking Financial or Housing Finance activities without obtaining a valid CoR from the Reserve Bank of India as per the Reserve Bank of India Act, 1934.</p> <p>(c) The Company is not a CIC as defined in the regulations made by Reserve Bank of India.</p> <p>(d) According to the information and explanations provided to us, the Group (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016) has more than one CIC as a part of group. The group has 1 CIC which is registered with Reserve Bank of India, 1 CICs which is in process of registration.</p> <p>xvii. The Company has not incurred any cash losses in the financial year and in the immediately preceding financial year.</p> <p>xviii. There has been no resignation of the statutory auditors during the year and accordingly this clause is not applicable / paragraph 3(xviii) of the Order is not applicable.</p> | <p>xix. According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.</p> <p>xx. The company has fully spent the required amount towards Corporate Social Responsibilities (CSR) and there are no unspent CSR amount for the year requiring a transfer of Fund specified in Schedule VII to the Companies Act or special amount in compliance with provision of sub-section (6) of section 135 of said Act. Accordingly, reporting under clause (xx) of the order is not applicable for the year.</p> |
|---|--|

For **KKC & Associates LLP**  
(formerly Khimji Kunverji & Co LLP)  
**Chartered Accountants**

Firm Registration Number: 105146W/W100621

**Kamlesh R Jagetia**  
**Partner**

Place: Mumbai  
Date: 18<sup>th</sup> May, 2023

ICAI Membership No: 139585  
UDIN: 23139585BGXMDU1768

# ANNEXURE '[B]' TO THE INDEPENDENT AUDITORS' REPORT

on the Standalone Financial Statements of Century Enka Limited for the year ended 31<sup>st</sup> March, 2023

(Referred to in paragraph '18.6' under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

**Report on the Internal Financial Controls with reference to the aforesaid Standalone Financial Statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act').**

## OPINION

1. We have audited the internal financial controls with reference to the Standalone Financial Statements of Century Enka Limited ('the Company') as at 31<sup>st</sup> March, 2023 in conjunction with our audit of the Standalone Financial Statements of the Company for the year ended on that date.
2. In our opinion, the Company has, in all material respects, an adequate internal financial controls with reference to the Standalone Financial Statements and such internal financial controls were operating effectively as at 31<sup>st</sup> March, 2023, based on the internal controls over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ('the Guidance Note').

## MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

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

## AUDITOR'S RESPONSIBILITY

4. Our responsibility is to express an opinion on the Company's internal financial controls with reference to the Standalone Financial Statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing ('SA'), prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to the Standalone Financial Statements. Those SAs and the Guidance Note require that we comply with the

ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to the Standalone Financial Statements were established and maintained and whether such controls operated effectively in all material respects.

5. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to the Standalone Financial Statements and their operating effectiveness. Our audit of internal financial controls with reference to the Standalone Financial Statements included obtaining an understanding of internal financial controls with reference to the Standalone Financial Statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the Standalone Financial Statements, whether due to fraud or error.
6. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to the Standalone Financial Statements.

## MEANING OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE STANDALONE FINANCIAL STATEMENTS

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

## INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE STANDALONE FINANCIAL STATEMENTS

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

For **KKC & Associates LLP**  
(formerly Khimji Kunverji & Co LLP)  
**Chartered Accountants**

Firm Registration Number: 105146W/W100621

**Kamlesh R Jagetia**  
**Partner**

ICAI Membership No: 139585  
UDIN: 23139585BGXMDU1768

Place: Mumbai  
Date: 18<sup>th</sup> May, 2023

# STANDALONE BALANCE SHEET

AS AT 31<sup>ST</sup> MARCH, 2023

S. No.	Particulars	Note No.	₹/Lacs	
			As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022
<b>(A)</b>	<b>ASSETS</b>			
	<b>Non-Current Assets</b>			
	Property, Plant and Equipment	3	63,704	46,689
	Capital Work-in-Progress	3A	10,617	6,834
	Right-of-Use Assets	4	689	716
	Other Intangible Assets	5	92	211
	<b>Financial Assets</b>			
	Investments	6	3,725	2,602
	Others	7	236	234
	Other Non-Current Assets	8	1,168	2,399
	<b>Total Non Current Assets</b>		<b>80,231</b>	<b>59,685</b>
	<b>Current assets</b>			
	Inventories	9	24,336	30,799
	<b>Financial assets</b>			
	Investments	10	30,678	23,385
	Trade Receivables	11	21,704	23,933
	Cash and Cash Equivalents	12	270	559
	Bank Balances other than Cash & Cash Equivalents	13	1,332	6,652
	Others	14	375	369
	Other Current Assets	15	3,347	5,977
	<b>Total Current Assets</b>		<b>82,042</b>	<b>91,674</b>
	<b>Non-Current Assets Classified as held for sale</b>	16	-	<b>900</b>
	<b>TOTAL ASSETS</b>		<b>1,62,273</b>	<b>1,52,259</b>
<b>(B)</b>	<b>EQUITY AND LIABILITIES</b>			
	<b>Equity</b>			
	Equity Share Capital	17	2,185	2,185
	Other Equity		1,29,998	1,22,883
	<b>Total Equity</b>		<b>1,32,183</b>	<b>1,25,068</b>
	<b>Non-Current Liabilities</b>			
	<b>Financial Liabilities</b>			
	Borrowings	18	4,870	616
	Lease Liabilities	19	351	406
	Others	20	251	245
	Provisions	21	1,352	1,131
	Deferred Tax Liabilities (Net)	22	7,213	7,323
	Other Non-Current Liabilities	23	945	266
	<b>Total Non-Current Liabilities</b>		<b>14,982</b>	<b>9,987</b>
	<b>Current Liabilities</b>			
	<b>Financial Liabilities</b>			
	Borrowings	24	1,508	419
	Lease Liabilities	19	55	51
	Trade payables	25		
	i) Total outstanding dues of Micro and Small enterprises		674	645
	ii) Total outstanding dues of Creditors other than above		10,099	11,415
	Others	26	1,375	3,381
	Other Current Liabilities	27	1,045	920
	Provisions	28	319	247
	Current Tax Liabilities (Net)	29	33	126
	<b>Total Current Liabilities</b>		<b>15,108</b>	<b>17,204</b>
	<b>TOTAL EQUITY AND LIABILITIES</b>		<b>1,62,273</b>	<b>1,52,259</b>
	Significant Accounting Policies	1 & 2		

The accompanying notes are an integral part of these financial statements

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

For and on behalf of the Board of Directors

For **KKC & Associates LLP**  
(formerly Khimji Kunverji & Co LLP)  
Chartered Accountants  
(FRN 105146W/W100621)

**S. K. Jain**  
Director  
DIN: 02843676

**Suresh Sodani**  
Managing Director  
DIN: 08789604

**Kamlesh R Jagetia**  
Partner  
Membership No. 139585

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

**Rahul Dubey**  
Company Secretary

Place : Mumbai  
Date : 18<sup>th</sup> May, 2023

Place : Mumbai  
Date : 18<sup>th</sup> May, 2023



# STANDALONE STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2023

₹/Lacs

S. No.	Particulars	Note No.	Year Ended 31 <sup>st</sup> March, 2023	Year Ended 31 <sup>st</sup> March, 2022
I	Revenue From Operations	30	2,07,205	2,09,783
II	Other Income	31	1,904	2,063
<b>III</b>	<b>Total Income (I+II)</b>		<b>2,09,109</b>	<b>2,11,846</b>
<b>IV</b>	<b>EXPENSES</b>			
	Cost of Materials Consumed	32	1,29,154	1,29,454
	Purchases of Stock-in-Trade		8,826	8,820
	Changes in inventories of Finished goods, Stock-in -Trade and work-in-progress	33	493	(5,574)
	Employee Benefits Expense	34	11,994	11,529
	Power and Fuel		24,753	20,786
	Finance Costs	35	235	124
	Depreciation and Amortization Expense	3, 4 & 5	4,122	3,962
	Other Expenses	36	17,752	18,339
	<b>Total expenses (IV)</b>		<b>1,97,329</b>	<b>1,87,440</b>
<b>V</b>	<b>Profit before Tax (III- IV)</b>		<b>11,780</b>	<b>24,406</b>
VI	Tax Expense/(Credit):	40		
	(1) Current Tax		3,041	6,501
	(2) (Excess)/Short Provision of Tax relating to earlier years		(69)	(127)
	(3) Deferred Tax		(236)	(384)
<b>VII</b>	<b>Profit for the Year (V-VI)</b>		<b>9,044</b>	<b>18,416</b>
<b>VIII</b>	<b>Other Comprehensive Income</b>			
	A (i) Items that will not be reclassified to profit or loss		(130)	(142)
	(ii) Income tax relating to items that will not be reclassified to profit or loss		11	(30)
	B (i) Items that will be reclassified to profit or loss		501	(423)
	(ii) Income tax relating to items that will be reclassified to profit or loss		(126)	106
<b>IX</b>	<b>Total Comprehensive Income for the year (VII+ VIII)</b> (Comprising Profit and Other Comprehensive Income for the year)		<b>9,300</b>	<b>17,927</b>
<b>X</b>	<b>Earnings per equity share in ₹ (Face value per share ₹ 10 each):</b>			
	(1) Basic	44	<b>41.39</b>	<b>84.28</b>
	(2) Diluted		<b>41.39</b>	<b>84.28</b>
	Significant Accounting Policies	1 & 2		

The accompanying notes are an integral part of these Financial Statements

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

For and on behalf of the Board of Directors

For **KKC & Associates LLP**  
(formerly Khimji Kunverji & Co LLP)  
Chartered Accountants  
(FRN 105146W/W100621)

**S. K. Jain**  
Director  
DIN: 02843676

**Suresh Sodani**  
Managing Director  
DIN: 08789604

**Kamlesh R Jagetia**  
Partner  
Membership No. 139585

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

**Rahul Dubey**  
Company Secretary

Place : Mumbai  
Date : 18<sup>th</sup> May, 2023

Place : Mumbai  
Date : 18<sup>th</sup> May, 2023

# STANDALONE CASH FLOW STATEMENT

FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2023

		₹/Lacs	
S. No.	Particulars	Year Ended 31 <sup>st</sup> March, 2023	Year Ended 31 <sup>st</sup> March, 2022
<b>A.</b>	<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
	<b>Profit Before Tax</b>	11,780	24,406
	<b>Adjustment for:</b>		
	Depreciation and Amortisation	4,122	3,962
	Finance cost	235	124
	Unrealised Exchange Loss /(Gain)	6	(39)
	Loss on Impairment of Investments	4	-
	Bad Debts Written-off	-	101
	Fair value movement in derivative instruments	13	12
	Interest Income	(779)	(797)
	Fair Value of Investments through Profit and Loss Statement	808	505
	Profit on sale of Current Investments (Net)	(1,508)	(1,279)
	Liabilities/Provisions no longer required written back	(68)	(24)
	Amortization of Government Grant (TUF Capital Subsidy)	(19)	(15)
	(Profit) / Loss on sale / write off of Property, Plant and Equipments (Net)	(131)	(309)
	Impairment loss on Asset Held for Sale	-	200
	<b>Operating Profit Before Working Capital Changes</b>	14,463	26,847
	<b>Adjustment for:</b>		
	Trade payable and other liability	(829)	(148)
	Trade Receivables	2,229	(802)
	Inventories	6,463	(11,699)
	Financial and other Assets	2,655	(2,661)
	<b>Cash Generated From Operations</b>	24,981	11,537
	Direct Taxes Paid (net of refunds)	(3,054)	(5,981)
	<b>Net Cash From Operating Activities (A)</b>	<b>21,927</b>	<b>5,556</b>
<b>B.</b>	<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
	Purchase of Property, Plant and Equipments	(23,890)	(8,577)
	Sale of Property, Plant and Equipments	340	472
	Interest Received	760	729
	Government Grant (Capital Subsidy)	144	-
	(Investment)/Maturity of deposit with Banks	5,320	(1,485)
	Deposits with Financial Institutions	(930)	(1,911)
	Purchase of Non-Current Investments	(885)	(344)
	(Purchase)/Sale of Current Investments (Net)	(5,993)	6,988
	<b>Net Cash From Investing Activities (B)</b>	<b>(25,134)</b>	<b>(4,128)</b>

# STANDALONE CASH FLOW STATEMENT

FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2023

		₹/Lacs	
S. No.	Particulars	Year Ended 31 <sup>st</sup> March, 2023	Year Ended 31 <sup>st</sup> March, 2022
<b>C.</b>	<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
	Proceeds from Long Term Borrowings	6,160	520
	Repayment of Long Term Borrowings	(817)	(297)
	Repayment of Lease Liability	(51)	(47)
	Proceeds/(Repayment) in Short-term Borrowings (Net)	-	1
	Payment of Interest on Lease Liability	(35)	(39)
	Payment of Interest on Borrowings	(154)	(85)
	Equity Dividend Paid	(2,185)	(1,748)
	<b>Net Cash From Financing Activities (C)</b>	<b>2,918</b>	<b>(1,695)</b>
<b>D.</b>	<b>NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	(289)	(267)
	Closing Balance of Cash and Cash Equivalents	270	559
	Opening Balance of Cash and Cash Equivalents	559	826

## Reconciliation of Closing Cash and Cash Equivalents with Balance Sheet

		₹/Lacs	
		As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022
Cash On hand		8	3
With Banks			
In Current Accounts		262	556
<b>Total</b>		<b>270</b>	<b>559</b>

### Notes:

- The above Cash Flow Statement has been prepared under the "Indirect Method" set out in Indian Accounting Standard (Ind - AS) - 7 on Statement of Cash Flow.
- Figures in bracket indicate cash outflow.
- Change in liabilities arising from financing activities

Particulars	As at 31 <sup>st</sup> March, 2022	Cash flows	Non Cash Changes	As at 31 <sup>st</sup> March, 2023
Total Borrowings	1035	5343	-	6378
Particulars	As at 31 <sup>st</sup> March, 2021	Cash flows	Non Cash Changes	As at 31 <sup>st</sup> March, 2022
Total Borrowings	811	224	-	1035

The accompanying notes are an integral part of these Financial Statements

This is the Cash Flows Statement referred to in our report of even date.

For and on behalf of the Board of Directors

For **KKC & Associates LLP**  
(formerly Khimji Kunverji & Co LLP)  
Chartered Accountants  
(FRN 105146W/W100621)

**S. K. Jain**  
Director  
DIN: 02843676

**Suresh Sodani**  
Managing Director  
DIN: 08789604

**Kamlesh R Jagetia**  
Partner  
Membership No. 139585

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

**Rahul Dubey**  
Company Secretary

Place : Mumbai  
Date : 18<sup>th</sup> May, 2023

Place : Mumbai  
Date : 18<sup>th</sup> May, 2023

# STANDALONE STATEMENT OF CHANGE IN EQUITY

FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2023

## (A) EQUITY SHARE CAPITAL

Year Ended 31<sup>st</sup> March, 2023

₹/Lacs

Balance as at 1 <sup>st</sup> April, 2022	Changes in equity shares capital during the year ended	Balance As at 31 <sup>st</sup> March, 2023
2,185	-	2,185

For the year ended 31<sup>st</sup> March, 2022

₹/Lacs

Balance as at 1 <sup>st</sup> April, 2021	Changes in equity shares capital during the year ended	Balance as at 31 <sup>st</sup> March, 2022
2,185	-	2,185

## (B) OTHER EQUITY

For the year ended 31<sup>st</sup> March, 2023

₹/Lacs

Particulars	Reserves and Surplus							Total
	Capital Reserve	Capital redemption Reserve	Securities Premium	General Reserve	Retained Earnings	Cash Flow Hedges Reserve	FVOCI- Equity Instruments	
<b>Balance at 1<sup>st</sup> April, 2022</b>	<b>48</b>	<b>186</b>	<b>3,225</b>	<b>40,566</b>	<b>78,967</b>	<b>(317)</b>	<b>208</b>	<b>1,22,883</b>
Profit for the Year (1)	-	-	-	-	9,044	-	-	9,044
<b>Other Comprehensive Income:</b>								-
Remeasurement of the net defined benefit liability/asset, net of tax liability (₹ 11 Lacs) effect (2)	-	-	-	-	(31)	-	-	(31)
Equity instruments through other comprehensive income (3)	-	-	-	-			(88)	(88)
Effective portion of Gains / (Loss) on hedging instruments net of tax liability (₹ 126 Lacs) effect (4)						375		375
<b>Total Comprehensive Income (1 to 4)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>9,013</b>	<b>375</b>	<b>(88)</b>	<b>9,300</b>
Dividend Paid for the FY 21-22	-	-	-	-	(2,185)	-	-	(2,185)
<b>Balance at 31<sup>st</sup> March, 2023</b>	<b>48</b>	<b>186</b>	<b>3,225</b>	<b>40,566</b>	<b>85,795</b>	<b>58</b>	<b>120</b>	<b>1,29,998</b>

# STANDALONE STATEMENT OF CHANGE IN EQUITY

FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2023

For the year ended 31<sup>st</sup> March, 2022

₹/Lacs

Particulars	Reserves and Surplus							Total
	Capital Reserve	Capital redemption Reserve	Securities Premium	General Reserve	Retained Earnings	Cash Flow Hedges Reserve	FVOCI-Equity Instruments	
Balance at 1 <sup>st</sup> April, 2021	48	186	3,225	40,566	62,208	-	471	1,06,704
Profit for the Year (1)	-	-	-	-	18,416	-	-	18,416
Other Comprehensive Income:								-
Remeasurement of the net defined benefit liability/asset, net of tax liability (₹ 30 Lacs) effect (2)	-	-	-	-	91	-	-	91
Equity instruments through other comprehensive income (3)	-	-	-	-			(263)	(263)
Effective portion of Gains / (Loss) on hedging instruments net of tax liability (₹ 106 Lacs) effect(4)						(317)		(317)
Total Comprehensive Income (1 to 4)	-	-	-	-	18,507	(317)	(263)	17,927
Dividend Paid for the FY 20-21	-	-	-	-	(1,748)	-	-	(1,748)
Balance at 31 <sup>st</sup> March, 2022	48	186	3,225	40,566	78,967	(317)	208	1,22,883

The Description of the nature and purpose of reserves within equity is as follows:

- Capital Reserve** - Comprise of Capital Subsidy received for setting up manufacturing plant at Mahad and profit on sale of assets over the original cost of assets in the earlier years.
- Capital Redemption Reserve** - Created on cancellation of equity shares under the scheme of arrangement and redemption of preference shares. It can be utilised in accordance with the provision of the Companies Act, 2013.
- Security Premium** - Premium received on issue of equity shares credited to Securities Premium Reserve. It can be utilised in accordance with the provision of the Companies Act, 2013.
- Cashflow Hedge Reserve:** The Company has designated its hedging instruments as cash flow hedges and any effective portion of cashflow hedge is maintained in the said reserve. In case the hedging becomes ineffective, the amount is recognised in the Statement of Profit and Loss

The accompanying notes are an integral part of these financial statements

This is the Other Equity Statement referred to in our report of even date.

For and on behalf of the Board of Directors

For **KKC & Associates LLP**  
(formerly Khimji Kunverji & Co LLP)  
Chartered Accountants  
(FRN 105146W/W100621)

**S. K. Jain**  
Director  
DIN: 02843676

**Suresh Sodani**  
Managing Director  
DIN: 08789604

**Kamlesh R Jagetia**  
Partner  
Membership No. 139585

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

**Rahul Dubey**  
Company Secretary

Place : Mumbai  
Date : 18<sup>th</sup> May, 2023

Place : Mumbai  
Date : 18<sup>th</sup> May, 2023

# NOTES

## TO THE STANDALONE FINANCIAL STATEMENTS

### 1. COMPANY OVERVIEW

Century Enka Limited ("the Company") is a Public Limited Company incorporated in India having its registered office at Pune, Maharashtra, India. The Company is engaged in the manufacturing and selling of 'Synthetic Yarn' and related products.

### 2. SIGNIFICANT ACCOUNTING POLICIES

#### (a) Statement of Compliance

These Standalone financial statements (hereinafter referred to as "financial statements") are prepared in accordance with the Indian Accounting Standards (referred to as "Ind AS") prescribed under section 133 of the Companies Act, 2013 ("the Act") read with Companies (Indian Accounting Standards) Rules as amended from time to time and other relevant provisions of the Act and guidelines issued by the Securities and Exchange Board of India (SEBI), as applicable.

The financial statements are authorized for issue by the Board of Directors of the Company at their meeting held on 18<sup>th</sup> May, 2023.

#### (b) Basis of Preparation and Presentation:

##### Basis of Preparation

The financial statements have been prepared on a historical cost basis, except for the following assets and liabilities:

- (i) Derivative Financial Instruments measured at fair value
- (i) Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments)
- (ii) Employee's Defined Benefit Plan as per actuarial valuation
- (iii) Assets held for sale measured at lower of carrying value and fair value less costs to sell.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date under current market conditions, regardless of whether that price is directly observable or estimated using another valuation technique. In determining the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

#### Functional and Presentation Currency

The financial statements are presented in Indian Rupees, which is the functional currency of the Company and the currency of the primary economic environment in which the Company operates.

#### Classification of Assets and Liabilities into Current/ Non-Current

The Company has ascertained its operating cycle as twelve months for the purpose of Current / Non-Current classification of its Assets and Liabilities.

For the purpose of Balance Sheet, an asset is classified as current if:

- (i) It is expected to be realised, or is intended to be sold or consumed, in the normal operating cycle; or
- (i) It is held primarily for the purpose of trading; or
- (ii) It is expected to realise the asset within twelve months after the reporting period; or
- (iii) The asset is a cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

Similarly, a liability is classified as current if:

- (i) It is expected to be settled in the normal operating cycle; or
- (i) It is held primarily for the purpose of trading; or
- (ii) It is due to be settled within twelve months after the reporting period; or
- (iii) The Company does not have an unconditional right to defer the settlement of the liability for at least twelve months after the reporting period. Terms of a liability that could result in its settlement by the issue of equity instruments at the option of the counterparty does not affect this classification.

All other liabilities are classified as non-current.

#### (b) Property, Plant and Equipment (PPE):

The PPE are stated at cost less accumulated depreciation and accumulated impairment loss.

The initial cost of PPE comprises its purchase price, including import duties and non-refundable purchase



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## TO THE STANDALONE FINANCIAL STATEMENTS

taxes, and any directly attributable costs of bringing an asset to working condition and location for its intended use, including relevant borrowing costs and any expected costs of decommissioning. Expenditure incurred after the PPE have been put into operation, such as repairs and maintenance, are charged to the Statement of Profit and Loss in the period in which the costs are incurred.

Any gain or loss on disposal of an item of PPE is recognized in statement of Profit and Loss.

If significant parts of an item of PPE have different useful lives, then they are accounted for as separate items (major components) of PPE.

Material items such as spare parts, stand-by equipment and service equipment are classified as PPE when they meet the definition of PPE as specified in Ind AS 16 – Property, Plant and Equipment.

PPE except freehold land are stated at their cost of acquisition/installation or construction net of accumulated depreciation, and impairment losses, if any. Freehold land is stated at cost less impairment losses, if any.

### (d) Expenditure during construction period:

Expenditure/ Income during construction period (including financing cost related to borrowed funds for construction or acquisition of qualifying PPE) is included under Capital

Such classes of assets and their estimated useful lives are as under:

No.	Nature	Useful life
1	Leasehold Assets – Plant & Machinery	Upto 25 years
2	Leasehold Assets – Other than Plant & Machinery	Lease Period
3	Stores and Spares Parts in the nature of PPE	5 to 25 Years
4	Motor Cars given to the employees as per the Company's Scheme	4 years
5	Assets individually costing less than or equal to ₹ 5,000	Fully Depreciated in the year of purchase

Depreciation on additions is provided on a pro-rata basis from the month of installation or acquisition and in case of Projects from the date of commencement of commercial production. Depreciation on deductions/disposals is provided on a pro-rata basis up to the month of deduction/ disposal.

Residual value for Air Conditioners, Furniture and Fittings, Office Equipment's, Computers and servers is considered Nil.

Work-in-Progress, and the same is allocated to the respective PPE on the completion of their construction. Advances given towards acquisition or construction of PPE outstanding at each reporting date are disclosed as Capital Advances under "Other non-current Assets".

### (e) Depreciation:

Depreciation is the systematic allocation of the depreciable amount of PPE over its useful life and is provided on a straight-line basis over the useful lives as prescribed in Schedule II to the Act or as per technical assessment. Freehold land with indefinite life is not depreciated.

Depreciable amount for PPE is the cost of PPE less its estimated residual value. The useful life of PPE is the period over which PPE is expected to be available for use by the Company, or the number of production or similar units expected to be obtained from the asset by the Company.

In case of certain classes of PPE, the Company uses different useful lives than those prescribed in Schedule II to the Act. The useful lives have been assessed based on technical advice, taking into account the nature of the PPE and the estimated usage of the asset on the basis of management's best estimation of obtaining economic benefits from those classes of assets. The estimated useful life is reviewed periodically, with the effect of any changes is estimate being accounted for on a prospective basis.

### (f) Intangible Assets and Amortisation:

#### ▪ Internally generated Intangible Assets:

Expenditure pertaining to research is expensed as incurred. Expenditure incurred on development is capitalised if such expenditure leads to creation of an asset, otherwise such expenditure is charged to the Statement of Profit and Loss.

#### ▪ Intangible Assets acquired separately:

Intangible assets that are acquired separately are carried at cost less accumulated amortisation and

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## TO THE STANDALONE FINANCIAL STATEMENTS

accumulated impairment, if any. Cost comprises the purchase price (net of tax / duty credits availed wherever applicable) and any directly attributable cost of bringing the assets to its working condition for its intended use. The Company determines the amortisation period as the period over which the future economic benefits will flow to the Company after taking into account all relevant facts and circumstances. The estimated useful life and amortisation method are reviewed periodically, with the effect of any changes in estimate being accounted for on a prospective basis.

▪ **Class of intangible assets and their estimated useful lives are as under:**

No.	Nature	Useful life
1	Software	6 Years

Residual value for the intangible assets is considered as Nil. An intangible asset is derecognised on disposal, or when no future economic benefits are expected from its use or disposal. Gains or losses arising from derecognition of an item of intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of such item of intangible asset and are recognised in the statement of profit & loss when the asset is derecognised

**(g) Impairment of Non-Financial Assets:**

At the end of each reporting period, the Company reviews the carrying amounts of non-financial assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in Statement of Profit and Loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the Statement of Profit and Loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

**(h) Financial Instruments:**

A Financial Instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets and financial liabilities are recognized when a Company becomes a party to the contractual provisions of the instruments.

**Initial Recognition:**

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss and ancillary costs related to borrowings) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in Statement of Profit and Loss.

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## TO THE STANDALONE FINANCIAL STATEMENTS

### Classification and Subsequent Measurement: Financial Assets

The Company classifies financial assets as subsequently measured at amortised cost, fair value through other comprehensive income ("FVOCI") or fair value through profit or loss ("FVTPL") on the basis of following:

- the entity's business model for managing the financial assets and
- the contractual cash flow characteristics of the financial asset.

### Amortised Cost:

A financial asset shall be classified and measured at amortised cost if both of the following conditions are met:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

In case of financial assets at amortised costs, interest income, foreign exchange gain or loss and impairment are recognized in Statement of Profit and Loss.

### Fair Value through OCI:

A financial asset shall be classified and measured at fair value through OCI if both of the following conditions are met:

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Where the Company has elected to present the fair value gain on equity instruments in other comprehensive income, there is no subsequent classification of fair value gain or losses to profit and loss account. Dividend from such instruments is recognized in profit and loss account as other income where right to receive is established.

### Fair Value through Profit or Loss:

A financial asset shall be classified and measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through OCI.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

### Classification and Subsequent Measurement: Financial liabilities

Financial liabilities are classified as either financial liabilities at FVTPL or 'other financial liabilities'.

### Financial Liabilities at FVTPL:

Financial liabilities are classified as at FVTPL when the financial liability is held for trading or are designated upon initial recognition as FVTPL:

Gains or Losses on liabilities held for trading are recognised in the Statement of Profit and Loss.

### Other Financial Liabilities:

Other financial liabilities (including borrowings and trade and other payables) are subsequently measured at amortised cost using the effective interest method.

### Impairment of financial assets:

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at the end of each reporting period. In case of trade receivables, the Company follows the simplified approach permitted by Ind AS 109 – Financial Instruments for recognition of impairment loss allowance. The Company recognises a loss allowance for expected credit losses on financial asset. The Company's trade receivables do not contain significant financing component and loss allowance on trade receivables is measured at an amount equal to life time credit expected losses. The Company calculates the expected credit losses on trade receivables using a provision matrix on the basis of its historical credit loss experience and other credit information available.

### Derecognition of financial assets:

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial

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asset, the Company continues to recognise the financial asset and also recognises associated liabilities.

On derecognition of a financial asset, other than equity investments classified as FVOCI, in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset.

On derecognition of equity instruments classified as FVOCI, accumulated gains or loss recognized in OCI is transferred to retained earnings.

### (i) Financial liabilities and equity instruments:

#### ▪ Classification as debt or equity

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

#### ▪ Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a Company are recognised at the proceeds received.

### (j) Derecognition of Financial Liabilities:

The Company de-recognises financial liabilities when and only when, the Company's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability de-recognised and the consideration paid and payable is recognised in the statement of profit and loss.

### (k) Inventories:

Inventories are valued as follows:

#### ▪ Raw materials, Fuel, Store & Spare Parts and Packing materials

Raw materials are valued at lower of cost and net realisable value (NRV). However, these items are considered to be realisable at cost, if the finished products, in which they will be used, are expected to be sold at or above cost. Fuel, Stores & Spare

parts and Packing materials are valued at cost. Cost is determined on weighted average basis. The cost of inventory comprises its purchase price, including non-refundable purchase taxes, and any directly attributable costs related to the inventories.

#### ▪ Work-in- progress (WIP), finished goods, stock-in-trade and trial run inventories:

Valued at lower of cost and NRV. Cost of Finished goods and WIP includes cost of raw materials, direct labour, other direct costs and related production overheads upto the relevant stage of completion. Cost of inventories is computed on weighted average basis.

#### ▪ Waste / Scrap:

Waste / Scrap and Byproduct inventory is valued at NRV.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

### (l) Cash and cash equivalents:

Cash and cash equivalents in the Balance Sheet comprise cash at bank, cheques and cash in hand and short-term deposits with banks that are readily convertible into cash which are subject to insignificant risk of changes in value and are held for the purpose of meeting short-term cash commitments.

### (m) Assets held for Sale:

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and sale is considered highly probable. They are measured at the lower of its carrying amount and fair value less costs to sell.

An impairment loss is recognised for any initial or subsequent write-down of the assets to fair value less cost to sell. A gain is recognised for any subsequent increases in fair value less cost to sell of an asset, but not in excess of any cumulative impairment loss previously recognised.

No depreciation or amortization is charged for assets classified as held for sale.

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### (n) Borrowing Costs:

General and specific borrowing costs that are attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of such asset till such time the asset is ready for its intended use and borrowing costs are being incurred. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use. All other borrowing costs are recognised as an expense in the period in which they are incurred.

Borrowing cost includes interest expense, loan processing charges, amortization of discounts, hedge related cost incurred in connection with foreign currency borrowings, ancillary costs incurred in connection with borrowing of funds and exchange difference arising from foreign currency borrowings to the extent they are regarded as an adjustment to the Interest cost.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

### (o) Government Grants and Subsidies:

Government grants, related to assets, are recognised in the Statement of Profit and Loss on a systematic basis over the periods in which the Company recognises the related costs for which the grants are intended to compensate.

Government grants are not recognised until there is reasonable assurance that the Company will comply with the conditions attached to them and that the grants will be received.

### (o) Leases:

#### Company as a Lessee

The company recognizes right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the right-of-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs incurred. The right-of-use asset is depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the statement of profit and loss.

The Company measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the company uses incremental borrowing rate. The lease payments shall include fixed payments, variable lease payments, residual value guarantees, exercise price of a purchase option where the Company is reasonably certain to exercise that option and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

The Company elected to use the recognition exemptions for lease contracts that, at the commencement date, have a lease term of 12 months or less and do not contain a purchase option ('short-term leases') and lease contracts for which the underlying asset is of low value (low-value assets)

#### Company as a Lessor

Leases for which the Company is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

The Company recognises lease payments received under operating leases as income on a straight-line basis over the lease term.

### (q) Derivative financial instruments:

The Company enters into derivative financial instruments viz. foreign exchange forward contracts to manage foreign exchange risks. The Company does not hold derivative financial instruments for speculative purposes.

Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in statement of profit and loss immediately excluding derivatives designated as cashflow hedge.

### (r) Hedge accounting:

The Company designates certain hedging instruments in respect of foreign currency risk, interest rate risk and commodity price risk as cash flow hedges. At the inception of the hedge relationship, the entity documents the relationship between the hedging instrument and the

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hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the Company documents whether the hedging instrument is highly effective in offsetting changes in fair values or cash flows of the hedged item attributable to the hedged risk.

The effective portion of changes in the fair value of the designated portion of derivatives that qualify as cash flow hedges is recognised in OCI and accumulated under equity. The gain or loss relating to the ineffective portion is recognised immediately in the statement of profit and loss.

Amounts previously recognised in OCI and accumulated in equity relating to effective portion as described above are reclassified to Statement of Profit and Loss in the periods when the hedged item affects the Statement of Profit or Loss, in the same line as the recognised hedged item. However, when the hedged forecast transaction results in the recognition of a non-financial asset or a non-financial liability, such gains and losses are transferred from equity and included in the initial measurement of the cost of the non-financial asset or non-financial liability.

Hedge accounting is discontinued prospectively when the hedging instrument expires or is sold, terminated, or exercised, or when it no longer qualifies for hedge accounting. Any gain or loss recognised in OCI and accumulated in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised the Statement of Profit and Loss. When a forecast transaction is no longer expected to occur, the gain or loss accumulated in equity is recognised immediately in the Statement of Profit and Loss.

### (s) Revenue Recognition:

#### **Sale of goods:**

The company derives revenue primarily from manufacturing and selling of Synthetic Yarn and related goods.

Revenue on sales of goods are recognized when the customer obtains control of the specified goods which is generally on dispatch/delivery of goods.

To recognize revenues, company applies the following five step approach: (1) identify the contract with a customer, (2) identify the performance obligations in the contract, (3) determine the transaction price (net of variable consideration), (4) allocate the transaction price (net of

variable consideration) to the performance obligations in the contract, and (5) recognize revenues when a performance obligation is satisfied.

The Company accounts for variable considerations like, volume discounts, rebates and pricing incentives to customers as reduction of revenue on a systematic and rational basis over the period of the contract. Revenues are shown net of goods and services tax and applicable discounts and allowances.

The Company does not expect to have any contracts where the period between the transfer of goods and payment by customer exceeds one year. Hence, the Company does not adjust revenue for the time value of money.

Government grants in the nature of export incentives are accounted for in the period of export of goods if the entitlements can be estimated with reasonable accuracy and conditions precedent to claim are reasonably expected to be fulfilled.

#### **Other Income:**

- Dividend Income is accounted for when the right to receive the income is established.
- Interest income is recognized on time proportion basis taking into account the amount outstanding on effective interest rate.
- Difference between the sale price and carrying value of investment is recognized in statement of profit or loss on sale / redemption on investment on trade date of transaction.

### (t) Employee benefits:

#### **Gratuity:**

Gratuity being defined benefit plan, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Re-measurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the Balance Sheet with a charge or credit recognised in Other Comprehensive Income (OCI) in the period in which they occur. Re-measurement recognised in OCI is reflected immediately in retained earnings and will not be reclassified to Statement of Profit and Loss. Past service cost is recognised in the Statement of Profit and Loss in the period of a plan amendment. Net interest is calculated by



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applying the discount rate at the beginning of the period to the net defined benefit liability or asset. The costs are categorised as follows:

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- net interest expense or income; and
- re-measurement

The present value of the gratuity liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds.

The defined benefit obligation recognised in the Balance Sheet represents the actual deficit or surplus in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

### Superannuation:

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

### Employee's Family Pension

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

### Provident Fund

Contribution towards provident fund for certain employees is made to the regulatory authorities, where the Company has no further obligations. Such benefits are classified as Defined Contribution Scheme as the Company does not carry any further obligations, apart from the contributions made on a monthly basis.

In respect of certain employees, Provident Fund contributions are made to the Trust set up and administered by the Company. If the board of trustees are unable to pay

interest at the rate declared by the government under Para 60 of the Employees provident fund scheme, 1972 for the reason that the return on investment is less or for any other reason, then the deficiency shall be made good by the Company making interest shortfall a defined benefit plan. Accordingly, the Company obtains actuarial valuation and having regard to the assets of the fund and the return on investments, the Company does not expect any deficiency as at the year end. If there is a deficiency as at any Balance Sheet date, then, the same will be recognized in the Statement of Profit and Loss in the year in which it arises.

### Other Short-term and other long-term employee benefits

Liabilities for wages, salaries and bonus (as per the payment of bonus Act, 1965) including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees and workmen render the related service are recognized in respect of employee's services up to the end of the reporting period and are measured at the amount expected to be paid when the liabilities are settled.

### Compensated Absences

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

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

### (u) Foreign Currency transactions:

In preparing the financial statements of the Company, transactions in currencies other than the Company's functional currency (i.e. foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are translated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the

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fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate as at the date of initial transactions.

Exchange differences on monetary items are recognised in the Statement of Profit and Loss in the period in which they arise except for exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings.

### (v) Income Taxes:

Income Tax expenses comprise current tax and deferred tax charge or credit.

Current Tax is measured on the basis of estimated taxable income for the current accounting period in accordance with the applicable tax rates and the provisions of the Income-tax Act, 1961 and other applicable tax laws.

Deferred tax is provided, on all temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred tax assets and liabilities are measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted at the reporting date. Tax relating to items recognised directly in equity or OCI is recognised in equity or OCI and not in the Statement Profit and Loss.

Current tax assets and liabilities are offset when there is a legally enforceable right to set off recognized amount and there is intention to settle the assets and liabilities on net basis.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority.

### (w) Earnings Per Share:

The basic Earnings Per Share ("EPS") is computed by dividing the net profit / (loss) after tax for the year attributable to the equity shareholders by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, net profit / (loss) after tax for the year attributable to the equity shareholders and the weighted average number of equity shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

### (x) Provisions, Contingent Liabilities and Contingent Assets:

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources, that can be reliably estimated, will be required to settle such an obligation.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows to net present value using an appropriate pre-tax discount rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Unwinding of the discount is recognised in the Statement of Profit and Loss as a finance cost. Provisions are reviewed at each reporting date and are adjusted to reflect the current best estimate.

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

Claims against the Company where the possibility of any outflow of resources in settlement is remote, are not disclosed as contingent liabilities.

Contingent assets are not recognised in financial statements since this may result in the recognition of income that may never be realised. However, when the realisation of income is virtually certain, then the related asset is not a contingent asset and is recognised.

### (y) Investment in Associates

The Company's investment in its associates are carried at cost net of accumulated impairment loss, if any.

On disposal of the Investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the statement of Profit and Loss.

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## TO THE STANDALONE FINANCIAL STATEMENTS

### 2(A). CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

#### Key assumptions:

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

#### (i) Useful Lives of Property, Plant & Equipment and Intangible Assets:

The Company uses its technical expertise along with historical and industry trends for determining the economic life of an asset/component of an asset. The useful lives are reviewed by management periodically and revised, if appropriate. In case of a revision, the unamortised depreciable amount is charged over the remaining useful life of the assets.

#### (ii) Fair value measurement of financial instruments:

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash Flow model. The inputs to these models are taken from observable markets where possible,

but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility.

#### (iii) Defined benefit plans:

The cost of the defined benefit plans gratuity and provident fund, and the present value of the gratuity and provident fund obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

#### (iv) Asset held for sale:

The company has used certain judgements and estimates to determine fair value of asset held for sale. Fair value had been determined on basis of independent external valuation and quotes from dealer of similar assets.

#### (v) Recognition and measurement of deferred tax assets and liabilities:

Deferred tax assets and liabilities are recognised for deductible temporary differences for which there is probability of utilisation against the future taxable profit. The Company uses judgement to determine the amount of deferred tax liability / asset that can be recognised, based upon the likely timing and the level of future taxable profits and business developments.

#### (vi) Income Taxes:

The Company calculates income tax expense based on reported income and estimated exemptions / deduction likely available to the Company. The Company has applied the lower income tax rates on income tax expenses and the deferred tax assets / liabilities.

# NOTES

## TO THE STANDALONE FINANCIAL STATEMENTS

### 3. PROPERTY, PLANT AND EQUIPMENT (PPE)

	₹/Lacs						
	Land	Buildings (Refer Note a & b)	Plant & Machinery (Refer Note c)	Furniture & Fixtures	Office equipments	Vehicles	Total
<b>For the year 2021-22</b>							
As at 1 <sup>st</sup> April, 2021	336	9,129	60,267	104	197	267	70,300
Add: Additions		101	2,113	13	106	229	2,562
Less: Disposals/Adjustment			312		12	114	438
<b>As at 31<sup>st</sup> March, 2022</b>	<b>336</b>	<b>9,230</b>	<b>62,068</b>	<b>117</b>	<b>291</b>	<b>382</b>	<b>72,424</b>
<b>Accumulated Depreciation:</b>							
As at 1 <sup>st</sup> April, 2021	-	2,315	19,546	58	117	168	22,204
Add: Depreciation during the year		361	3,334	11	51	49	3,806
Less: Disposals/Adjustment			166		12	97	275
<b>As at 31<sup>st</sup> March, 2022</b>	<b>-</b>	<b>2,676</b>	<b>22,714</b>	<b>69</b>	<b>156</b>	<b>120</b>	<b>25,735</b>
<b>Net carrying amount As at 31<sup>st</sup> March, 2022</b>	<b>336</b>	<b>6,554</b>	<b>39,354</b>	<b>48</b>	<b>135</b>	<b>262</b>	<b>46,689</b>
<b>For the year 2022-23</b>							
As at 1 <sup>st</sup> April, 2022	336	9,230	62,068	117	291	382	72,424
Add: Additions		2,406	17,685	44	105	49	20,289
Less: Disposals/Adjustment		2	283		10	38	333
Add: Asset Reclassified from held for Sale (Refer Note 16)			900				900
<b>As at 31<sup>st</sup> March, 2023</b>	<b>336</b>	<b>11,634</b>	<b>80,370</b>	<b>161</b>	<b>386</b>	<b>393</b>	<b>93,280</b>
<b>Accumulated Depreciation:</b>							
As at 1 <sup>st</sup> April, 2022	-	2,676	22,714	69	156	120	25,735
Add: Depreciation during the year		376	3,445	20	53	71	3,965
Less: Disposals/Adjustment			96		10	18	124
<b>As at 31<sup>st</sup> March, 2023</b>	<b>-</b>	<b>3,052</b>	<b>26,063</b>	<b>89</b>	<b>199</b>	<b>173</b>	<b>29,576</b>
<b>Net carrying amount As at 31<sup>st</sup> March, 2023</b>	<b>336</b>	<b>8,582</b>	<b>54,307</b>	<b>72</b>	<b>187</b>	<b>220</b>	<b>63,704</b>

- a) Includes Land ₹ 2 Lacs and ₹ 500 being the cost of 5 shares in a co-operative housing society held in the name of a nominee of the Company
- b) Previous year Includes ₹ 250 being the cost of 5 shares in co-operative societies.
- c) Rupee Term Loans are secured by hypothecation of specific Plant and Machinery against which Loans have been taken.

### 3A (I) CAPITAL WORKING IN PROGRESS - AGING SCHEDULE

	₹/Lacs				
Capital Working in Progress	Amount in Capital Working in Progress for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
<b>FY 2022</b>					
Projects in progress	6,818	16			6,834
<b>FY 2023</b>					
Projects in progress	8,894	1,707	16		10,617

# NOTES

## TO THE STANDALONE FINANCIAL STATEMENTS

### 3A (II) COMPLETION SCHEDULE FOR CAPITAL WORK-IN-PROGRESS WHOSE COMPLETION IS OVERDUE OR HAS EXCEEDED ITS COST COMPARED TO ITS ORIGINAL PLAN:

Capital Working in Progress	To be completed in				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
FY 2022	there is no overdue				
FY 2023					
i) Projects in progress					
- Dipping plant	8,308				8,308
- Water Treatment Plant	984				984
ii) Projects temporarily suspended	-				-

₹/Lacs

3.1 The Company has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets or both during the current or previous year.

3.2 The Title deeds of all the immovable properties are held in the Name of Company except as follows:

Description of Property	Carrying Value	Title in name of	Property held since	Reason for not being held in company's name
Freehold Land	₹ 2 Lacs	Ex. Whole time director	1982	Housing Society only allows individual to own the land

### 4. RIGHT OF USE ASSETS ( IND AS 116)

	Land	Plant & Machinery	Total
<b>For the year 21-22</b>			
As at 1 <sup>st</sup> April, 2021	207	591	798
Add: Additions			-
Less: Disposals/Adjustment			-
<b>As at 31<sup>st</sup> March, 2022</b>	<b>207</b>	<b>591</b>	<b>798</b>
<b>Accumulated Depreciation:</b>			
As at 1 <sup>st</sup> April, 2021	9	46	55
Add: Depreciation during the year	4	23	27
Less: Disposals/Adjustment			-
As at 31 <sup>st</sup> March, 2022	13	69	82
<b>Net carrying amount As at 31<sup>st</sup> March, 2022</b>	<b>194</b>	<b>522</b>	<b>716</b>
<b>For the year 22-23</b>			
As at 1 <sup>st</sup> April, 2022	207	591	798
Add: Additions			
Less: Disposals/Adjustment			
<b>As at 31<sup>st</sup> March, 2023</b>	<b>207</b>	<b>591</b>	<b>798</b>
<b>Accumulated Depreciation:</b>			
As at 1 <sup>st</sup> April, 2022	13	69	82
Add: Depreciation during the year	4	23	27
Less: Disposals/Adjustment			
<b>As at 31<sup>st</sup> March, 2023</b>	<b>17</b>	<b>92</b>	<b>109</b>
<b>Net carrying amount As at 31<sup>st</sup> March, 2023</b>	<b>190</b>	<b>499</b>	<b>689</b>

₹/Lacs

# NOTES

## TO THE STANDALONE FINANCIAL STATEMENTS

### 5. INTANGIBLE ASSETS

	₹/Lacs
<b>Computer Softwares</b>	
<b>For the year 21-22</b>	
As at 1 <sup>st</sup> April, 2021	728
Add: Additions	18
Less: Disposals	
<b>As at 31<sup>st</sup> March, 2022</b>	<b>746</b>
<b>Accumulated Amortisation:</b>	
As at 1 <sup>st</sup> April, 2021	406
Add: Amortisation during the year	129
Less: Disposals	
<b>As at 31<sup>st</sup> March, 2022</b>	<b>535</b>
<b>Net carrying amount As at 31<sup>st</sup> March, 2022</b>	<b>211</b>
<b>For the year 22-23</b>	
As at 1 <sup>st</sup> April, 2022	746
Add: Additions	11
Less: Disposals	
<b>As at 31<sup>st</sup> March, 2023</b>	<b>757</b>
<b>Accumulated Amortisation:</b>	
As at 1 <sup>st</sup> April, 2022	535
Add: Amortisation during the year	130
Less: Disposals	
<b>As at 31<sup>st</sup> March, 2023</b>	<b>665</b>
<b>Net carrying amount As at 31<sup>st</sup> March, 2023</b>	<b>92</b>

### 6. NON-CURRENT INVESTMENTS

#### Investments in Equity Shares (fully paid up)

	Number of Shares	Face Value Per Share	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022
<b>1) Quoted Investments</b>				
<b>Fair value through Other Comprehensive Income</b>				
Kesoram Industries Limited	20,85,481	10	1,222	1,091
(Subscribed to right issue of 681496 shares during the previous year)	(20,85,481)			
Kesoram Textiles Mills Limited	5,84,994	2	-	-
(Received during the year 1999-2000 without any consideration pursuant to scheme of arrangement of Kesoram Industries Limited)	(5,84,994)			
Birla Tyres Limited	14,03,985	10	74	293
(Received during the year financial year 2019-20 without any consideration pursuant to scheme of demerger of Tyre unit of Kesoram Industries limited)	(14,03,985)			



# NOTES

## TO THE STANDALONE FINANCIAL STATEMENTS

			₹/Lacs	
	Number of Shares	Face Value Per Share	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022
<b>2) Unquoted Investments</b>				
<b>Fair Value through profit or loss</b>				
BEIL Infrastructure Limited	10,220	10	1	1
	(10,220)			
MMA CETP Co-operative Society Limited	12,895	100	13	13
	(12,895)			
Bhadreshwar Vidyut Private Limited	19,47,000	0.10	4	4
	(19,47,000)			
Less : Provision for Impairment on Investments			(4)	-
<b>Associates at Cost</b>				
ABReL Century Energy Limited	88,47,800	10	885	
<b>3) Unquoted Investments at Amortised Cost</b>				
Fixed Deposit with Financial Institutions with maturity more than 12 months			-	1,200
<b>4) Quoted Investments at Amortised Cost</b>				
Taxable Corporate Bonds /Debentures			1,530	
<b>Note: Figures in bracket represents previous year numbers</b>			<b>3,725</b>	<b>2,602</b>
<b>Aggregate amount of:</b>				
Quoted Investments			2,826	1,384
Unquoted Investments			899	1,218
Aggregate market value of Quoted Investment			2,826	1,384
Aggregate amount of impairment in value of Investment			4	-

### 7. OTHER NON-CURRENT FINANCIAL ASSETS (Unsecured, Considered Good)

	₹/Lacs	
	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022
Security Deposits	216	214
Advances	20	20
	<b>236</b>	<b>234</b>

### 8. OTHER NON-CURRENT ASSETS

	₹/Lacs	
	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022
Capital Advances	360	1,577
Others		
Balances with Government authorities	800	800
Prepaid Expense	8	22
	<b>1,168</b>	<b>2,399</b>

# NOTES

## TO THE STANDALONE FINANCIAL STATEMENTS

### 9. INVENTORIES

	₹/Lacs	
	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022
<b>(Valued at lower of cost or Net Realisable Value ) (Unless otherwise stated)</b>		
Raw Material [Including in transit ₹ 929 Lacs (Previous Year ₹ 1189 Lacs)]	8,850	14,990
Stock-in-Process	4,226	3,983
Finished goods [Including in transit ₹ 1227 Lacs (Previous Year ₹ 1387 Lacs)]	8,159	8,894
Stores, Spares and Packing Material & Fuel (at cost)	3,101	2,932
[Including in transit ₹ 46 Lacs (Previous Year ₹ 183 lacs)]		
	<b>24,336</b>	<b>30,799</b>

The Company follows adequate accounting policy for writing down the value of Stores and Spares towards slow moving, non-moving and surplus

Inventories ₹ 304 Lacs ( Previous year ₹ 264 Lacs )

Provision on Stock-in-Process / Finished goods for the period is ₹ 354 Lacs (31<sup>st</sup> March, 2022 ₹ 100 Lacs).

Refer Note 2(k) for mode of valuation of Inventories

### 10. CURRENT INVESTMENTS

	₹/Lacs	
	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022
<b>a) Quoted Investments (Fair value through profit or loss)</b>		
Exchange Traded Funds	105	102
<b>b) Unquoted Investments (Fair value through profit or loss)</b>		
Units of various schemes of Mutual Funds	15,286	16,683
<b>c) Amortised cost</b>		
<b>Quoted Investments</b>		
Taxable Corporate Bonds/Debentures	8,087	
<b>Unquoted Investments</b>		
Fixed Deposit with Financial Institutions	7,200	6,600
	<b>30,678</b>	<b>23,385</b>
Aggregate amount of Quoted Investments	8,192	102
Aggregate amount of Unquoted Investments	22,486	23,283
Aggregate market value of Quoted Investment	8,192	102

# NOTES

## TO THE STANDALONE FINANCIAL STATEMENTS

### 11. TRADE RECEIVABLES

	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022
Considered good - Secured	384	180
Considered good - Unsecured	21,320	23,753
Credit impaired	714	714
	<b>22,418</b>	<b>24,647</b>
Less: Allowance for credit losses	(714)	(714)
	<b>21,704</b>	<b>23,933</b>

#### Trade Receivables ageing schedule as at 31<sup>st</sup> March, 2023

Particulars	Outstanding for following periods from due date of payment						Total
	Not Due	Less than 6 months	Less than 1 year	1-2 years	2-3 years	More than 3 years	
<b>Undisputed Trade receivables</b>							
a) Considered good	20,074	1,629	1				21,704
b) Credit impaired	-	-			402	312	714
Allowance for credit losses			-	-	(402)	(312)	(714)
<b>Total</b>	<b>20,074</b>	<b>1,629</b>	<b>1</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>21,704</b>

#### Trade Receivables ageing schedule as at 31<sup>st</sup> March, 2022

Particulars	Outstanding for following periods from due date of payment						Total
	Not Due	Less than 6 months	Less than 1 year	1-2 years	2-3 years	More than 3 years	
<b>Undisputed Trade receivables</b>							
a) Considered good	22,232	1,701	-	-			23,933
b) Significant increase in credit risk	-	-		402	30	282	714
Allowance for credit losses			-	(402)	(30)	(282)	(714)
<b>Total</b>	<b>22,232</b>	<b>1,701</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>23,933</b>

### 12. CASH AND CASH EQUIVALENTS

	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022
<b>Cash and Cash equivalents</b>		
Cash on Hand	8	3
<b>Bank Balances</b>		
In Current Accounts	262	556
In Deposits within 3 months original maturity	-	-
	<b>270</b>	<b>559</b>

# NOTES

## TO THE STANDALONE FINANCIAL STATEMENTS

### 13. BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022
Fixed Deposits with Banks	1,135	6,455
(Maturing more than three months and upto 12 months)*		
Unpaid Dividend Accounts	197	197
	<b>1,332</b>	<b>6,652</b>

\* Fixed Deposits includes deposit of ₹135 lacs (Previous Year ₹3,913 Lacs) held as margin against Bank Guarantees and Letter of Credit

### 14. OTHER CURRENT FINANCIAL ASSETS

	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022
Interest Accrued on Deposits	335	315
Others	40	54
	<b>375</b>	<b>369</b>

### 15. OTHER CURRENT ASSETS

	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022
Advances to Suppliers	314	433
Others		
Prepaid Expense	205	129
Statutory Receivables	2,716	5,378
Others	112	37
	<b>3,347</b>	<b>5,977</b>

### 16. ASSETS CLASSIFIED AS HELD FOR SALE

	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022
Plant & Machinery*	-	900

\* During the current year company has reclassified the Gas Engine and Waste heat recovery boiler to assets since there is no certainty of its Sale. Recognition has been lower of Fair value and its carrying amount before the classification adjusted for depreciation upto to date of reclassification.

# NOTES

## TO THE STANDALONE FINANCIAL STATEMENTS

### 17. SHARE CAPITAL

Particulars	₹/Lacs	
	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022
<b>Authorised:</b>		
1,00,000 Redeemable Cumulative Preference Shares of ₹100.00 each (As at 31 <sup>st</sup> March, 2022 - 1,00,000 Shares)	100	100
3,30,00,000 Equity Shares of ₹10.00 each (As at 31 <sup>st</sup> March, 2022 - 3,30,00,000 Shares)	3,300	3,300
1,00,000 Unclassified Shares of ₹100.00 each (As at 31 <sup>st</sup> March, 2022 - 1,00,000 Shares)	100	100
<b>Issued, Subscribed and Fully Paid - Up:</b>		
(2,18,50,589 Equity Shares of ₹10 each ( Refer Notes below ) As at 31 <sup>st</sup> March, 2022 - 2,18,50,589 Shares)	2,185	2,185

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

Particulars	As at 31 <sup>st</sup> March, 2023		As at 31 <sup>st</sup> March, 2022	
	No. of Shares	Amount ₹/Lacs	No. of Shares	Amount ₹/Lacs
Outstanding as at the beginning of the year	2,18,50,589	2,185	2,18,50,589	2,185
Share issued during the year	-	-	-	-
Outstanding as at the end of the year	2,18,50,589	2,185	2,18,50,589	2,185

#### b) Rights, Preferences and Restrictions attached to Equity Shares

The Company has only one class of Equity Shares having a par value of 10/- per share. Each holder of the Equity Shares is entitled to one vote per share. The Company declares dividend in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the Shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holders of Equity Shares will be entitled to receive remaining assets of the Company after distribution of all preferential amounts. The distribution will be in proportion to the number of Equity Shares held by the Shareholders.

#### c) The details of Shareholders holding more than 5% Equity Shares:

S. No.	Name of Shareholder	As at 31 <sup>st</sup> March, 2023		As at 31 <sup>st</sup> March, 2022	
		%	No. of Shares	%	No. of Shares
1	Birla Group Holdings Private Limited	16.56	36,18,690	16.56	36,18,690
2	Century Textiles and Industries Limited	5.80	12,66,887	5.80	12,66,887

# NOTES

## TO THE STANDALONE FINANCIAL STATEMENTS

### d) Shareholding of Promoters

S No.	Promoter Name	As at 31 <sup>st</sup> March, 2023		As at 31 <sup>st</sup> March, 2022		% of change during the year
		No. of shares	% of total shares	No. of shares	% of total shares	
A.	Promoter					
i	Late Basant Kumar Birla (Deceased)	71,360	0.33	71,360	0.33	-
ii	Aditya Vikram Kumarmangalam Birla HUF.	29,760	0.14	29,760	0.14	-
iii	Rajashree Birla	26,080	0.12	26,080	0.12	-
iv	Vasavadatta Bajaj	8,930	0.04	8,930	0.04	-
B.	Promoter Group					
i	Birla Group Holdings Private Limited	36,18,690	16.56	36,18,690	16.56	-
ii	Century Textiles And Industries Ltd	12,66,887	5.8	12,66,887	5.8	-
iii	Prakash Educational Society	2,77,360	1.27	2,77,360	1.27	-
iv	Birla Education Trust	75,000	0.34	75,000	0.34	-
v	Padmavati Investment Private Limited	28,891	0.13	28,891	0.13	-
vi	B. K. Birla Foundation	15,090	0.07	15,090	0.07	-
vii	Jayantika Investment & Finance Limited (Formerly Parvati Tea Company Private Limited)	-	-	-	-	-
viii	Cygnnet Industries Limited	-	-	-	-	-

e) No bonus shares have been issued during five years immediately preceding 31<sup>st</sup> March, 2023

f) Dividend Proposed, Declared and Paid [Refer Note 39A]

g) Shares reserved for issue under options and contracts or commitments for the sale of shares or disinvestment, including the terms and amounts - Nil

h) For the period of five years immediately preceding the date at which the Balance Sheet is prepared-

- 1 Aggregate number and class of shares allotted as fully paid up pursuant to contract without payment being received in cash - Nil
- 2 Aggregate number and class of shares bought back - Nil

### 18. NON-CURRENT BORROWINGS

	₹/Lacs	
	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022
<b>Secured:</b>		
Rupee term Loans from Banks	4,870	616
	<b>4,870</b>	<b>616</b>



# NOTES

## TO THE STANDALONE FINANCIAL STATEMENTS

### Nature of Security, Repayment Terms and Breakup of Current and Non-Current

₹/Lacs

Particulars	Terms of Repayment	Month in which last Instalment is due	Prevailing Interest Rate Per Annum %	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022
<b>Secured:</b>					
<b>Rupee Term Loans</b>					
HDFC Bank Limited	Annual	January 2023	7.30%	-	197
HDFC Bank Limited	Annual	March 2025	9.00%	200	300
HDFC Bank Limited	Annual	March 2027	9.30%	3,160	520
Kotak Mahindra Bank Limited (e)	Annual	December 2027	8.75%	3,000	-
<b>Sub-Total</b>				<b>6,360</b>	<b>1,017</b>
<b>Less: Current Maturities of Long Term Debt (Refer Note 24)</b>				(1490)	(401)
<b>Total</b>				<b>4,870</b>	<b>616</b>

#### Notes :

- Rupee Term Loans are secured by hypothecation of specific Plant and Machinery against which Loans have been taken.
- The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- The borrowings obtained by the company from banks and financial institutions have been applied for the purposes for which such loans were taken.
- There are no charges or satisfaction which are yet to be registered with the Registrar of Companies beyond the statutory period.
- Company is in process of executing the Hypothecation agreement for the loan.

### 19. NON-CURRENT LEASE LIABILITY

₹/Lacs

	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022
Finance Lease Obligation (Refer Note 41)	406	457
Current Finance Lease Obligation (Refer Note 41)	(55)	(51)
Non Current Finance Lease Obligation	<b>351</b>	<b>406</b>

### 20. OTHER NON-CURRENT FINANCIAL LIABILITIES

₹/Lacs

	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022
Security Deposits	251	245

# NOTES

## TO THE STANDALONE FINANCIAL STATEMENTS

### 21. NON-CURRENT PROVISIONS

	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022
Provision for Employee Benefits		
Gratuity (Refer Note 42)	232	64
Compensated Absences	966	913
Provision for Disputed Matters	154	154
	<b>1,352</b>	<b>1,131</b>

₹/Lacs

### 22. DEFERRED TAX LIABILITIES (NET)

	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022
The balances comprises of temporary differences attributable to:		
Property, Plant and Equipments	7,396	7,228
Financial Assets at Fair value through Profit or loss	122	382
Others	(305)	(287)
<b>Deferred Tax (Assets)/Liabilities</b>	<b>7,213</b>	<b>7,323</b>

₹/Lacs

#### Movement in Deferred Tax Liabilities

₹/Lacs

Description	Property, Plant and Equipments	Financial Assets at FVTPL	Others	Total
<b>As at 1<sup>st</sup> April, 2021</b>	<b>7,496</b>	<b>542</b>	<b>(225)</b>	<b>7,813</b>
Charged / (Credited)				
- To Profit and Loss	(162)	(160)	(62)	(384)
- To OCI	(106)	-	-	(106)
<b>As at 31<sup>st</sup> March, 2022</b>	<b>7,228</b>	<b>382</b>	<b>(287)</b>	<b>7,323</b>
Charged / (Credited)				
- To Profit and Loss	42	(260)	(18)	(236)
- To OCI	126	-	-	126
<b>As at 31<sup>st</sup> March, 2023</b>	<b>7,396</b>	<b>122</b>	<b>(305)</b>	<b>7,213</b>

### 23. OTHER NON-CURRENT LIABILITIES

	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022
Statutory Liabilities	580	19
Deferred Income on Government Grant	365	247
	<b>945</b>	<b>266</b>

₹/Lacs

# NOTES

## TO THE STANDALONE FINANCIAL STATEMENTS

### 24. SHORT TERM BORROWINGS

	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022
Secured:		
Current Maturity of Non-Current Financial Borrowings (Rupee Term Loans)	1,490	401
Working capital borrowings repayable on demand	18	18
	<b>1,508</b>	<b>419</b>

#### Notes :

- Working Capital borrowings are secured by way of hypothecation of Inventories, Book Debts and Receivables, both present and future.
- Working Capital borrowings carry an average interest rate of 8.65% per annum (Previous Year 7.50% per annum).
- Working Capital Borrowings are renewed based on contract with bankers.
- Borrowings obtained by the company from banks have been applied for the purposes for which such loans were taken.
- Company has obtained working capital borrowings from banks on the basis of security of current assets. The statements of current assets filed by the company with banks are in agreement with the books of accounts.

### 25. TRADE PAYABLES

	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022
<b>Total outstanding dues of</b>		
Micro and Small enterprises (Refer Note 49)	674	645
Others	10,099	11,415
	<b>10,773</b>	<b>12,060</b>

#### Trade Payable ageing schedule as at 31<sup>st</sup> March, 2023

Particulars	Outstanding for following periods from due date of payment						Total
	Unbilled	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
<b>Undisputed trade payables</b>							
a) Micro and Small enterprises		591	72	11			674
b) Others	3,061	6,002	1,034	1		1	10,099
<b>Total</b>	<b>3,061</b>	<b>6,593</b>	<b>1,106</b>	<b>12</b>	<b>-</b>	<b>1</b>	<b>10,773</b>

#### Trade Receivables ageing schedule as at 31<sup>st</sup> March, 2022

Particulars	Outstanding for following periods from due date of payment						Total
	Unbilled	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
<b>Undisputed trade payables</b>							
a) Micro and Small enterprises		540	105				645
b) Others	2,520	7,311	1,425	6	7	146	11,415
<b>Total</b>	<b>2,520</b>	<b>7,851</b>	<b>1,530</b>	<b>6</b>	<b>7</b>	<b>146</b>	<b>12,060</b>

# NOTES

## TO THE STANDALONE FINANCIAL STATEMENTS

### 26. OTHER CURRENT FINANCIAL LIABILITIES

	₹/Lacs	
	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022
Interest accrued but not due on borrowings	51	5
Unpaid Dividend Accounts*	197	197
Capital Goods Liability	604	2,189
Others (incl. creditors for expenses & derivative liability)	523	990
	<b>1,375</b>	<b>3,381</b>

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

### 27. OTHER CURRENT LIABILITIES

	₹/Lacs	
	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022
Advances from Customers	404	340
Others		
Statutory dues	512	545
Deferred Income on Government Grant	22	15
Other Liabilities	107	20
	<b>1,045</b>	<b>920</b>

### 28. CURRENT PROVISIONS

	₹/Lacs	
	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022
Employee Benefits		
Compensated Absences	319	247

### 29. CURRENT TAX LIABILITIES

	₹/Lacs	
	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022
Current Tax Payable (Net)	33	126
	<b>33</b>	<b>126</b>

# NOTES

## TO THE STANDALONE FINANCIAL STATEMENTS

### 30. REVENUE FROM OPERATIONS

	Year Ended 31 <sup>st</sup> March, 2023	Year Ended 31 <sup>st</sup> March, 2022
₹/Lacs		
<b>Revenue from Contract with Customers (Refer Note 51)</b>		
<b>Sale of Products</b>		
Finished Goods	1,96,786	1,99,153
Traded Goods	8,935	9,038
	<b>2,05,721</b>	<b>2,08,191</b>
<b>Other Operating Revenue</b>		
Scrap Sales	1,063	1,084
Export Incentives	421	508
<b>Revenue from Operations</b>	<b>2,07,205</b>	<b>2,09,783</b>

### 31. OTHER INCOME

	Year Ended 31 <sup>st</sup> March, 2023	Year Ended 31 <sup>st</sup> March, 2022
₹/Lacs		
<b>Interest Income</b>		
Tax Refunds	21	4
From Customers	38	58
On Current and Non Current Investments	773	760
Others	6	37
	<b>838</b>	<b>859</b>
Profit on Sale of PPE (Net)	131	309
Profit on Sale of Current Investments (Net) ( Including Gain on Fair Valuation of Investments through Profit and (Loss) ₹ (808) Lacs for the year ended 31 <sup>st</sup> March, 2023 and ₹ (505) Lacs for the year ended 31 <sup>st</sup> March, 2022)	700	774
Liabilities / Provisions no longer required written back	68	24
Government Grant	19	15
Insurance Claims	8	6
Miscellaneous Income	140	76
	<b>1,904</b>	<b>2,063</b>

### 32. COST OF MATERIALS CONSUMED

	Year Ended 31 <sup>st</sup> March, 2023	Year Ended 31 <sup>st</sup> March, 2022
₹/Lacs		
Opening Stock of Raw Materials	14,990	9,236
Add: Purchases	1,23,014	1,35,208
	<b>1,38,004</b>	<b>1,44,444</b>
Less: Closing Stock of Raw Materials	8,850	14,990
<b>Cost of Raw Materials Consumed</b>	<b>1,29,154</b>	<b>1,29,454</b>

# NOTES

## TO THE STANDALONE FINANCIAL STATEMENTS

### 33. CHANGE IN INVENTORIES OF FINISHED GOODS, STOCK-IN-PROCESS AND STOCK-IN-TRADE

	₹/Lacs	
	Year Ended 31 <sup>st</sup> March, 2023	Year Ended 31 <sup>st</sup> March, 2022
Opening Stock		
Finished Goods	8,894	4,170
Stock-in-Process	3,983	3,133
	<b>12,877</b>	<b>7,303</b>
Less: Closing Stock		
Finished Goods	8,158	8,894
Stock-in-Process	4,226	3,983
	<b>12,384</b>	<b>12,877</b>
<b>(Increase) / Decrease in Stocks</b>	<b>493</b>	<b>(5,574)</b>

### 34. EMPLOYEE BENEFITS EXPENSE

	₹/Lacs	
	Year Ended 31 <sup>st</sup> March, 2023	Year Ended 31 <sup>st</sup> March, 2022
Salaries, Wages and Bonus	10,176	9,799
Contribution to Provident and other funds (Refer Note 42)	850	810
Workers and Staff Welfare Expenses	968	920
	<b>11,994</b>	<b>11,529</b>

### 35. FINANCE COSTS

	₹/Lacs	
	Year Ended 31 <sup>st</sup> March, 2023	Year Ended 31 <sup>st</sup> March, 2022
Interest on borrowings	165	60
Interest on Lease Liabilities	35	39
Other (Including interest on deposits)	35	25
	<b>235</b>	<b>124</b>

Finance Costs Capitalised ₹190 lacs for the year ended 31<sup>st</sup> March, 2023. Borrowing costs are capitalised using rates based on specific borrowings ranging from 6.80% to 9.30% per annum.

### 36. OTHER EXPENSES

	₹/Lacs	
	Year Ended 31 <sup>st</sup> March, 2023	Year Ended 31 <sup>st</sup> March, 2022
Stores and Spare Parts Consumed	3,521	4,110
Packing Material Consumed	3,751	3,725
Processing Charges	1,456	1,305
Building & Machinery Maintenance	2,472	2,425
Rent	53	83
Rates and taxes	118	118
Insurance	328	308
Directors' Sitting Fees	11	8



# NOTES

## TO THE STANDALONE FINANCIAL STATEMENTS

	₹/Lacs	
	Year Ended 31 <sup>st</sup> March, 2023	Year Ended 31 <sup>st</sup> March, 2022
Directors' Commission	38	38
Auditors Remuneration (Refer Note 50)	53	50
Commission on Sales	1,231	1,267
Transport and Handling	2,704	2,571
Expenditure on Corporate Social Responsibility (CSR) Activities (Refer Note 48)	276	188
Impairment loss on Asset Held for Sale	-	200
Legal and Professional Fees	377	358
Miscellaneous Expenses	1,363	1,585
	<b>17,752</b>	<b>18,339</b>

### 37. FINANCIAL RISK MANAGEMENT OBJECTIVES (IND AS 107)

The Company's principal financial liabilities, other than derivatives, comprises of borrowings, lease, trade and other payables. The main purpose of these financial liabilities is to finance the company's operations. The company's principal financial assets, other than derivatives include trade and other receivables, deposit with banks, investments and cash and cash equivalents that derive directly from its operations.

The Company's activities expose it to market risk, liquidity risk and credit risk. Company's overall risk management focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the company. The company uses derivative financial instruments, such as foreign exchange forward contracts, to hedge foreign currency risk exposure. Derivatives are used exclusively for hedging purposes and not as trading or speculative instruments.

The sources of risks which the company is exposed to and their management are given below:

Risk	Exposure Arising From	Measurement	Management
<b>A. Market Risk</b>			
1) Foreign Exchange Risk	Committed commercial transaction Financial asset and Liabilities not denominated in INR	Cash Flow Forecasting Sensitivity Analysis	Forward foreign exchange contracts
2) Interest Rate	Long Term Borrowings and Short Term Borrowing at variable rates and Investments in Debt Schemes of Mutual Funds	Sensitivity Analysis, Interest rate movements	Portfolio Diversification
3) Commodity Price Risk	Movement in prices of commodities	Sensitivity Analysis, Commodity price tracking	Active inventory management, Sales Price linked to purchase price
<b>B. Credit Risk</b>	Trade receivables, Investments, Derivative financial instruments, Loans	Aging analysis, Credit Rating	Diversification of mutual fund investments, Credit limit and credit worthiness monitoring, Criteria based approval process
<b>C. Liquidity Risks</b>	Borrowings, lease liabilities, Other Liabilities and Liquid investments	Rolling cash flow forecasts Broker Quotes	Adequate unused credit lines and borrowing facilities Portfolio Diversification

The Company has standard operating procedures and investment policy for deployment of surplus liquidity, which allows investment in inter corporate deposits, fixed deposits, debt securities and mutual fund schemes of debt and debt like categories and restricts the exposure in equity markets.

Compliances of these policies and principles are reviewed by internal auditors on periodical basis.

# NOTES

## TO THE STANDALONE FINANCIAL STATEMENTS

The Corporate Treasury team updates the Audit Committee on a quarterly basis to about the implementation of the above policies. It also updates to the Internal Risk Management Committee of the Company on periodical basis about the various risk to the business and status of various activities planned to mitigate the risk.

### A. Market Risk Management:

Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates, commodity prices, equity prices and other market changes that affect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including investments and deposits, foreign currency receivables, payables and borrowings.

- 1) Foreign Currency Risk:** Foreign currency risk is the risk of impact related to fair value or future cash flows of an exposure in foreign currency, which fluctuate due to changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to import of raw materials and spare parts, capital expenditure and exports.

When a derivative is entered for the purpose of being a hedge, the Company negotiates the terms of those derivatives to match the terms of the hedged exposure.

The Company evaluates exchange rate exposure arising from foreign currency transactions. The Company follows established risk management policies and standard operating procedures. It uses derivative instruments like foreign currency forwards to hedge exposure to foreign currency risk.

		in Lacs
Outstanding foreign currency exposure as at	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022
<b>Trade receivables</b>		
USD	5	12
EURO	-	*
<b>Cash &amp; Cash Equivalent</b>		
EURO	#	
USD	#	3
<b>Trade Payables (Incl. in-transit)</b>		
EURO	1	-
YEN	46	-
USD	60	88
<b>Total Foreign Currency - EURO</b>	<b>1</b>	<b>*</b>
<b>Total Foreign Currency - YEN</b>	<b>46</b>	<b>-</b>
<b>Total Foreign Currency - USD</b>	<b>65</b>	<b>103</b>

Out of USD 65 Lacs Foreign Currency Exposure as 31<sup>st</sup> March, 2023, USD 58 Lacs was hedged and out of USD 103 Lacs as at 31<sup>st</sup> March, 2022, USD 84 Lacs were hedged by forward contracts.

\* EURO 15,502 receivable (net) as at 31<sup>st</sup> March, 2022

# EURO 593 and USD 3,065 held as cash and cash equivalent as on 31<sup>st</sup> March, 2023

# NOTES

## TO THE STANDALONE FINANCIAL STATEMENTS

### Forward Exchange Contracts:

**Derivatives for hedging foreign currency risk with respect to outstanding payable/receivables & highly probable forecasted transaction**

in Lacs

Particulars	Purpose	Currency	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022
Forward Contracts	Imports	USD	171	245
Forward Contracts	Imports	Euro	11	10
Forward Contracts	Imports	Yen	4,180	4,114

### Foreign currency sensitivity on unhedged exposure (Net):

100 bps increase in foreign exchange rates will have the following impact on profit before tax.

₹/Lacs

Particulars	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022
USD	3	8
Euro	-	-
YEN	-	-

Note: If the rate is decreased by 100 bps impact on profit will (increase)/decrease by an equal amount.

**Cash flow Hedge:** The company has foreign currency capital commitment and to mitigate the risk of foreign currency, the company has taken forward cover. The company is following hedge accounting for all the foreign currency capital commitment raised based on qualitative approach.

The Company assesses hedge effectiveness based on following criteria:

- (I) an economic relationship between the hedged item and the hedging instrument
- (II) the effect of credit risk and
- (III) assessment of the hedge ratio

The company designates the derivatives to hedge its currency risk and generally applies hedge ratio of 1:1. The company's policies is to match the critical terms of the forward exchange contracts to match with hedge item.

### Recognition of gain/(losses) under foreign exchange contracts designated under cash flow

₹/Lacs

	As at 31 <sup>st</sup> March, 2023		As at 31 <sup>st</sup> March, 2022	
	Effective Hedge (OCI)	Ineffective Hedge (Profit and Loss)	Effective Hedge (OCI)	Ineffective Hedge (Profit and Loss)
Gain/(loss)	501	-	(423)	-

## 2) Interest rate risk:

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's short-term borrowing. The Company constantly monitors the credit markets and rebalances its financing strategies to achieve an optimal maturity profile and financing cost. Since all the borrowings are on floating rate, no significant risk of change in interest rate.

# NOTES

## TO THE STANDALONE FINANCIAL STATEMENTS

### INR Interest rate exposure:

₹/Lacs			
Particulars	Total borrowings	Floating rate borrowings	Average Interest rate
Total as at 31 <sup>st</sup> March, 2023	6,378	6,378	9.03%
Total as at 31 <sup>st</sup> March, 2022	1,035	1,035	7.05%

### Interest rate sensitivities for unhedged exposure (impact on increase in 100 bps):

₹/Lacs		
	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022
INR	64	10

Note: If the rate is decreased by 100 bps profit will increase by an equal amount.

Interest rate sensitivity has been calculated assuming the borrowings outstanding at the reporting date have been outstanding for the entire reporting period.

### 3) Commodity price risk

Commodity price risk for the Company is mainly related to fluctuations of raw materials prices linked to various external factors, which can affect the production cost of the Company. Company actively manages inventory and in many cases sale prices are linked to major raw material prices. Energy costs is also one of the primary costs' drivers, any fluctuation in fuel prices can lead to drop in operating margin. To manage this risk, the Company enters into long-term supply agreement for power, identifying new sources of supply etc. Additionally, processes and policies related to such risks are reviewed and managed by senior management on continuous basis.

### B. Credit Risk Management:

Credit risk arises when a customer or counterparty does not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing/investing activities, including deposits with banks, mutual fund investments, and investments in debt securities, foreign exchange transactions and financial guarantees. The Company has two major customers which represents 75% receivables as on 31<sup>st</sup> March, 2023 (67% receivables as on 31<sup>st</sup> March, 2022) and company is receiving payments from these parties within due dates. Hence, the company has no significant credit risk related to these parties.

#### Trade receivables

Trade receivables are consisting of a large number of customers. The Company has credit evaluation policy for each customer and based on the evaluation credit limit of each customer is defined. Wherever the Company assesses the credit risk as high the exposure is backed by either letter of credit or security deposits.

As per simplified approach, the Company makes provision of expected credit losses on trade receivables using a provision matrix to mitigate the risk of default payments and makes appropriate provision at each reporting date wherever outstanding is for longer period and involves higher risk.

#### The Company makes provision for the trade receivable as per the following matrix:

Ageing of Trade Receivables	Provision (%)
Upto 1 Year	Nil
More than 1 Year but less than 2 years	25%
More than 2 Years but less than 3 Years	50%
More than 3 Years	100%

# NOTES

## TO THE STANDALONE FINANCIAL STATEMENTS

### Movement in expected credit loss allowance on trade receivables:

Particulars	₹/Lacs	
	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022
Opening Balance	714	714
Add: Provision made during the year	-	-
Less: Provision utilization during the year	-	-
Closing Balance	714	714

### Investments, Derivative Instruments, Cash and Cash Equivalent and Bank Deposit

Credit Risk on cash and cash equivalent, deposits with the banks/financial institutions is generally low as the said deposits have been made with the banks/financial institutions who have been assigned high credit rating by international and domestic rating agencies.

Credit Risk on Derivative Instruments are generally low as Company enters into the Derivative Contracts with the reputed Banks and Financial Institutions.

Investments of surplus funds are made only with approved Financial Institutions/ Counterparty. Investments primarily include investment in units of mutual funds and high investment grade corporates. These Mutual Funds and Counterparties have low credit risk.

Total Non-current and current investments as on 31<sup>st</sup> March, 2023 is ₹ 34,403 Lacs (31<sup>st</sup> March, 2022 - ₹25,987 Lacs).

### C. Liquidity Risk Management:

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time or at reasonable price. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of credit facilities to meet obligations when due. The Company's treasury team is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management. Management monitors the Company's liquidity position through rolling forecasts based on expected cash flows.

The table below provides details regarding the remaining contractual maturities of financial liabilities and investments at the reporting date based on contractual undiscounted payments.

As at 31 <sup>st</sup> March, 2023	₹/Lacs			
	Less than 1 Year	1 to 5 Years	More than 5 Years	Total
Borrowings (including short term borrowing)	1,508	4,870		6,378
Trade payables	10,760	13		10,773
Interest accrued but not due on borrowings	51			51
Other financial liabilities (excluding derivative liability)	1,324	251		1,575
Derivative liability/ (Assets)	(18)			(18)
Finance Lease Obligation	86	345	83	514
Investments	30,678	1,530	2,196	34,404

# NOTES

## TO THE STANDALONE FINANCIAL STATEMENTS

₹/Lacs

As at 31 <sup>st</sup> March, 2022	Less than 1 Year	1 to 5 Years	More than 5 Years	Total
Borrowings (including short term borrowing)	419	616		1,035
Trade payables	11,901	159		12,060
Interest accrued but not due on borrowings	5			5
Other financial liabilities (excluding derivative liability)	2,906	245		3,151
Derivative liability/ (Assets)	470			470
Finance Lease Obligation	86	345	169	600
Investments	23,385	1,200	1,402	25,987

### 37. (A) - CLASSIFICATIONS OF FINANCIAL ASSETS AND LIABILITIES (IND AS 107):

₹/Lacs

Particulars	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022
<b>Financial Assets at amortised cost#</b>		
Trade receivables	21,704	23,933
Other Financial Assets	593	603
Cash and Cash Equivalents	270	559
Bank Balance other than Cash & Cash Equivalents	1,332	6,652
Fixed Deposits with Financial Institutions	7,200	7,800
Taxable Corporate Bonds	9,617	-
<b>Financial Assets at fair value through profit or loss</b>		
Investments	15,405	16,803
<b>Financial Assets at fair value through other comprehensive income</b>		
Investments (Non-Current)	1,296	1,384
<b>Total</b>	<b>57,417</b>	<b>57,734</b>
<b>Financial Liabilities at amortised cost #</b>		
Term Loan from Banks	6,360	1,017
Finance Lease Obligation	406	457
Other Non-Current Finance Liabilities	251	245
Cash Credits/Working Capital Borrowings	18	18
Trade payables	10,773	12,060
Other Financial Liabilities	1,375	2,962
<b>Fair Value Hedging Instruments</b>		
Derivative Liability/(Asset)	(18)	470
<b>Total</b>	<b>19,165</b>	<b>17,229</b>

# Considering nature of financial assets and financial liabilities, fair value is same as amortized cost.

Investment in Associate amounting to ₹ 885 Lacs (31<sup>st</sup> March, 2022 ₹ Nil Lacs) measured at Cost in accordance with Ind AS 27



# NOTES

## TO THE STANDALONE FINANCIAL STATEMENTS

### 37. (B) - FAIR VALUE MEASUREMENTS (IND AS 113):

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The Company has established the following fair value hierarchy that categorizes the values into 3 levels. The inputs to valuation techniques used to measure fair value of financial instruments are:

Level 1: This hierarchy uses quoted (unadjusted) prices in active markets for identical assets or liabilities. The fair value of all bonds which are traded in the stock exchanges is valued using the closing price or dealer quotations as at the reporting date.

Level 2: The fair value of financial instruments that are not traded in an active market (For example traded bonds, over the counter derivatives) is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on company specific estimates. The mutual fund units are valued using the closing Net Asset Value. If all significant inputs required to fair value an instrument are observable, the instrument is included in Level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3.

Particulars	Fair Value	
	As at	As at
	31 <sup>st</sup> March, 2023	31 <sup>st</sup> March, 2022
<b>Financial Assets at fair value through profit or loss</b>		
Investments –Level 1	105	102
Investments –Level 2	15,300	16,701
<b>Total</b>	<b>15,405</b>	<b>16,803</b>
<b>Financial Assets at fair value through other comprehensive income</b>		
Investments –Level 1	1,296	1,384
<b>Total</b>	<b>1,296</b>	<b>1,384</b>
<b>Fair Value derivative</b>		
Derivative liability/ (Asset) -Level 2	(18)	470
<b>Total</b>	<b>(18)</b>	<b>470</b>

₹/Lacs

The management assessed that fair value of cash and bank balances, trade receivables, trade payables, cash credits and other financial assets and liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

The following methods and assumptions were used to estimate the fair values:

- The fair values of the quoted investments/units of mutual fund schemes are based on market price/net asset value at the reporting date.
- The fair values of unquoted investments are based on net asset value at the reporting date.
- The fair value of forward foreign exchange contracts is calculated as the present value determined using forward exchange rates and interest rate curve of the respective currencies.
- The fair value of the remaining financial instruments is determined using discounted cash flow analysis or based on the contractual terms. The discount rates used is based on management estimates.

# NOTES

## TO THE STANDALONE FINANCIAL STATEMENTS

### 38. SEGMENT REPORTING (IND AS 108):

The Company is exclusively engaged in the business of synthetic yarn related products primarily in India. As per Ind AS 108 "Operating Segments", specified under Section 133 of the Companies Act, 2013, there are no reportable operating or geographical segments applicable to the Company.

### 39. (A) DISTRIBUTION MADE AND PROPOSED (IND AS 1):

Particulars	₹/Lacs	
	Year Ended 31 <sup>st</sup> March, 2023	Year Ended 31 <sup>st</sup> March, 2022
<b>Cash dividends on equity shares declared and paid:</b>		
Final dividend for the year ended on 31 <sup>st</sup> March, 2022: ₹ 10.00 per share (31 <sup>st</sup> March, 2021: ₹ 8.00 per share)	2,185	1,748
<b>Proposed dividends on Equity shares:</b>		
Final dividend for the year ended on 31 <sup>st</sup> March, 2023: ₹ 10.00 Per share. (31 <sup>st</sup> March, 2022: ₹ 10.00 per share)	2,185	2,185

Proposed dividends on equity shares are subject to approval at the annual general meeting and are not recognized as a liability.

### 39. (B) CAPITAL MANAGEMENT (IND AS 1):

The Company's objectives when managing capital are to (a) maximise shareholder value and provide benefits to other stakeholders and (b) maintain an optimal capital structure to reduce the cost of capital.

For the purposes of the Company's capital management, capital includes issued capital, share premium and all other equity reserves attributable to the equity holders.

The Company monitors capital using debt-equity ratio, which is total debt divided by total equity.

Particulars	₹/Lacs	
	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022
Total Debt (Bank and other borrowings)	6,378	1,035
Equity	1,32,183	1,25,068
<b>Debt to Equity</b>	<b>0.05</b>	<b>0.01</b>

In addition, the Company has financial covenants relating to the borrowing facilities that it has taken from the lenders like interest coverage service ratio, Debt to EBITDA, etc. which is maintained by the Company.

### 40. INCOME TAXES (IND AS 12):

#### (i) Reconciliation of Effective Tax Rate:

	₹/Lacs	
	Year Ended 31 <sup>st</sup> March, 2023	Year Ended 31 <sup>st</sup> March, 2022
Profit before Tax	11,780	24,406
Tax Expense	2,736	5,990
Effective Tax Rate (in %)	23.226	24.540
Effect of Non-Deductible expenses (in %)	(0.590)	(0.194)
Effect of Allowances for tax purpose (in %)	-	-
Effect of Previous year adjustments (in %)	0.586	0.520
Effect of (Increase)/Decrease in Taxable at lower rate (in %)	1.970	-
Others (in %)	(0.024)	0.302
<b>Applicable Tax Rate (in %)</b>	<b>25.168</b>	<b>25.168</b>

# NOTES

## TO THE STANDALONE FINANCIAL STATEMENTS

### 41 LEASES (IND AS 116):

- (i) Lease Expenses recognized in the Statement of Profit and Loss not included in the measurement of lease liabilities:

Particulars	₹/Lacs	
	Year Ended 31 <sup>st</sup> March, 2023	Year Ended 31 <sup>st</sup> March, 2022
Variable lease payments	-	-
Expenses relating to leases of low value assets, excluding short term lease of low value assets	(5)	(5)

- (ii) Maturity analysis of lease liabilities – Contractual undiscounted cash flows:

Particulars	₹/Lacs	
	Year Ended 31 <sup>st</sup> March, 2023	Year Ended 31 <sup>st</sup> March, 2022
Less than one year	86	86
One to five years	345	345
More than five years	83	169
<b>Total undiscounted lease liabilities</b>	<b>514</b>	<b>600</b>
<b>Discounted lease liabilities included in the statement of financial position</b>	<b>406</b>	<b>457</b>
Current lease liability	55	51
Non-current lease liability	351	406

- (iii) The weighted average incremental borrowing rate of 8.5% p.a. has been applied for measuring the lease liability at the date of initial application.

- (iv) The total cash outflow for leases for year ended 31<sup>st</sup> March, 2023 is ₹ 86 lacs (31<sup>st</sup> March, 2022 is ₹ 86 lacs).

#### General description of leasing agreements:

- Leased assets: Land, Plant & Machinery, Godowns, Offices.
- Future lease rentals are determined based on agreed terms.
- At the expiry of lease terms, the Company has an option to return the assets or extend the term by giving notice in writing.
- Lease agreement are generally cancellable and are renewed by mutual consent on mutually agreed terms.

### 42. DISCLOSURES IN ACCORDANCE WITH IND AS-19 ON “EMPLOYEE BENEFITS”

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

Particulars	₹/Lacs	
	FY 2023	FY 2022
Employer's Contribution to Provident Fund and Employee's Pension Scheme, 1995	550	525
Employer's Contribution to Superannuation Fund	50	47
Employer's Contribution to Employee's State Insurance	12	15
<b>Total</b>	<b>612</b>	<b>587</b>

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

#### Gratuity:

**Inherent Risk** - The plan is defined benefit in nature which is sponsored by the Company and hence it underwrites all the risks pertaining to the plan. In particular, this exposes the Company to actuarial risk such as adverse salary growth, change in demographic experience, inadequate return on underlying plan assets. This may result in an increase in cost of providing these benefits to employees in future. Since the benefits are lump sum in nature, the plan is not subject to any longevity risks.

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## TO THE STANDALONE FINANCIAL STATEMENTS

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

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

Particulars	₹/Lacs	
	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022
Opening DBO	3,883	3,820
Current Service Cost	193	185
Interest on DBO	268	242
Remeasurement due to:		
Actuarial loss/ (gain) arising from change in financial assumption	(59)	(81)
Actuarial loss/ (gain) arising from change in demographic assumption	34	6
Actuarial loss/ (gain) arising on account of experience change	5	(20)
Transfer In / (Out)	7	-
Benefits Paid	(392)	(269)
Acquisition Adjustment	-	-
<b>Closing DBO</b>	<b>3,939</b>	<b>3,883</b>

- ii) A reconciliation of the opening and closing balances of the fair value of plan assets:

Particulars	₹/Lacs	
	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022
Opening Fair Value of Plan Assets	3,819	3,712
Interest on Plan Assets	264	235
Remeasurement due to:		
Actuarial loss/ (gain) arising on account of experience change	(62)	26
Contribution by the Employer	71	115
Benefits Paid	(392)	(269)
Transfer In / (Out)	7	-
Acquisition Adjustment	-	-
<b>Closing Fair Value of Plan Assets</b>	<b>3,707</b>	<b>3,819</b>

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

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

Particulars	₹/Lacs	
	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022
Present value of Defined Benefit Obligation	3,939	3,883
Fair value of Plan Assets	(3,707)	(3,819)
<b>Net Liability recognised in the Balance Sheet</b>	<b>232</b>	<b>64</b>
<b>Long Term Provisions</b>	<b>232</b>	<b>64</b>

# NOTES

## TO THE STANDALONE FINANCIAL STATEMENTS

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

Particulars	₹/Lacs	
	FY 2023	FY 2022
Current Service Cost	193	185
Interest Cost on defined benefit liability / (assets)	4	7
Total	197	192

v) Amount recorded in Other Comprehensive Income

Particulars	₹/Lacs	
	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022
Remeasurement due to:		
Changes in financial assumptions	(59)	(81)
Changes in demographic	34	6
Experience Adjustments	5	(20)
Actual return on plan assets less interest on plan assets	62	(26)
<b>Closing amount recognised in OCI outside profit and loss</b>	<b>42</b>	<b>(121)</b>

vi) Maturity Profile of defined benefit obligation:

Particulars	₹/Lacs	
	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022
Weighted average duration (based on discounted cashflows)	4 Years	5 Years
Within the next 12 months	828	694
Above 1 and within 5 years	2,503	2,232
Above 5 and within 10 years	1,198	1,294
10 years and above	1,260	1,793

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

Particulars	As at 31 <sup>st</sup> March, 2023		As at 31 <sup>st</sup> March, 2022	
	Amount (₹/Lacs)	Rate (%)	Amount (₹/Lacs)	Rate (%)
Insurer Managed Funds	3,707	100%	3,819	100%
Total	3,707	100%	3,819	100%

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

ix) Following are the Principal Actuarial Assumptions used as at the balance sheet date:

Particulars	Rate %	
	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022
Discount Rate	7.35%	6.90%
Salary Escalation Rate	7.00%	7.00%
Attrition Rate (Average Rate of 4 Age Groups)	8.00%	6.00%
Mortality Rate	100% of IALM 2012-14	100% of IALM 2012-14

# NOTES

## TO THE STANDALONE FINANCIAL STATEMENTS

- x) Amounts recognised to Gratuity:

Particulars	₹/Lacs	
	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022
Defined Benefit Obligation	3,939	3,883
Plan Assets	3,707	3,819
Surplus / ( Deficit )	(232)	(64)
Experience Adjustment on Plan Liabilities	5	(20)
Experience Adjustment on Plan Assets	(62)	26

- xi) Expected Contribution to the Funds in the next year:

Particulars	₹/Lacs	
	FY 2024	
Gratuity	397	
Provident Fund and Employee's Pension Scheme, 1995	319	

- xii) Sensitivity Analysis:

Particulars	Rate %	
	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022
Impact of increase in 50 bps on discounting rate on DBO	(2.1%)	(2.6%)
Impact of decrease in 50 bps on discounting rate on DBO	2.20%	2.70%
Impact of increase in 50 bps on salary escalation rate on DBO	2.00%	2.60%
Impact of decrease in 50 bps on salary escalation rate on DBO	(1.9%)	(2.5%)
Impact of increase in 50% of attrition rate on DBO	1.00%	0.40%
Impact of decrease in 50% of attrition rate on DBO	(1.3%)	(0.5%)

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

- xiv) **Asset liability matching strategy:**

The money contributed by the Company to Gratuity Fund has to be invested. The trustee have outsourced management of investment to an Insurance Company. The Insurance Company in turn manage these funds as per mandate provided by the trustees and the asset allocation which is with in permissible limits prescribed in insurance regulations. Due to restrictions in type of investments that can be held by the fund it is not possible to explicitly follow asset liability matching strategy. There is no compulsion on the part of company to fully prefund liability of the plan. The Company fund these benefit based on known liability and Level of underfunding of the plan.

### Provident Fund:

The Company makes contribution towards Provident fund for certain eligible employees to the trust, set up and administered by the Company, in line with the Provident Fund and Miscellaneous Provisions Act, 1952. The plan guarantees interest at the rate notified by the Provident Fund Authorities. The contribution by the employer and employee together with the interest accumulated thereon are payable to employees at the time of their separation from the company or retirement, whichever is earlier. The benefits vest immediately on rendering of the services by the employee. The rules of the trust provides that if the board of trustees are unable to pay interest at the rate declared by the government under Para 60 of the Employees provident fund scheme, 1972 for the reason that the return on investment is less or for any other reason, then the deficiency shall be made good by the Company making interest shortfall a defined benefit plan. Accordingly, the Company has obtained actuarial valuation and based on the below provided assumptions there is no deficiency as at the balance sheet date. Hence, the liability is restricted towards monthly contributions only.



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## TO THE STANDALONE FINANCIAL STATEMENTS

Particulars	₹/Lacs	
	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022
Present value of Defined Benefit Obligation	11,625	11,537
Fair value of Plan Assets	(11,625)	(11,537)
Net Liability recognised in the Balance Sheet	-	-

Following are the Principal Actuarial Assumptions used as at the balance sheet date:

Particulars	Rate %	
	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022
Discount Rate	7.31%	6.97%
Expected rate of return on Plan Assets	7.31%	6.97%
Discount Rate for the remaining term to Maturity of the Investment Portfolio	7.45%	6.95%
Average Historic Yield on the Investment Portfolio	7.88%	7.67%
Guaranteed Rate of Return	8.15%	8.10%
Mortality Rate	100% of IALM 2012- 14	100% of IALM 2012- 14
Attrition Rate	6.00%	6.00%

C) Amount recognised as an expense in respect of Compensated Absences is ₹ 244 lacs (Previous year ₹ 220 lacs)

### 43. RELATED PARTY DISCLOSURES (IND AS 24)

(A) Related Parties with whom there were transactions during the year:

Parties	Relationship
Mrs. Rajashree Birla - Non-Executive Director	Key Management Personnel (KMP)
Mr. Sohanlal K. Jain - Independent Director	Key Management Personnel (KMP)
Mr. Krishna S. Thar - Independent Director	Key Management Personnel (KMP)
Ms. Krupa R. Gandhi - Independent Director	Key Management Personnel (KMP)
Mr. Suresh Sodani - Managing Director	Key Management Personnel (KMP)
Mr. Devajyoti N. Bhattacharya - Non-Executive Director	Key Management Personnel (KMP)
Century Enka Ltd Employee's Provident Fund	Post-Employment Benefit Plan
ABReL Century Energy Limited	Associate

(a) The following transactions were carried out with the related parties in the ordinary course of business:

Nature of Transaction/Relationship	₹/Lacs	
	Year Ended 31 <sup>st</sup> March, 2023	Year Ended 31 <sup>st</sup> March, 2022
Services received from:		
KMP (Director's Sitting Fees and Commission)	49	46

# NOTES

## TO THE STANDALONE FINANCIAL STATEMENTS

### (b) Compensation of key management personnel of the Company:

Nature of Transaction/Relationship	₹/Lacs	
	Year Ended 31 <sup>st</sup> March, 2023	Year Ended 31 <sup>st</sup> March, 2022
Short-term employee benefits	289	242
Other long-term benefits #	37	41
Total compensation paid to key management personnel	326	283

Based on the recommendation of the Nomination, Remuneration and Compensation Committee, all decisions relating to the remuneration of the Directors are taken by the Board of Directors of the Company, in accordance with shareholders' approval, wherever necessary.

# Includes Actuarial Valuation pertaining to Gratuity and compensated absences as per Ind AS 19.

### (c) Contribution to:

Nature of Transaction	₹/Lacs	
	Year Ended 31 <sup>st</sup> March, 2023	Year Ended 31 <sup>st</sup> March, 2022
Post-Employment Benefit Plan	218	212

### (d) Transactions with Associates : Investment of ₹ 885 Lacs made during the financial year 2022-23.

## 44. EARNING PER SHARE (EPS) (IND AS 33)

Particulars	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022
<b>Basic/Diluted EPS:</b>		
(i) Net Profit attributable to Equity Shareholders (₹/Lacs)	9,044	18,416
(ii) Weighted average number of Equity Shares outstanding (Nos.) [For Basic & Diluted EPS]	2,18,50,589	2,18,50,589
<b>Basic/ Diluted EPS in ₹ Per share (Face Value ₹10 per share) (i)/(ii)</b>	<b>41.39</b>	<b>84.28</b>

## 45. OTHER STATUTORY INFORMATION

- No proceedings have been initiated on or are pending against the company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.
- The Company have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
  - directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
  - provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries
- The Company has transactions with the companies struck off under Companies Act, 2013, details is in below table.

₹/Lacs			
Name of the Company	Nature of Transaction	Balance Outstanding as on 31 <sup>st</sup> March, 2023	Relationship
Complete safety & security limited	Payable	1	Non related party

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## TO THE STANDALONE FINANCIAL STATEMENTS

- d) The Company has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.
- e) There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.
- f) The company has not traded or invested in crypto currency or virtual currency during the current or previous year.
- g) There are no charges or satisfaction which are yet to be registered with the Registrar of Companies beyond the statutory period.
- h) The Company have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
  - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
  - (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries

### 46. CONTINGENT LIABILITIES (TO THE EXTENT NOT PROVIDED FOR) (IND AS 37):

- (a) Claims against the Company not acknowledged as debt:

		₹/Lacs	
Particulars	Brief Description	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022
(i) Excise, Service Tax & Custom Matters	Matters relates to valuation, disallowances of input tax credit	326	326

The above amount of contingencies does not include applicable interest, if any. Cash outflows for the above are determinable only on receipt of judgments pending at various forums / authorities.

- (b) Excise Department had issued an order dated 31<sup>st</sup> December, 2013 denying the applicability of Notification No. 6/2000 dated 1<sup>st</sup> March, 2000 and raised a demand of ₹22,927 lacs plus interest thereon and penalty equivalent to duty demand amount. In this matter, CESTAT in its order dated 20<sup>th</sup> December, 2019, upheld the denial of aforesaid notification and remanded back the matter to Central Excise Department to redetermine quantum of duty short paid, imposition of equal amount of penalty on redetermined amount of duty demand and applicable interest. The Commissioner, CGST & Central Excise, Raigad has re-determined assessable value pursuant to order of CESTAT and confirmed the demand amounting to ₹730 lacs (as against above demand of ₹22,927 lacs), interest at appropriate rate on the duty and equal amount of penalty vide its order dated 8<sup>th</sup> September, 2020. Against the said order of the Commissioner, CGST & Central Excise, Raigad, Department has filed an appeal before the Appellate Tribunal.

The Company's appeal in the matter is pending before the hon'ble Supreme Court of India. The Company has deposited the amount of duty of ₹730 Lacs under protest. The Company has been advised by legal experts that it has a fair chance of ultimately succeeding in the matter and accordingly no provision is required to be made in the accounts.

- (c) Foreseeable Losses: The Company has a process whereby periodically all long term contracts are assessed for material foreseeable losses. At the year end, the Company has reviewed and ensured that adequate provision as required under any law/ applicable accounting standards for material foreseeable losses on such long term contracts has been made in the books of account.
- (d) Pending litigations: The Company has reviewed its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed the contingent liabilities where applicable, in its financial statements. The Company does not expect the outcome of these proceedings to have a materially adverse effect on its financial statements.

# NOTES

## TO THE STANDALONE FINANCIAL STATEMENTS

### 47. CAPITAL AND OTHER COMMITMENTS:

- (a) Estimated amount of contracts remaining to be executed on capital account, not provided for (net of advances) as on 31<sup>st</sup> March, 2023 is ₹7083 Lacs. (31<sup>st</sup> March, 2022 – ₹17429 Lacs).
- (b) Other Commitments: The Company has non-cancellable agreements with Gas Utilities Company for purchase of LNG. Under this agreement, the Company is committed to purchase certain annual minimum quantity of LNG failing which it will pay the seller for any shortfall in offtake of LNG based on an agreed formula. The cost of the minimum committed quantity as at 31<sup>st</sup> March, 2023 for the remaining period of the contract at current market prices approximates ₹11531 Lacs (Previous Year ₹5012 Lacs). Based on the current projection Company does not expect shortfall in offtake of minimum committed quantity and therefore no material foreseeable losses are expected.

### 48. CORPORATE SOCIAL RESPONSIBILITY:

Particulars	₹/Lacs	
	Year Ended 31 <sup>st</sup> March, 2023	Year Ended 31 <sup>st</sup> March, 2022
Total amount excess / shortfall pertaining to previous year	Nil	Nil
Gross amount required to be spent under section 135 of the Companies Act, 2013	276	188
Total amount spent during the year (Refer Note- 36)		
(i) Construction/ acquisition of any asset	-	-
(ii) On purpose other than (i) above	276	188
<b>Total amount excess / shortfall at the end of year out of the required amount to be spent</b>	<b>Nil</b>	<b>Nil</b>

#### Amount of Corporate Social Responsibility is spent towards:

Particulars	₹/Lacs	
	Year Ended 31 <sup>st</sup> March, 2023	Year Ended 31 <sup>st</sup> March, 2022
Vocational Training	39	19
Promotion of School Education	141	74
Health Care, Medical facility and drinking water	21	32
Disaster Management	-	25
Rural Infrastructure Development other than mentioned above	75	38
<b>Total</b>	<b>276</b>	<b>188</b>

### 49. DISCLOSURE UNDER THE MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT ACT, 2006:

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

Particulars	₹/Lacs			
	FY 2023		FY 2022	
	Principal	Interest	Principal	Interest
Principal Amount and Interest due thereon remaining unpaid at the end of the year	83	-	105	-
The amount of interest paid as per terms of section 16 of the MSMED Act along with the amount of payment made beyond the due date	969	-	921	1
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the due date during the year) but without adding the interest specified under the act		-		2
Interest amount due and unpaid as at the end of the year		-		2

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## TO THE STANDALONE FINANCIAL STATEMENTS

₹/Lacs

Particulars	FY 2023		FY 2022	
	Principal	Interest	Principal	Interest
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.		-		-

The above information has been determined to the extent such parties have been identified on the basis of information available with the Company and the same has been relied upon by the auditors.

### 50. AUDITORS' REMUNERATION (EXCLUDING TAXES) AND EXPENSES:

₹/Lacs

Particulars	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022
<b>(a) Statutory Auditors:</b>		
Audit fees (including quarterly Limited Review)	45	43
Tax audit fees	6	6
Fees for other services	-	1
Expenses reimbursed	2	-
	<b>53</b>	<b>50</b>
<b>(b) Cost Auditors:</b>		
<b>Audit fees</b>	<b>3</b>	<b>3</b>

### 51. REVENUE FROM CONTRACTS (IND AS 115):

The Company is primarily in the business of manufacture and sale of Synthetic Yarn. Sales are made at a point in time and revenue from contract with customer is recognised when goods are dispatched and the control over the goods sold is transferred to customers. The Company does not expect to have any contracts where the period between the transfer of goods and payment by customer exceeds one year. Hence, the Company does not adjust revenue for the time value of money.

#### a) Revenue recognised from Contract liability (Advances from Customers):

₹/Lacs

Particulars	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022
<b>Closing Contract liability</b>	<b>404</b>	<b>340</b>

The Contract liability outstanding at the beginning of the year has been recognised as revenue during the year ended 31<sup>st</sup> March, 2023.

#### b) Reconciliation of revenue as per contract price and as recognised in statement of profit and loss:

₹/Lacs

Particulars	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022
Revenue as per Contract Price	2,09,537	2,09,989
Less: Discounts	2,753	714
Revenue as per statement of profit and loss	<b>2,06,784</b>	<b>2,09,275</b>

# NOTES

## TO THE STANDALONE FINANCIAL STATEMENTS

### 52. ANALYTICAL RATIOS:

Ratio	Numerator	Denominator	31 <sup>st</sup> March, 2023	31 <sup>st</sup> March, 2022	% change	Reason
Current Ratio	Current Assets	Current Liability	5.43	5.33	1.91	
Debt Equity Ratio	Total Debt	Total Equity	0.05	0.01	483.06	Additional Borrowing during the current year
Debt Service Coverage Ratio	Net profit after taxes + Loss/Profit on sale Assets+ Impairment + Allowance of credit loss	Repayment of short Term , long term , lease + Finance Cost	12.03	47.95	(74.91)	Lower EBITDA compared with previous year and Increase in Borrowing
Return on Equity	Net Profit	Average Total Equity	7.0%	15.7%	(55.34)	Lower net profit
Inventory Turnover Ratio	Sales of Products	Average Inventory	8.38	9.38	(10.63)	
Debtors Turnover Ratio	Sales of Products	Average Trade Receivable	9.02	8.83	(2.13)	
Creditors Turnover Ratio	Total Purchase	Average Trade Payable	12.10	12.05	0.45	
Net capital turnover ratio	Sales of Products	Average Working Capital	2.91	2.96	(1.65)	
Net profit Ratio	Net profit	Sale of Products	4.4%	8.9%	(50.3)	Lower Profit
Return on Capital employed	Profit before tax and interest	Average Capital employed	8.62%	19.6%	(56.02)	Lower Profit
Return on Investment	Income from Mutual Fund + Interest Income	Current investment + Non Current investment ( Debt instruments)	4.6%	4.7%	(3.21)	

### 53. CHANGES IN INDIAN ACCOUNTING STANDARDS W.E.F 1<sup>ST</sup> APRIL, 2023:

On 31<sup>st</sup> March, 2023 the Ministry of Corporate Affairs ("MCA") amended the Companies (Indian Accounting Standards) Rules, 2015 by issuing the Companies (Indian Accounting Standards) Amendment Rules, 2023, applicable from 1<sup>st</sup> April, 2023, as below :

1. Ind AS 1 – Presentation of Financial Statements: The amendments require companies to disclose their material accounting policies rather than their significant accounting policies. Accounting policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of general purpose financial statements.
2. Ind AS 12 – Income Taxes: The amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of Ind AS 12 (recognition exemption) so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences.



# NOTES

## TO THE STANDALONE FINANCIAL STATEMENTS

3. Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors: The amendments will help entities to distinguish between accounting policies and accounting estimates. The definition of a change in accounting estimates has been replaced with a definition of accounting estimates. Under the new definition, accounting estimates are “monetary amounts in financial statements that are subject to measurement uncertainty”. Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty.

The Company is evaluating the impact, if any, in its financial statements.

For and on behalf of the Board of Directors

For **KKC & Associates LLP**  
(formerly Khimji Kunverji & Co LLP)  
Chartered Accountants  
(FRN 105146W/W100621)

**Kamlesh R Jagetia**  
Partner  
Membership No. 139585

Place : Mumbai  
Date : 18<sup>th</sup> May, 2023

**S. K. Jain**  
Director  
DIN: 02843676

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

Place : Mumbai  
Date : 18<sup>th</sup> May, 2023

**Suresh Sodani**  
Managing Director  
DIN: 08789604

**Rahul Dubey**  
Company Secretary

# INDEPENDENT AUDITOR'S REPORT

To  
The Members of  
Century Enka Limited  
Report on the audit of the Consolidated Financial Statements

## OPINION

1. We have audited the accompanying consolidated Ind AS financial statements of Century Enka Limited ('the Holding Company' or 'the Company') and its associate, which comprise the consolidated balance sheet as at 31<sup>st</sup> March, 2023 and the consolidated statement of profit (including other comprehensive income), the consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information ('the Consolidated Financial Statements').
2. In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of our reports on separate financial statements of such associate as were audited by us, the aforesaid Consolidated Financial Statements give the information required by the Companies Act, 2013 ('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 consolidated state of affairs of the company and its associate as at 31<sup>st</sup> March, 2023, and its consolidated profit and other comprehensive income, consolidated changes in equity and its consolidated cash flows for the year then ended.

## BASIS FOR OPINION

3. We conducted our audit in accordance with the Standards on Auditing ('SAs') specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the company and its associate in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the Consolidated Financial Statements under the provisions of the Act, and the rules thereunder, and we have

fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the Consolidated Financial Statements.

## EMPHASIS OF MATTER

4. We draw attention to the fact that Note No. 46(b) of the Consolidated Financial Statements wherein it is stated that, the Excise department had issued an order dated 31<sup>st</sup> December, 2013 denying the applicability of Notification No. 6/2000 dated 1<sup>st</sup> March, 2000 and raised a demand of ₹22,927 lacs plus interest thereon and penalty equivalent to duty demand amount. In this matter, CESTAT in its order dated 20<sup>th</sup> December, 2019, upheld the denial of aforesaid notification and remanded back the matter to Central Excise Department to redetermine quantum of duty short paid, imposition of equal amount of penalty on re-determined amount of duty demand and applicable interest. The Commissioner, CGST & Central Excise, Raigad Commissionerate has re-determined assessable value pursuant to order of CESTAT and confirmed the demand amounting to ₹730 lacs (as against above demand of ₹22,927 lacs), interest at appropriate rate on the duty and equal amount of penalty vide its order dated 8<sup>th</sup> September, 2020. Against the said order of the Commissioner, CGST & Central Excise, Raigad, Department has filed an appeal before the Appellate Tribunal. The Company's appeal in the matter is pending before the Honourable Supreme Court of India. The Company has deposited the amount of duty of ₹730 Lacs under protest. Based on expert legal advice and merits of the case, no provision has been considered necessary by the Company. Our opinion on the Consolidated Financial Statements is not modified in respect of the above matter.

## KEY AUDIT MATTERS

5. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Consolidated Financial Statements of the current year. These matters were addressed in the context of our audit of the Consolidated Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	How the matter was addressed in our audit
<b>Inventory Valuation</b> <ul style="list-style-type: none"> <li>The Company has significant balances of inventory as on 31<sup>st</sup> March, 2023 (refer note 9 to the Consolidated Financial Statements)</li> <li>Inventories are valued at lower of cost or net realizable value (NRV). Cost is determined using weighted average cost method</li> </ul>	<b>Our procedures included:</b> <ul style="list-style-type: none"> <li>Obtaining understanding of production process and testing of key controls over recognition and measurement of inventory</li> <li>For sample locations, conducted physical verification of inventories at the year end</li> </ul>

## INDEPENDENT AUDITOR'S REPORT (Contd.)

Key Audit Matter	How the matter was addressed in our audit
<ul style="list-style-type: none"> <li>Valuation of inventories can be subjective due to inherent uncertainty due to volatility in prices of raw material and volatility in prices of finished goods due to changes in consumer demands</li> <li>Determination of whether inventory will be realized for value less than cost requires management to exercise judgement and apply assumption</li> <li>Because of size, inherent uncertainty in volatility in prices of raw material, assumption and complexities involved in inventory valuation, this is considered key audit matter</li> </ul>	<ul style="list-style-type: none"> <li>For sample of inventory items, re-performed the weighted average cost calculation</li> <li>Obtaining management's calculation and relevant supporting for inventory valuation, validated mathematical accuracy of production costs and agreed the same with financial statements</li> <li>Assessing reasonableness of assumption and judgements applied by management in inventory valuation including evaluating consistencies with management's prior period estimations</li> <li>Assessing appropriateness of NRV estimated by management, on sample basis, by comparing NRV to recent market prices</li> <li>Obtaining and re-performing the calculation of inventory write down based on ageing and NRV of inventory</li> </ul> <p>Comparing historical trend of prices of raw material and finished goods to determine appropriateness of valuation of inventory.</p>

## OTHER INFORMATION

- The Holding Company's Board of Directors are responsible for the other information. The other information comprises the information included in the Holding Company's annual report, but does not include the Consolidated Financial Statements and our auditors' report thereon. The Holding company's annual reports is expected to be made available to us after the date of this auditor's report.
- Our opinion on the Consolidated Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.
- In connection with our audit of the Consolidated Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Consolidated Financial Statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

## RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

- The Holding Company's Board of Directors are responsible for the preparation and presentation of these Consolidated Financial Statements, that give a true and fair view of the consolidated state of affairs, consolidated profit and other comprehensive income,

consolidated changes in equity and consolidated cash flows of the company including its associate in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards ('Ind AS') specified under section 133 of the Act. The respective Board of Directors of the companies included in the Company and of its associate are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the company and of its associate and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Consolidated Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the Consolidated Financial Statements by the Directors of the Holding Company, as aforesaid.

- In preparing the Consolidated Financial Statements, the respective Board of Directors of the companies included in the company and of its associate are responsible for assessing the ability of each company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

## INDEPENDENT AUDITOR'S REPORT (Contd.)

11. The respective Board of Directors of the companies included in the company and of its associate are responsible for overseeing the financial reporting process of the company and of its associate.

### AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

12. Our objectives are to obtain reasonable assurance about whether the Consolidated Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Consolidated Financial Statements.

13. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- 13.1. Identify and assess the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- 13.2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls with reference to the Consolidated Financial Statements and the operating effectiveness of such controls.

- 13.3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.

- 13.4. Conclude on the appropriateness of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may

cast significant doubt on the ability of the company and its associate to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company and its associate to cease to continue as a going concern.

- 13.5. Evaluate the overall presentation, structure and content of the Consolidated Financial Statements, including the disclosures, and whether the Consolidated Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

- 13.6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the company and its associate to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the audit of financial statements of such entities included in the Consolidated Financial Statements of which we are the independent auditors.

14. We communicate with those charged with governance of the Holding Company and such other entities included in the Consolidated Financial Statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

15. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

16. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Consolidated Financial Statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## INDEPENDENT AUDITOR'S REPORT (Contd.)

### REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

17. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
18. As required by section 143(3) of the Act, we report, that:
  - 18.1. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid Consolidated Financial Statements.
  - 18.2. In our opinion, proper books of account as required by law relating to preparation of the aforesaid Consolidated Financial Statements have been kept so far as it appears from our examination of those books.
  - 18.3. The consolidated balance sheet, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flow dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the Consolidated Financial Statements.
  - 18.4. In our opinion, the aforesaid Consolidated Financial Statements comply with the Ind AS specified under Section 133 of the Act.
  - 18.5. On the basis of the written representations received from the directors of the Holding Company as on 31<sup>st</sup> March, 2023, taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of associate company incorporated in India, none of the directors are disqualified as on 31<sup>st</sup> March, 2023 from being appointed as a director in terms of Section 164(2) of the Act.
  - 18.6. With respect to the adequacy of internal financial controls with reference to the Consolidated Financial Statements of the Holding Company and its associate company incorporated in India and the operating effectiveness of such controls, refer to our separate report in 'Annexure B'.
  - 18.7. In our opinion and according to the information and explanations given to us the remuneration paid during the current year by the Holding Company, its associate company incorporated in India to its directors is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director by the Holding Company and its associate company incorporated in India is not in excess of the limit laid down under Section 197 of the Act.
19. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of our audit reports on separate financial statements of such associate, as noted in the 'Other Matters' paragraph:
  - 19.1. The Consolidated Financial Statements disclose the impact of pending litigations as at 31<sup>st</sup> March, 2023 on the consolidated financial position of the Company and its associate - Refer Note 46(d) to the consolidated financial statements.
  - 19.2. Provision has been made in the Consolidated Financial Statements, as required under the applicable law or Ind AS, for material foreseeable losses, if any, on long-term contracts including derivative contracts - Refer Note 46(c) to the Consolidated Financial Statements in respect of such items as it relates to the Company and its associate did not have any material foreseeable losses on long-term contracts including derivative contracts.
  - 19.3. There has been no delay in transferring amounts required to be transferred, to the Investor Education and Protection Fund by the Holding Company and/or its associate company incorporated in India during the year ended 31<sup>st</sup> March, 2023.
  - 19.4. The respective managements of the Holding Company and its associates incorporated in India whose financial statements have been audited under the Act have represented to us, to best of their knowledge and belief, that no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company and associate to or in any other person(s) or entity(ies), including foreign entities ('Intermediaries'), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company and associate ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

## INDEPENDENT AUDITOR'S REPORT (Contd.)

19.5. The respective managements of the Holding Company and its associate which are companies incorporated in India whose financial statements have been audited under the Act have represented to us, to best of their knowledge and belief, that no funds have been received by the Holding Company and associate from any person(s) or entity(ies), including foreign entities ('Funding Parties'), with the understanding, whether recorded in writing or otherwise, that the Holding Company and associate shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

19.6. Based on such audit procedures, that has been considered reasonable and appropriate in the circumstances, performed by us, nothing has come to our's notice that has caused us to believe that the representation under para 19.4 and 19.5 contain any material misstatement.

19.7. The final dividend paid by the Holding Company, incorporated in India, during the year, in respect of the same declared for the previous year, is in accordance with Section 123 of the Act to the extent it applies to payment of dividend.

Refer note 39(A) to the consolidated financial statements, the Board of Directors of the Company have proposed dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with Section 123 of the Act to the extent it applies to declaration of dividend.

19.8. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 (as amended), provides for the feature of recording of audit trail (edit log) facility in the accounting software used by the Company and its associate, incorporated in India for maintenance of books of account, which is applicable to the Company and its associates, incorporated in India from financial year beginning 1<sup>st</sup> April, 2023. The reporting under clause (g) of Rule 11 of Companies (Audit and Auditors) Rules, 2014 would be done from FY 2024 onwards.

For **KKC & Associates LLP**  
**Chartered Accountants**

(formerly Khimji Kunverji & Co LLP)

Firm Registration Number: 105146W/W100621

**Kamlesh R Jagetia**  
**Partner**

Place: Mumbai  
Date: 18<sup>th</sup> May, 2023

ICAI Membership No: 139585  
UDIN: 23139585BGXMDV9569



# ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT

on the Consolidated Financial Statements of Century Enka Limited for the year ended 31<sup>st</sup> March, 2023

(Referred to in paragraph 17 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

(xxi) In over opinion and according to the information and explanations given to us, following company incorporated in India and included in the consolidated financial statements, has unfavourable remarks, qualification or adverse remarks given by the respective auditor in their report under the Companies (Auditor's Report) Order, 2020 (CARO):

Sr no	Name	CIN	Associate	Clause number of the CARO which is qualified or adverse
1	ABRel Century Energy Limited	U40106MH2022PLC378261	Associate	Clause vii(a)

For **KKC & Associates LLP**

**Chartered Accountants**

(formerly Khimji Kunverji & Co LLP)

Firm Registration Number: 105146W/W100621

**Kamlesh R Jagetia**

**Partner**

ICAI Membership No: 139585

UDIN: 23139585BGXMDV9569

Place: Mumbai

Date: 18<sup>th</sup> May, 2023

# ANNEXURE '[B]' TO THE INDEPENDENT AUDITORS' REPORT

on the Consolidated Financial Statements of Century Enka Limited for the year ended 31<sup>st</sup> March, 2023

(Referred to in paragraph 18.6 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

**Report on the Internal Financial Controls with reference to the aforesaid Consolidated Financial Statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')**

## OPINION

1. In conjunction with our audit of the Consolidated Financial Statements of Century Enka Limited as of and for the year ended 31<sup>st</sup> March, 2023, we have audited the internal financial controls with reference to the Consolidated Financial Statements of Century Enka Limited ('the Company') and its associate company, which are companies incorporated in India, as of that date.
2. In our opinion, the Holding Company and its associate company, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls with reference to the Consolidated Financial Statements and such internal financial controls were operating effectively as at 31<sup>st</sup> March, 2023, based on the internal controls over financial reporting criteria established by the respective companies considering the essential components of such internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ('the Guidance Note').

## MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

3. The respective Board of Directors of the Holding Company and its associate companies, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls with reference to consolidated financial statements based on the internal controls over financial reporting criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

## AUDITOR'S RESPONSIBILITY

4. Our responsibility is to express an opinion on the Holding Company and its associates, which are companies incorporated in India, internal financial controls with reference to the Consolidated Financial Statements based on our audit. We

conducted our audit in accordance with the Guidance Note and the Standards on Auditing ('SA'), prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to the Consolidated Financial Statements. Those SAs 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 with reference to the Consolidated Financial Statements were established and maintained and if such controls operated effectively in all material respects.

5. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to the Consolidated Financial Statements and their operating effectiveness. Our audit of internal financial controls with reference to the Consolidated Financial Statements included obtaining an understanding of internal financial controls with reference to the Consolidated Financial Statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of the internal controls 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 Consolidated Financial Statements, whether due to fraud or error.
6. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to the Consolidated Financial Statements.

## MEANING OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE CONSOLIDATED FINANCIAL STATEMENTS

7. A company's internal financial controls with reference to the Consolidated Financial Statements 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 controls with reference to the Consolidated Financial Statements 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

## ANNEXURE '[B]' TO THE INDEPENDENT AUDITOR'S REPORT (Contd.)

have a material effect on the financial statements.

### INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE CONSOLIDATED FINANCIAL STATEMENTS

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

For **KKC & Associates LLP**

**Chartered Accountants**

(formerly Khimji Kunverji & Co LLP)

Firm Registration Number: 105146W/W100621

**Kamlesh R Jagetia**

**Partner**

ICAI Membership No: 139585

UDIN: 23139585BGXMDV9569

Place: Mumbai

Date: 18<sup>th</sup> May, 2023

# CONSOLIDATED BALANCE SHEET

AS AT 31<sup>ST</sup> MARCH, 2023

		₹/Lacs	
S. No.	Particulars	Note No.	As at 31 <sup>st</sup> March, 2023
(A)	<b>ASSETS</b>		
	<b>Non-Current Assets</b>		
	Property, Plant and Equipment	3	63,704
	Capital Work-in-Progress		10,617
	Right-of-Use Assets	4	689
	Other Intangible Assets	5	92
	<b>Financial Assets</b>		
	Investments	6	3,713
	Others	7	236
	Other Non-Current Assets	8	1,168
	<b>Total Non Current Assets</b>		<b>80,219</b>
	<b>Current assets</b>		
	Inventories	9	24,336
	<b>Financial assets</b>		
	Investments	10	30,678
	Trade Receivables	11	21,704
	Cash and Cash Equivalents	12	270
	Bank Balances other than Cash & Cash Equivalents	13	1,332
	Others	14	375
	Other Current Assets	15	3,347
	<b>Total Current Assets</b>		<b>82,042</b>
	<b>Non-Current Assets Classified as held for sale</b>	16	-
	<b>TOTAL ASSETS</b>		<b>1,62,261</b>
(B)	<b>EQUITY AND LIABILITIES</b>		
	Equity		
	Equity Share Capital	17	2,185
	Other Equity		1,29,986
	<b>Total Equity</b>		<b>1,32,171</b>
	<b>Non-Current Liabilities</b>		
	<b>Financial Liabilities</b>		
	Borrowings	18	4,870
	Lease Liabilities	19	351
	Others	20	251
	Provisions	21	1,352
	Deferred Tax Liabilities (Net)	22	7,213
	Other Non-Current Liabilities	23	945
	<b>Total Non-Current Liabilities</b>		<b>14,982</b>
	<b>Current Liabilities</b>		
	<b>Financial Liabilities</b>		
	Borrowings	24	1,508
	Lease Liabilities	19	55
	Trade payables	25	
	i) Total outstanding dues of Micro and Small enterprises		674
	ii) Total outstanding dues of Creditors other than above		10,099
	Others	26	1,375
	Other Current Liabilities	27	1,045
	Provisions	28	319
	Current Tax Liabilities (Net)	29	33
	<b>Total Current Liabilities</b>		<b>15,108</b>
	<b>TOTAL EQUITY AND LIABILITIES</b>		<b>1,62,261</b>
	Significant Accounting Policies	1 & 2	

The accompanying notes are an integral part of these financial statements

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

For and on behalf of the Board of Directors

For **KKC & Associates LLP**  
(formerly Khimji Kunverji & Co LLP)  
Chartered Accountants  
(FRN 105146W/W100621)

**S. K. Jain**  
Director  
DIN: 02843676

**Suresh Sodani**  
Managing Director  
DIN: 08789604

**Kamlesh R Jagetia**  
Partner  
Membership No. 139585

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

**Rahul Dubey**  
Company Secretary

Place : Mumbai  
Date : 18<sup>th</sup> May, 2023

Place : Mumbai  
Date : 18<sup>th</sup> May, 2023

# CONSOLIDATED STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2023

₹/Lacs

S. No.	Particulars	Note No.	Year Ended 31 <sup>st</sup> March, 2023
I	Revenue From Operations	30	2,07,205
II	Other Income	31	1,904
<b>III</b>	<b>Total Income (I+II)</b>		<b>2,09,109</b>
<b>IV</b>	<b>EXPENSES</b>		
	Cost of Materials Consumed	32	1,29,154
	Purchases of Stock-in-Trade		8,826
	Changes in inventories of Finished goods, Stock-in - Trade and work-in-progress	33	493
	Employee Benefits Expense	34	11,994
	Power and Fuel		24,753
	Finance Costs	35	235
	Depreciation and Amortization Expense	3, 4 & 5	4,122
	Other Expenses	36	17,752
	<b>Total expenses (IV)</b>		<b>1,97,329</b>
<b>V</b>	<b>Profit before share in Loss of Associate and Tax (III- IV)</b>		<b>11,780</b>
VI	Share in Loss of associate (net of tax)		(12)
<b>VII</b>	<b>Profit before Tax ( V + VI)</b>		<b>11,768</b>
VIII	Tax Expense/(Credit):	40	
	(1) Current Tax		3,041
	(2) (Excess)/Short Provision of Tax relating to earlier years		(69)
	(3) Deferred Tax		(236)
<b>IX</b>	<b>Profit for the Year (VII-VIII)</b>		<b>9,032</b>
X	Other Comprehensive Income		
	A (i) Items that will not be reclassified to profit or loss		(130)
	(ii) Income tax relating to items that will not be reclassified to profit or loss		11
	B (i) Items that will be reclassified to profit or loss		501
	(ii) Income tax relating to items that will be reclassified to profit or loss		(126)
<b>XI</b>	<b>Total Comprehensive Income for the year (IX+X) (Comprising Profit and Other Comprehensive Income for the year)</b>		<b>9,288</b>
<b>XII</b>	<b>Earnings per equity share in ₹ (Face value per share ₹ 10 each):</b>		
	(1) Basic	44	<b>41.34</b>
	(2) Diluted		<b>41.34</b>
	Significant Accounting Policies	1 & 2	

The accompanying notes are an integral part of these Financial Statements

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

For and on behalf of the Board of Directors

For **KKC & Associates LLP**  
(formerly Khimji Kunverji & Co LLP)  
Chartered Accountants  
(FRN 105146W/W100621)

**S. K. Jain**  
Director  
DIN: 02843676

**Suresh Sodani**  
Managing Director  
DIN: 08789604

**Kamlesh R Jagetia**  
Partner  
Membership No. 139585

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

**Rahul Dubey**  
Company Secretary

Place : Mumbai  
Date : 18<sup>th</sup> May, 2023

Place : Mumbai  
Date : 18<sup>th</sup> May, 2023

# CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2023

₹/Lacs

S. No.	Particulars	Year Ended 31 <sup>st</sup> March, 2023
<b>A.</b>	<b>CASH FLOW FROM OPERATING ACTIVITIES</b>	
	<b>Profit Before Tax</b>	11,768
	<b>Adjustment for:</b>	
	Depreciation and Amortisation	4,122
	Finance cost	235
	Unrealised Exchange Loss	6
	Loss on Impairment of Investments	4
	Fair value movement in derivative instruments	13
	Interest Income	(779)
	Fair Value of Investments through Profit and Loss Statement	808
	Profit on sale of Current Investments (Net)	(1,508)
	Liabilities/Provisions no longer required written back	(68)
	Amortization of Government Grant (TUF Capital Subsidy)	(19)
	Profit on sale of Property, Plant and Equipments (Net)	(131)
	Share in Loss on equity accounted investment	12
	<b>Operating Profit Before Working Capital Changes</b>	14,463
	<b>Adjustment for:</b>	
	Trade payable and other liability	(829)
	Trade Receivables	2,229
	Inventories	6,463
	Financial and other Assets	2,655
	<b>Cash Generated From Operations</b>	24,981
	Direct Taxes Paid (net of refunds)	(3,054)
	<b>Net Cash From Operating Activities (A)</b>	<b>21,927</b>
<b>B.</b>	<b>CASH FLOW FROM INVESTING ACTIVITIES</b>	
	Purchase of Property, Plant and Equipments	(23,890)
	Sale of Property, Plant and Equipments	340
	Interest Received	760
	Government Grant (Capital Subsidy)	144
	Maturity of deposit with Banks	5,320
	Deposits with Financial Institutions	(930)
	Purchase of Non-Current Investments	(885)
	Purchase of Current Investments (Net)	(5,993)
	<b>Net Cash From Investing Activities (B)</b>	<b>(25,134)</b>



# CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2023

		₹/Lacs
S. No.	Particulars	Year Ended 31 <sup>st</sup> March, 2023
<b>C.</b>	<b>CASH FLOW FROM FINANCING ACTIVITIES</b>	
	Proceeds from Long Term Borrowings	6,160
	Repayment of Long Term Borrowings	(817)
	Repayment of Lease Liability	(51)
	Payment of Interest on Lease Liability	(35)
	Payment of Interest on Borrowings	(154)
	Equity Dividend Paid	(2,185)
	<b>Net Cash From Financing Activities (C)</b>	<b>2,918</b>
<b>D.</b>	<b>NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	(289)
	Closing Balance of Cash and Cash Equivalents	270
	Opening Balance of Cash and Cash Equivalents	559

## Reconciliation of Closing Cash and Cash Equivalents with Balance Sheet

	₹/Lacs
	As at 31 <sup>st</sup> March, 2023
Cash On hand	8
With Banks	
In Current Accounts	262
<b>Total</b>	<b>270</b>

### Notes:

- The above Cash Flow Statement has been prepared under the "Indirect Method" set out in Indian Accounting Standard (Ind - AS) - 7 on Statement of Cash Flow.
- Figures in bracket indicate cash outflow.
- Change in liabilities arising from financing activities

	As at 31 <sup>st</sup> March, 2022	Cash flows	Non Cash Changes	As at 31 <sup>st</sup> March, 2023
Total Borrowings	1,035	5,343	-	6378

The accompanying notes are an integral part of these Financial Statements

This is the Cash Flows Statement referred to in our report of even date.

For and on behalf of the Board of Directors

For **KKC & Associates LLP**  
(formerly Khimji Kunverji & Co LLP)  
Chartered Accountants  
(FRN 105146W/W100621)

**S. K. Jain**  
Director  
DIN: 02843676

**Suresh Sodani**  
Managing Director  
DIN: 08789604

**Kamlesh R Jagetia**  
Partner  
Membership No. 139585

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

**Rahul Dubey**  
Company Secretary

Place : Mumbai  
Date : 18<sup>th</sup> May, 2023

Place : Mumbai  
Date : 18<sup>th</sup> May, 2023

# CONSOLIDATED STATEMENT OF CHANGE IN EQUITY

FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2023

## (A) EQUITY SHARE CAPITAL

Year Ended 31<sup>st</sup> March, 2023

₹/Lacs

Balance as at 1 <sup>st</sup> April, 2022	Changes in equity shares capital during the year ended	Balance As at 31 <sup>st</sup> March, 2023
2,185	-	2,185

## (B) OTHER EQUITY

For the year ended 31<sup>st</sup> March, 2023

₹/Lacs

Particulars	Reserves and Surplus							Total
	Capital Reserve	Capital redemption Reserve	Securities Premium	General Reserve	Retained Earnings	Cash Flow Hedges Reserve	FVOCI- Equity Instruments	
Balance at 1 <sup>st</sup> April, 2022	48	186	3,225	40,566	78,967	(317)	208	1,22,883
Profit for the Year (1)	-	-	-	-	9,032	-	-	9,032
<b>Other Comprehensive Income:</b>								
Remeasurement of the net defined benefit liability/asset, net of tax liability (₹ 11 Lacs) effect (2)	-	-	-	-	(31)	-	-	(31)
Equity instruments through other comprehensive income (3)	-	-	-	-			(88)	(88)
Effective portion of Gains / (Loss) on hedging instruments net of tax liability (₹ 126 Lacs) effect(4)						375		375
<b>Total Comprehensive Income (1 to 4)</b>	-	-	-	-	9,001	375	(88)	9,288
Dividend Paid for the FY 21-22	-	-	-	-	(2,185)	-	-	(2,185)
<b>Balance at 31<sup>st</sup> March, 2023</b>	<b>48</b>	<b>186</b>	<b>3,225</b>	<b>40,566</b>	<b>85,783</b>	<b>58</b>	<b>120</b>	<b>1,29,986</b>

The Description of the nature and purpose of reserves within equity is as follows:

- Capital Reserve** - Comprise of Capital Subsidy received for setting up manufacturing plant at Mahad and profit on sale of assets over the original cost of assets in the earlier years.
- Capital Redemption Reserve** - Created on cancellation of equity shares under the scheme of arrangement and redemption of preference shares. It can be utilised in accordance with the provision of the Companies Act, 2013.

# CONSOLIDATED STATEMENT OF CHANGE IN EQUITY

FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2023

- iii) **Security Premium** - Premium received on issue of equity shares credited to Securities Premium Reserve. It can be utilised in accordance with the provision of the Companies Act, 2013.
- iv) **Cashflow Hedge Reserve:** The Company has designated its hedging instruments as cash flow hedges and any effective portion of cashflow hedge is maintained in the said reserve. In case the hedging becomes ineffective, the amount is recognised in the Statement of Profit and Loss

The accompanying notes are an integral part of these financial statements

This is the Other Equity Statement referred to in our report of even date.

For **KKC & Associates LLP**  
(formerly Khimji Kunverji & Co LLP)  
Chartered Accountants  
(FRN 105146W/W100621)

**Kamlesh R Jagetia**  
Partner  
Membership No. 139585  
  
Place : Mumbai  
Date : 18<sup>th</sup> May, 2023

For and on behalf of the Board of Directors

**S. K. Jain**  
Director  
DIN: 02843676

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

Place : Mumbai  
Date : 18<sup>th</sup> May, 2023

**Suresh Sodani**  
Managing Director  
DIN: 08789604

**Rahul Dubey**  
Company Secretary

# NOTES

## TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 1. COMPANY OVERVIEW

Century Enka Limited ("the Company") is a Public Limited Company incorporated in India having its registered office at Pune, Maharashtra, India. The Company is engaged in the manufacturing and selling of 'Synthetic Yarn' and related products. Company has one associate ABReL Century Energy Limited and it is engaged in production of power.

During the year, the Company has acquired 26% equity capital in ABReL Century Energy Limited and accordingly ABReL Century Energy Limited became an associate of the Company. Pursuant to this the Company has prepared its first Consolidated financial statements for the year ended 31<sup>st</sup> March, 2023.

### 2. SIGNIFICANT ACCOUNTING POLICIES

#### (a) Statement of Compliance

These Consolidated financial statements (hereinafter referred to as "financial statements") are prepared in accordance with the Indian Accounting Standards (referred to as "Ind AS") prescribed under section 133 of the Companies Act, 2013 ("the Act") read with Companies (Indian Accounting Standards) Rules as amended from time to time and other relevant provisions of the Act and guidelines issued by the Securities and Exchange Board of India (SEBI), as applicable.

The financial statements are authorized for issue by the Board of Directors of the Company at their meeting held on 18<sup>th</sup> May, 2023.

#### (b) Basis of Preparation and Presentation:

##### Basis of Preparation

The financial statements have been prepared on a historical cost basis, except for the following assets and liabilities:

- (i) Derivative Financial Instruments measured at fair value
- (ii) Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments)
- (iii) Employee's Defined Benefit Plan as per actuarial valuation
- (iv) Assets held for sale measured at lower of carrying value and fair value less costs to sell.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date

under current market conditions, regardless of whether that price is directly observable or estimated using another valuation technique. In determining the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

#### Principles of Consolidation

These consolidated financial statements are prepared on the following basis in accordance with Ind AS on "Consolidated Financial Statements" (Ind AS - 110), "Investments in Associates and Joint Ventures" (Ind AS - 28) and "Disclosure of interests in other entities" (Ind AS - 112), specified under Section 133 of the Companies Act, 2013.

#### Associates (Accounted using Equity method)

An associate is an entity in which the Group has significant influence, but not control or joint control, over the financial and operating policies. Interests in associates is accounted for using equity method. They are initially recognized at cost which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of profit or loss and OCI of equity accounted investees until the date on which significant influence ceases.

#### Functional and Presentation Currency

The financial statements are presented in Indian Rupees, which is the functional currency of the Company and the currency of the primary economic environment in which the Company operates.

#### Classification of Assets and Liabilities into Current/ Non-Current

The Company has ascertained its operating cycle as twelve months for the purpose of Current / Non-Current classification of its Assets and Liabilities.

For the purpose of Balance Sheet, an asset is classified as current if:

- (i) It is expected to be realised, or is intended to be sold or consumed, in the normal operating cycle; or
- (ii) It is held primarily for the purpose of trading; or
- (iii) It is expected to realise the asset within twelve months after the reporting period; or

# NOTES

## TO THE CONSOLIDATED FINANCIAL STATEMENTS

- (iii) The asset is a cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

Similarly, a liability is classified as current if:

- (i) It is expected to be settled in the normal operating cycle; or
- (ii) It is held primarily for the purpose of trading; or
- (iii) It is due to be settled within twelve months after the reporting period; or
- (iv) The Company does not have an unconditional right to defer the settlement of the liability for at least twelve months after the reporting period. Terms of a liability that could result in its settlement by the issue of equity instruments at the option of the counterparty does not affect this classification.

All other liabilities are classified as non-current.

### (c) Property, Plant and Equipment (PPE):

The PPE are stated at cost less accumulated depreciation and accumulated impairment loss.

The initial cost of PPE comprises its purchase price, including import duties and non-refundable purchase taxes, and any directly attributable costs of bringing an asset to working condition and location for its intended use, including relevant borrowing costs and any expected costs of decommissioning. Expenditure incurred after the PPE have been put into operation, such as repairs and maintenance, are charged to the Statement of Profit and Loss in the period in which the costs are incurred.

Any gain or loss on disposal of an item of PPE is recognized in statement of Profit and Loss.

If significant parts of an item of PPE have different useful lives, then they are accounted for as separate items (major components) of PPE.

Such classes of assets and their estimated useful lives are as under:

No	Nature	Useful life
1	Leasehold Assets – Plant & Machinery	Upto 25 years
2	Leasehold Assets – Other than Plant & Machinery	Lease Period
3	Stores and Spares Parts in the nature of PPE	5 to 25 Years
4	Motor Cars given to the employees as per the Company's Scheme	4 years
5	Assets individually costing less than or equal to ₹ 5,000	Fully Depreciated in the year of purchase

Material items such as spare parts, stand-by equipment and service equipment are classified as PPE when they meet the definition of PPE as specified in Ind AS 16 – Property, Plant and Equipment.

PPE except freehold land are stated at their cost of acquisition/installation or construction net of accumulated depreciation, and impairment losses, if any. Freehold land is stated at cost less impairment losses, if any.

### (d) Expenditure during construction period:

Expenditure/ Income during construction period (including financing cost related to borrowed funds for construction or acquisition of qualifying PPE) is included under Capital Work-in-Progress, and the same is allocated to the respective PPE on the completion of their construction. Advances given towards acquisition or construction of PPE outstanding at each reporting date are disclosed as Capital Advances under "Other non-current Assets".

### (e) Depreciation:

Depreciation is the systematic allocation of the depreciable amount of PPE over its useful life and is provided on a straight-line basis over the useful lives as prescribed in Schedule II to the Act or as per technical assessment. Freehold land with indefinite life is not depreciated.

Depreciable amount for PPE is the cost of PPE less its estimated residual value. The useful life of PPE is the period over which PPE is expected to be available for use by the Company, or the number of production or similar units expected to be obtained from the asset by the Company.

In case of certain classes of PPE, the Company uses different useful lives than those prescribed in Schedule II to the Act. The useful lives have been assessed based on technical advice, taking into account the nature of the PPE and the estimated usage of the asset on the basis of management's best estimation of obtaining economic benefits from those classes of assets. The estimated useful life is reviewed periodically, with the effect of any changes in estimate being accounted for on a prospective basis.

# NOTES

## TO THE CONSOLIDATED FINANCIAL STATEMENTS

Depreciation on additions is provided on a pro-rata basis from the month of installation or acquisition and in case of Projects from the date of commencement of commercial production. Depreciation on deductions/disposals is provided on a pro-rata basis up to the month of deduction/disposal.

Residual value for Air Conditioners, Furniture and Fittings, Office Equipment's, Computers and servers is considered Nil.

### (f) Intangible Assets and Amortisation:

#### ▪ Internally generated Intangible Assets:

Expenditure pertaining to research is expensed as incurred. Expenditure incurred on development is capitalised if such expenditure leads to creation of an asset, otherwise such expenditure is charged to the Statement of Profit and Loss.

#### ▪ Intangible Assets acquired separately:

Intangible assets that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment, if any. Cost comprises the purchase price (net of tax / duty credits availed wherever applicable) and any directly attributable cost of bringing the assets to its working condition for its intended use. The Company determines the amortisation period as the period over which the future economic benefits will flow to the Company after taking into account all relevant facts and circumstances. The estimated useful life and amortisation method are reviewed periodically, with the effect of any changes in estimate being accounted for on a prospective basis.

#### ▪ Class of intangible assets and their estimated useful lives are as under:

No	Nature	Useful life
1	Software	6 Years

Residual value for the intangible assets is considered as Nil. An intangible asset is derecognised on disposal, or when no future economic benefits are expected from its use or disposal. Gains or losses arising from derecognition of an item of intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of such item of intangible asset and are recognised in the statement of profit & loss when the asset is derecognised

### (g) Impairment of Non-Financial Assets:

At the end of each reporting period, the Company reviews the carrying amounts of non-financial assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in Statement of Profit and Loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the Statement of Profit and Loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.



# NOTES

## TO THE CONSOLIDATED FINANCIAL STATEMENTS

### (h) Financial Instruments:

A Financial Instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets and financial liabilities are recognized when a Company becomes a party to the contractual provisions of the instruments.

#### Initial Recognition:

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss and ancillary costs related to borrowings) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in Statement of Profit and Loss.

#### Classification and Subsequent Measurement: Financial Assets

The Company classifies financial assets as subsequently measured at amortised cost, fair value through other comprehensive income ("FVOCI") or fair value through profit or loss ("FVTPL") on the basis of following:

- the entity's business model for managing the financial assets and
- the contractual cash flow characteristics of the financial asset.

#### Amortised Cost:

A financial asset shall be classified and measured at amortised cost if both of the following conditions are met:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

In case of financial assets at amortised costs, interest income, foreign exchange gain or loss and impairment are recognized in Statement of Profit and Loss.

#### Fair Value through OCI:

A financial asset shall be classified and measured at fair value through OCI if both of the following conditions are met:

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Where the Company has elected to present the fair value gain on equity instruments in other comprehensive income, there is no subsequent classification of fair value gain or losses to profit and loss account. Dividend from such instruments is recognized in profit and loss account as other income where right to receive is established.

#### Fair Value through Profit or Loss:

A financial asset shall be classified and measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through OCI.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

#### Classification and Subsequent Measurement: Financial liabilities

Financial liabilities are classified as either financial liabilities at FVTPL or 'other financial liabilities'.

#### Financial Liabilities at FVTPL:

Financial liabilities are classified as at FVTPL when the financial liability is held for trading or are designated upon initial recognition as FVTPL:

Gains or Losses on liabilities held for trading are recognised in the Statement of Profit and Loss.

#### Other Financial Liabilities:

Other financial liabilities (including borrowings and trade and other payables) are subsequently measured at amortised cost using the effective interest method.

# NOTES

## TO THE CONSOLIDATED FINANCIAL STATEMENTS

### Impairment of financial assets:

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at the end of each reporting period. In case of trade receivables, the Company follows the simplified approach permitted by Ind AS 109 – Financial Instruments for recognition of impairment loss allowance. The Company recognises a loss allowance for expected credit losses on financial asset. The Company's trade receivables do not contain significant financing component and loss allowance on trade receivables is measured at an amount equal to life time credit expected losses. The Company calculates the expected credit losses on trade receivables using a provision matrix on the basis of its historical credit loss experience and other credit information available.

### Derecognition of financial assets:

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises associated liabilities.

On derecognition of a financial asset, other than equity investments classified as FVOCI, in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset.

On derecognition of equity instruments classified as FVOCI, accumulated gains or loss recognized in OCI is transferred to retained earnings.

### (i) Financial liabilities and equity instruments:

#### ▪ Classification as debt or equity

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual

arrangements and the definitions of a financial liability and an equity instrument.

#### ▪ Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a Company are recognised at the proceeds received.

### (j) Derecognition of Financial Liabilities:

The Company de-recognises financial liabilities when and only when, the Company's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability de-recognised and the consideration paid and payable is recognised in the statement of profit and loss.

### (k) Inventories:

Inventories are valued as follows:

#### ▪ Raw materials, Fuel, Store & Spare Parts and Packing materials

Raw materials are valued at lower of cost and net realisable value (NRV). However, these items are considered to be realisable at cost, if the finished products, in which they will be used, are expected to be sold at or above cost. Fuel, Stores & Spare parts and Packing materials are valued at cost. Cost is determined on weighted average basis. The cost of inventory comprises its purchase price, including non-refundable purchase taxes, and any directly attributable costs related to the inventories.

#### ▪ Work-in- progress (WIP), finished goods, stock-in-trade and trial run inventories:

Valued at lower of cost and NRV. Cost of Finished goods and WIP includes cost of raw materials, direct labour, other direct costs and related production overheads upto the relevant stage of completion. Cost of inventories is computed on weighted average basis.

#### ▪ Waste / Scrap:

Waste / Scrap and Byproduct inventory is valued at NRV.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

# NOTES

## TO THE CONSOLIDATED FINANCIAL STATEMENTS

### (l) Cash and cash equivalents:

Cash and cash equivalents in the Balance Sheet comprise cash at bank, cheques and cash in hand and short-term deposits with banks that are readily convertible into cash which are subject to insignificant risk of changes in value and are held for the purpose of meeting short-term cash commitments.

### (m) Assets held for Sale:

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and sale is considered highly probable. They are measured at the lower of its carrying amount and fair value less costs to sell.

An impairment loss is recognised for any initial or subsequent write-down of the assets to fair value less cost to sell. A gain is recognised for any subsequent increases in fair value less cost to sell of an asset, but not in excess of any cumulative impairment loss previously recognised.

No depreciation or amortization is charged for assets classified as held for sale.

### (n) Borrowing Costs:

General and specific borrowing costs that are attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of such asset till such time the asset is ready for its intended use and borrowing costs are being incurred. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use. All other borrowing costs are recognised as an expense in the period in which they are incurred.

Borrowing cost includes interest expense, loan processing charges, amortization of discounts, hedge related cost incurred in connection with foreign currency borrowings, ancillary costs incurred in connection with borrowing of funds and exchange difference arising from foreign currency borrowings to the extent they are regarded as an adjustment to the Interest cost.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

### (o) Government Grants and Subsidies:

Government grants, related to assets, are recognised in the Statement of Profit and Loss on a systematic basis over the periods in which the Company recognises the related costs for which the grants are intended to compensate.

Government grants are not recognised until there is reasonable assurance that the Company will comply with the conditions attached to them and that the grants will be received.

### (p) Leases:

#### Company as a Lessee

The company recognizes right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the right-of-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs incurred. The right-of-use asset is depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the statement of profit and loss.

The Company measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the company uses incremental borrowing rate. The lease payments shall include fixed payments, variable lease payments, residual value guarantees, exercise price of a purchase option where the Company is reasonably certain to exercise that option and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

The Company elected to use the recognition exemptions for lease contracts that, at the commencement date, have a lease term of 12 months or less and do not contain a purchase option ('short-term leases') and lease contracts for which the underlying asset is of low value (low-value assets)

# NOTES

## TO THE CONSOLIDATED FINANCIAL STATEMENTS

### Company as a Lessor

Leases for which the Company is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

The Company recognises lease payments received under operating leases as income on a straight-line basis over the lease term.

### (q) Derivative financial instruments:

The Company enters into derivative financial instruments viz. foreign exchange forward contracts to manage foreign exchange risks. The Company does not hold derivative financial instruments for speculative purposes.

Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in statement of profit and loss immediately excluding derivatives designated as cashflow hedge.

### (r) Hedge accounting:

The Company designates certain hedging instruments in respect of foreign currency risk, interest rate risk and commodity price risk as cash flow hedges. At the inception of the hedge relationship, the entity documents the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the Company documents whether the hedging instrument is highly effective in offsetting changes in fair values or cash flows of the hedged item attributable to the hedged risk.

The effective portion of changes in the fair value of the designated portion of derivatives that qualify as cash flow hedges is recognised in OCI and accumulated under equity. The gain or loss relating to the ineffective portion is recognised immediately in the statement of profit and loss.

Amounts previously recognised in OCI and accumulated in equity relating to effective portion as described above are reclassified to Statement of Profit and Loss in the periods when the hedged item affects the Statement of Profit or Loss, in the same line as the recognised hedged item. However, when the hedged forecast transaction results in

the recognition of a non-financial asset or a non-financial liability, such gains and losses are transferred from equity and included in the initial measurement of the cost of the non-financial asset or non-financial liability.

Hedge accounting is discontinued prospectively when the hedging instrument expires or is sold, terminated, or exercised, or when it no longer qualifies for hedge accounting. Any gain or loss recognised in OCI and accumulated in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in the Statement of Profit and Loss. When a forecast transaction is no longer expected to occur, the gain or loss accumulated in equity is recognised immediately in the Statement of Profit and Loss.

### (s) Revenue Recognition:

#### Sale of goods:

The company derives revenue primarily from manufacturing and selling of Synthetic Yarn and related goods.

Revenue on sales of goods are recognized when the customer obtains control of the specified goods which is generally on dispatch/delivery of goods.

To recognize revenues, company applies the following five step approach: (1) identify the contract with a customer, (2) identify the performance obligations in the contract, (3) determine the transaction price (net of variable consideration), (4) allocate the transaction price (net of variable consideration) to the performance obligations in the contract, and (5) recognize revenues when a performance obligation is satisfied.

The Company accounts for variable considerations like, volume discounts, rebates and pricing incentives to customers as reduction of revenue on a systematic and rational basis over the period of the contract. Revenues are shown net of goods and services tax and applicable discounts and allowances.

The Company does not expect to have any contracts where the period between the transfer of goods and payment by customer exceeds one year. Hence, the Company does not adjust revenue for the time value of money.

Government grants in the nature of export incentives are accounted for in the period of export of goods if the entitlements can be estimated with reasonable accuracy and conditions precedent to claim are reasonably expected to be fulfilled.

# NOTES

## TO THE CONSOLIDATED FINANCIAL STATEMENTS

### Other Income:

- Dividend Income is accounted for when the right to receive the income is established.
- Interest income is recognized on time proportion basis taking into account the amount outstanding on effective interest rate.
- Difference between the sale price and carrying value of investment is recognized in statement of profit or loss on sale / redemption on investment on trade date of transaction.

### (t) Employee benefits:

#### Gratuity:

Gratuity being defined benefit plan, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Re-measurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the Balance Sheet with a charge or credit recognised in Other Comprehensive Income (OCI) in the period in which they occur. Re-measurement recognised in OCI is reflected immediately in retained earnings and will not be reclassified to Statement of Profit and Loss. Past service cost is recognised in the Statement of Profit and Loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. The costs are categorised as follows:

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- net interest expense or income; and
- re-measurement

The present value of the gratuity liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds.

The defined benefit obligation recognised in the Balance Sheet represents the actual deficit or surplus in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

### Superannuation:

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

### Employee's Family Pension

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

### Provident Fund

Contribution towards provident fund for certain employees is made to the regulatory authorities, where the Company has no further obligations. Such benefits are classified as Defined Contribution Scheme as the Company does not carry any further obligations, apart from the contributions made on a monthly basis.

In respect of certain employees, Provident Fund contributions are made to the Trust set up and administered by the Company. If the board of trustees are unable to pay interest at the rate declared by the government under Para 60 of the Employees provident fund scheme, 1972 for the reason that the return on investment is less or for any other reason, then the deficiency shall be made good by the Company making interest shortfall a defined benefit plan. Accordingly, the Company obtains actuarial valuation and having regard to the assets of the fund and the return on investments, the Company does not expect any deficiency as at the year end. If there is a deficiency as at any Balance Sheet date, then, the same will be recognized in the Statement of Profit and Loss in the year in which it arises.

### Other Short-term and other long-term employee benefits

Liabilities for wages, salaries and bonus (as per the payment of bonus Act, 1965) including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees and workmen render the related service are recognized in respect of employee's services up to the end of the reporting period and are measured at the amount expected to be paid when the liabilities are settled.

# NOTES

## TO THE CONSOLIDATED FINANCIAL STATEMENTS

### Compensated Absences

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

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

### (u) Foreign Currency transactions:

In preparing the financial statements of the Company, transactions in currencies other than the Company's functional currency (i.e. foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are translated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate as at the date of initial transactions.

Exchange differences on monetary items are recognised in the Statement of Profit and Loss in the period in which they arise except for exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings.

### (v) Income Taxes:

Income Tax expenses comprise current tax and deferred tax charge or credit.

Current Tax is measured on the basis of estimated taxable income for the current accounting period in accordance with the applicable tax rates and the provisions of the Income-tax Act, 1961 and other applicable tax laws.

Deferred tax is provided, on all temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred tax assets and liabilities are measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted at the reporting date. Tax relating to items recognised directly in equity or OCI is recognised in equity or OCI and not in the Statement Profit and Loss.

Current tax assets and liabilities are offset when there is a legally enforceable right to set off recognized amount and there is intention to settle the assets and liabilities on net basis.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority.

### (w) Earnings Per Share:

The basic Earnings Per Share ("EPS") is computed by dividing the net profit / (loss) after tax for the year attributable to the equity shareholders by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, net profit / (loss) after tax for the year attributable to the equity shareholders and the weighted average number of equity shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

### (x) Provisions, Contingent Liabilities and Contingent Assets:

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources, that can be reliably estimated, will be required to settle such an obligation.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows to net present value using an appropriate pre-tax discount rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Unwinding of the discount is recognised in the Statement of Profit and Loss as a finance



# NOTES

## TO THE CONSOLIDATED FINANCIAL STATEMENTS

cost. Provisions are reviewed at each reporting date and are adjusted to reflect the current best estimate.

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

Claims against the Company where the possibility of any outflow of resources in settlement is remote, are not disclosed as contingent liabilities.

Contingent assets are not recognised in financial statements since this may result in the recognition of income that may never be realised. However, when the realisation of income is virtually certain, then the related asset is not a contingent asset and is recognised.

### (y) Investment in Associates

The Company's investment in its associates are carried at cost net of accumulated impairment loss, if any.

On disposal of the Investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the statement of Profit and Loss.

2(A).

### CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY:

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

#### Key assumptions:

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and

estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

### (i) Useful Lives of Property, Plant & Equipment and Intangible Assets:

The Company uses its technical expertise along with historical and industry trends for determining the economic life of an asset/component of an asset. The useful lives are reviewed by management periodically and revised, if appropriate. In case of a revision, the unamortised depreciable amount is charged over the remaining useful life of the assets.

### (ii) Fair value measurement of financial instruments:

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash Flow model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility.

### (iii) Defined benefit plans:

The cost of the defined benefit plans gratuity and provident fund, and the present value of the gratuity and provident fund obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

### (iv) Asset held for sale:

The company has used certain judgements and estimates to determine fair value of asset held for sale. Fair value had been determined on basis of independent external valuation and quotes from dealer of similar assets.

# NOTES

## TO THE CONSOLIDATED FINANCIAL STATEMENTS

**(v) Recognition and measurement of deferred tax assets and liabilities:**

Deferred tax assets and liabilities are recognised for deductible temporary differences for which there is probability of utilisation against the future taxable profit. The Company uses judgement to determine the amount of deferred tax liability / asset that can be recognised, based upon the likely timing and the level of future taxable profits and business developments.

**(vi) Income Taxes:**

The Company calculates income tax expense based on reported income and estimated exemptions / deduction likely available to the Company. The Company has applied the lower income tax rates on income tax expenses and the deferred tax assets / liabilities.

# NOTES

## TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 3. PROPERTY, PLANT AND EQUIPMENT (PPE)

	₹/Lacs						
	Land	Buildings (Refer Note a & b)	Plant & Machinery (Refer Note c)	Furniture & Fixtures	Office equipments	Vehicles	Total
<b>For the year 22-23</b>							
As at 1 <sup>st</sup> April, 2022	336	9,230	62,068	117	291	382	72,424
Add: Additions		2,406	17,685	44	105	49	20,289
Less: Disposals/Adjustment		2	283		10	38	333
Add: Asset Reclassified from held for Sale (Refer Note 16)			900				900
<b>As at 31<sup>st</sup> March, 2023</b>	<b>336</b>	<b>11,634</b>	<b>80,370</b>	<b>161</b>	<b>386</b>	<b>393</b>	<b>93,280</b>
<b>Accumulated Depreciation:</b>							
As at 1 <sup>st</sup> April, 2022	-	2,676	22,714	69	156	120	25,735
Add: Depreciation during the year		376	3,445	20	53	71	3,965
Less: Disposals/Adjustment			96		10	18	124
<b>As at 31<sup>st</sup> March, 2023</b>	<b>-</b>	<b>3,052</b>	<b>26,063</b>	<b>89</b>	<b>199</b>	<b>173</b>	<b>29,576</b>
<b>Net carrying amount As at 31<sup>st</sup> March, 2023</b>	<b>336</b>	<b>8,582</b>	<b>54,307</b>	<b>72</b>	<b>187</b>	<b>220</b>	<b>63,704</b>

- a) Includes Land ₹2 Lacs and ₹500 being the cost of 5 shares in a co-operative housing society held in the name of a nominee of the Company
- b) Previous year Includes ₹250 being the cost of 5 shares in co-operative societies.
- c) Rupee Term Loans are secured by hypothecation of specific Plant and Machinery against which Loans have been taken.

3.1 The Company has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets or both during the current year.

### 4. RIGHT OF USE ASSETS ( IND AS 116)

	₹/Lacs		
	Land	Plant & Machinery	Total
<b>For the year 22-23</b>			
As at 1 <sup>st</sup> April, 2022	207	591	798
Add: Additions			
Less: Disposals/Adjustment			
<b>As at 31<sup>st</sup> March, 2023</b>	<b>207</b>	<b>591</b>	<b>798</b>
<b>Accumulated Depreciation:</b>			
As at 1 <sup>st</sup> April, 2022	13	69	82
Add: Depreciation during the year	4	23	27
Less: Disposals/Adjustment			-
<b>As at 31<sup>st</sup> March, 2023</b>	<b>17</b>	<b>92</b>	<b>109</b>
<b>Net carrying amount As at 31<sup>st</sup> March, 2023</b>	<b>190</b>	<b>499</b>	<b>689</b>

# NOTES

## TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 5. INTANGIBLE ASSETS

	₹/Lacs
<b>Computer Softwares</b>	
<b>For the year 22-23</b>	
As at 1 <sup>st</sup> April, 2022	746
Add: Additions	11
Less: Disposals	
<b>As at 31<sup>st</sup> March, 2023</b>	<b>757</b>
<b>Accumulated Amortisation:</b>	
As at 1 <sup>st</sup> April, 2022	535
Add: Amortisation during the year	130
Less: Disposals	
<b>As at 31<sup>st</sup> March, 2023</b>	<b>665</b>
<b>Net carrying amount As at 31<sup>st</sup> March, 2023</b>	<b>92</b>

### 6. NON-CURRENT INVESTMENTS

	Number of Shares	Face Value Per Share	₹/Lacs As at 31 <sup>st</sup> March, 2023
<b>Investments in Equity Shares (fully paid up)</b>			
<b>1) Quoted Investments</b>			
<b>Fair value through Other Comprehensive Income</b>			
Kesoram Industries Limited	20,85,481	10	1,222
Kesoram Textiles Mills Limited	5,84,994	2	-
Birla Tyres Limited	14,03,985	10	74
<b>2) Unquoted Investments</b>			
<b>Fair Value through profit or loss</b>			
BEIL Infrastructure Limited	10,220	10	1
MMA CETP Co-operative Society Limited	12,895	100	13
Bhadreshwar Vidyut Private Limited	19,47,000	0.10	4
Less : Provision for Impairment on Investments			(4)
<b>Associates ( Carrying amount determined using the equity method of accounting)</b>			
ABReL Century Energy Limited	88,47,800	10	885
Add: Share in Profit / (Loss) of Associate			(12)
			<b>873</b>
<b>3) Quoted Investments at Amortised Cost</b>			
Taxable Corporate Bonds /Debentures			1,530
			<b>3,713</b>
<b>Aggregate amount of:</b>			
Quoted Investments			2,826
Unquoted Investments			887
Aggregate market value of Quoted Investment			2,826
Aggregate amount of impairment in value of Investment			4

# NOTES

## TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 7. OTHER NON-CURRENT FINANCIAL ASSETS

	₹/Lacs
	As at 31 <sup>st</sup> March, 2023
<b>(Unsecured, Considered Good)</b>	
Security Deposits	216
Advances	20
	<b>236</b>

### 8. OTHER NON-CURRENT ASSETS

	₹/Lacs
	As at 31 <sup>st</sup> March, 2023
Capital Advances	360
Others	
Balances with Government authorities	800
Prepaid Expense	8
	<b>1,168</b>

### 9. INVENTORIES

	₹/Lacs
	As at 31 <sup>st</sup> March, 2023
<b>(Valued at lower of cost or Net Realisable Value ) (Unless otherwise stated)</b>	
Raw Material [ Including in transit ₹ 929 Lacs ]	8,850
Stock-in-Process	4,226
Finished goods [Including in transit ₹ 1227 Lacs ]	8,159
Stores, Spares and Packing Material & Fuel (at cost)	3,101
[Including in transit ₹ 46 Lacs ]	
	<b>24,336</b>

The Company follows adequate accounting policy for writing down the value of Stores and Spares towards slow moving, non-moving and surplus Inventories ₹ 304 Lacs

Provision on Stock-in-Process / Finished goods for the period is ₹ 354 Lacs.

Refer Note 2(k) for mode of valuation of Inventories

# NOTES

## TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 10. CURRENT INVESTMENTS

	₹/Lacs
	As at 31 <sup>st</sup> March, 2023
<b>a) Quoted Investments (Fair value through profit or loss)</b>	
Exchange Traded Funds	105
<b>b) Unquoted Investments (Fair value through profit or loss)</b>	
Units of various schemes of Mutual Funds	15,286
<b>c) Amortised cost</b>	
<b>Quoted Investments</b>	
Taxable Corporate Bonds/Debentures	8,087
<b>Unquoted Investments</b>	
Fixed Deposit with Financial Institutions	7,200
	<b>30,678</b>
Aggregate amount of Quoted Investments	8,192
Aggregate amount of Unquoted Investments	22,486
Aggregate market value of Quoted Investment	8,192

### 11. TRADE RECEIVABLES

	₹/Lacs
	As at 31 <sup>st</sup> March, 2023
Considered good - Secured	384
Considered good - Unsecured	21,320
Credit impaired	714
	<b>22,418</b>
Less: Allowance for credit losses	(714)
	<b>21,704</b>

#### Trade Receivables ageing schedule as at 31<sup>st</sup> March, 2023

							₹/Lacs
Particulars	Outstanding for following periods from due date of payment						Total
	Not Due	Less than 6 months	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade receivables							
a) Considered good	20,074	1,629	1				21,704
b) Credit impaired	-	-			402	312	714
Allowance for credit losses			-	-	(402)	(312)	(714)
Total	20,074	1,629	1	-	-	-	21,704



# NOTES

## TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 12. CASH AND CASH EQUIVALENTS

	₹/Lacs
	As at 31 <sup>st</sup> March, 2023
<b>Cash and Cash equivalents</b>	
Cash on Hand	8
<b>Bank Balances</b>	
In Current Accounts	262
	<b>270</b>

### 13. BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

	₹/Lacs
	As at 31 <sup>st</sup> March, 2023
Fixed Deposits with Banks	1,135
(Maturing more than three months and upto 12 months)*	
Unpaid Dividend Accounts	197
	<b>1,332</b>

\* Fixed Deposits includes deposit of ₹135 lacs held as margin against Bank Guarantees and Letter of Credit

### 14. OTHER CURRENT FINANCIAL ASSETS

	₹/Lacs
	As at 31 <sup>st</sup> March, 2023
Interest Accrued on Deposits	335
Others	40
	<b>375</b>

### 15. OTHER CURRENT ASSETS

	₹/Lacs
	As at 31 <sup>st</sup> March, 2023
Advances to Suppliers	314
Others	
Prepaid Expense	205
Statutory Receivables	2,716
Others	112
	<b>3,347</b>

### 16. ASSETS CLASSIFIED AS HELD FOR SALE

	₹/Lacs
	As at 31 <sup>st</sup> March, 2023
Plant & Machinery*	-

\* During the current year company has reclassified the Gas Engine and Waste heat recovery boiler to assets since there is no certainty of its Sale. Recognition has been lower of Fair value and its carrying amount before the classification adjusted for depreciation upto to date of reclassification.

# NOTES

## TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 17. SHARE CAPITAL

	₹/Lacs
	As at 31 <sup>st</sup> March, 2023
<b>Authorised:</b>	
1,00,000 Redeemable Cumulative Preference Shares of ₹100.00 each	100
3,30,00,000 Equity Shares of ₹10.00 each	3,300
1,00,000 Unclassified Shares of ₹100.00 each	100
<b>Issued, Subscribed and Fully Paid - Up:</b>	
2,18,50,589 Equity Shares of ₹10 each ( Refer Notes below )	2,185

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

Particulars	As at 31 <sup>st</sup> March, 2023	
	No. of Shares	Amount ₹/Lacs
Outstanding as at the beginning of the year	2,18,50,589	2,185
Share issued during the year	-	-
Outstanding as at the end of the year	2,18,50,589	2,185

#### b) Rights, Preferences and Restrictions attached to Equity Shares

The Company has only one class of Equity Shares having a par value of 10/- per share. Each holder of the Equity Shares is entitled to one vote per share. The Company declares dividend in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the Shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holders of Equity Shares will be entitled to receive remaining assets of the Company after distribution of all preferential amounts. The distribution will be in proportion to the number of Equity Shares held by the Shareholders.

#### c) The details of Shareholders holding more than 5% Equity Shares:

S. No.		As at 31 <sup>st</sup> March, 2023	
		%	No. of Shares
1	Birla Group Holdings Private Limited	16.56	36,18,690
2	Century Textiles and Industries Limited	5.80	12,66,887

# NOTES

## TO THE CONSOLIDATED FINANCIAL STATEMENTS

### d) Shareholding of Promoters

S No.	Promoter Name	As at 31 <sup>st</sup> March, 2023	
		No. of shares	% of total shares
A.	Promoter		
	Late Basant Kumar Birla (Deceased)	71,360	0.33
ii	Aditya Vikram Kumarmangalam Birla HUF.	29,760	0.14
iii	Rajashree Birla	26,080	0.12
iv	Vasavadatta Bajaj	8,930	0.04
B.	Promoter Group		
i	Birla Group Holdings Private Limited	36,18,690	16.56
ii	Century Textiles And Industries Ltd	12,66,887	5.8
iii	Prakash Educational Society	2,77,360	1.27
iv	Birla Education Trust	75,000	0.34
v	Padmavati Investment Private Limited	28,891	0.13
vi	B. K. Birla Foundation	15,090	0.07
vii	Jayantika Investment & Finance Limited (Formerly Parvati Tea Company Private Limited)	-	-
viii	Cygnnet Industries Limited	-	-

e) No bonus shares have been issued during five years immediately preceding 31<sup>st</sup> March, 2023

f) Dividend Proposed, Declared and Paid [Refer Note 39A]

g) Shares reserved for issue under options and contracts or commitments for the sale of shares or disinvestment, including the terms and amounts - Nil

h) For the period of five years immediately preceding the date at which the Balance Sheet is prepared-

- 1 Aggregate number and class of shares allotted as fully paid up pursuant to contract without payment being received in cash - Nil
- 2 Aggregate number and class of shares bought back - Nil

### 18. NON-CURRENT BORROWINGS

Particulars	₹/Lacs	
	As at 31 <sup>st</sup> March, 2023	
Secured:		
Rupee term Loans from Banks		4,870
		<b>4,870</b>

# NOTES

## TO THE CONSOLIDATED FINANCIAL STATEMENTS

### Nature of Security, Repayment Terms and Breakup of Current and Non-Current

				₹/Lacs
Particulars	Terms of Repayment	Month in which last Instalment is due	Prevailing Interest Rate Per Annum %	As at 31 <sup>st</sup> March, 2023
<b>Secured:</b>				
<b>Rupee Term Loans</b>				
HDFC Bank Limited	Annual	January 2023	7.30%	-
HDFC Bank Limited	Annual	March 2025	9.00%	200
HDFC Bank Limited	Annual	March 2027	9.30%	3,160
Kotak Mahindra Bank Limited (e)	Annual	December 2027	8.75%	3,000
<b>Sub-Total</b>				<b>6,360</b>
<b>Less: Current Maturities of Long Term Debt (Refer Note 24)</b>				(1,490)
<b>Total</b>				<b>4,870</b>

#### Notes :

- Rupee Term Loans are secured by hypothecation of specific Plant and Machinery against which Loans have been taken.
- The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- The borrowings obtained by the company from banks and financial institutions have been applied for the purposes for which such loans were taken.
- There are no charges or satisfaction which are yet to be registered with the Registrar of Companies beyond the statutory period.
- Company is in process of executing the Hypothecation agreement for the loan.

### 19. NON-CURRENT LEASE LIABILITY

		₹/Lacs
		As at 31 <sup>st</sup> March, 2023
Finance Lease Obligation (Refer Note 41)		406
Current Finance Lease Obligation (Refer Note 41)		(55)
Non Current Finance Lease Obligation		<b>351</b>

### 20. OTHER NON-CURRENT FINANCIAL LIABILITIES

		₹/Lacs
		As at 31 <sup>st</sup> March, 2023
Security Deposits		251

# NOTES

## TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 21. NON-CURRENT PROVISIONS

	₹/Lacs
	As at 31 <sup>st</sup> March, 2023
Provision for Employee Benefits	
Gratuity (Refer Note 42)	232
Compensated Absences	966
Provision for Disputed Matters	154
	<b>1,352</b>

### 22. DEFERRED TAX LIABILITIES (NET)

	₹/Lacs
	As at 31 <sup>st</sup> March, 2023
The balances comprises of temporary differences attributable to:	
Property, Plant and Equipments	7,396
Financial Assets at Fair value through Profit or loss	122
Others	(305)
Deferred Tax (Assets)/Liabilities	7,213

#### Movement in Deferred Tax Liabilities

				₹/Lacs
Description	Property, Plant and Equipments	Financial Assets at FVTPL	Others	Total
As at 1 <sup>st</sup> April, 2022	7,228	382	(287)	7,323
Charged / (Credited)				
- To Profit and Loss	42	(260)	(18)	(236)
- To OCI	126	-	-	126
As at 31 <sup>st</sup> March, 2023	7,396	122	(305)	7,213

### 23. OTHER NON-CURRENT LIABILITIES

	₹/Lacs
	As at 31 <sup>st</sup> March, 2023
Statutory Liabilities	580
Deferred Income on Government Grant	365
	<b>945</b>

# NOTES

## TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 24. SHORT TERM BORROWINGS

	₹/Lacs
	As at 31 <sup>st</sup> March, 2023
Secured:	
Current Maturity of Non-Current Financial Borrowings (Rupee Term Loans)	1,490
Working capital borrowings repayable on demand	18
	<b>1,508</b>

#### Notes :

- Working Capital borrowings are secured by way of hypothecation of Inventories, Book Debts and Receivables, both present and future.
- Working Capital borrowings carry an average interest rate of 8.65% per annum.
- Working Capital Borrowings are renewed based on contract with bankers.
- Borrowings obtained by the company from banks have been applied for the purposes for which such loans were taken.
- Company has obtained working capital borrowings from banks on the basis of security of current assets. The statements of current assets filed by the company with banks are in agreement with the books of accounts.

### 25. TRADE PAYABLES

	₹/Lacs
	As at 31 <sup>st</sup> March, 2023
Total outstanding dues of	
Micro and Small enterprises (Refer Note 49)	674
Others	10,099
	<b>10,773</b>

#### Trade Payable ageing schedule as at 31st March, 2023

	₹/Lacs						
Particulars	Outstanding for following periods from due date of payment						Total
	Unbilled	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
<b>Undisputed trade payables</b>							
a) Micro and Small enterprises		591	72	11			674
b) Others	3,061	6,002	1,034	1		1	10,099
<b>Total</b>	<b>3,061</b>	<b>6,593</b>	<b>1,106</b>	<b>12</b>	<b>-</b>	<b>1</b>	<b>10,773</b>



# NOTES

## TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 26. OTHER CURRENT FINANCIAL LIABILITIES

	₹/Lacs
	As at 31 <sup>st</sup> March, 2023
Interest accrued but not due on borrowings	51
Unpaid Dividend Accounts*	197
Capital Goods Liability	604
Others (incl. creditors for expenses & derivative liability)	523
	<b>1,375</b>

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

### 27. OTHER CURRENT LIABILITIES

	₹/Lacs
	As at 31 <sup>st</sup> March, 2023
Advances from Customers	404
Others	
Statutory dues	512
Deferred Income on Government Grant	22
Other Liabilities	107
	<b>1,045</b>

### 28. CURRENT PROVISIONS

	₹/Lacs
	As at 31 <sup>st</sup> March, 2023
Employee Benefits	
Compensated Absences	319

### 29. CURRENT TAX LIABILITIES

	₹/Lacs
	As at 31 <sup>st</sup> March, 2023
Current Tax Payable (Net)	33
	<b>33</b>

# NOTES

## TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 30. REVENUE FROM OPERATIONS

	₹/Lacs
	Year Ended 31 <sup>st</sup> March, 2023
<b>Revenue from Contract with Customers (Refer Note 51)</b>	
<b>Sale of Products</b>	
Finished Goods	1,96,786
Traded Goods	8,935
	<b>2,05,721</b>
<b>Other Operating Revenue</b>	
Scrap Sales	1,063
Export Incentives	421
<b>Revenue from Operations</b>	<b>2,07,205</b>

### 31. OTHER INCOME

	₹/Lacs
	Year Ended 31 <sup>st</sup> March, 2023
Interest Income	
Tax Refunds	21
From Customers	38
On Current and Non Current Investments	773
Others	6
	<b>838</b>
Profit on Sale of PPE (Net)	131
Profit on Sale of Current Investments (Net) ( Including Gain on Fair Valuation of Investments through Profit and (Loss) ₹ (808) Lacs for the year ended 31 <sup>st</sup> March, 2023)	700
Liabilities / Provisions no longer required written back	68
Government Grant	19
Insurance Claims	8
Miscellaneous Income	140
	<b>1,904</b>

### 32. COST OF MATERIALS CONSUMED

	₹/Lacs
	Year Ended 31 <sup>st</sup> March, 2023
Opening Stock of Raw Materials	14,990
Add: Purchases	1,23,014
	<b>1,38,004</b>
Less: Closing Stock of Raw Materials	8,850
<b>Cost of Raw Materials Consumed</b>	<b>1,29,154</b>

# NOTES

## TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 33. CHANGE IN INVENTORIES OF FINISHED GOODS, STOCK-IN-PROCESS AND STOCK-IN-TRADE

	₹/Lacs
	Year Ended 31 <sup>st</sup> March, 2023
Opening Stock	
Finished Goods	8,894
Stock-in-Process	3,983
	<b>12,877</b>
Less: Closing Stock	
Finished Goods	8,158
Stock-in-Process	4,226
	<b>12,384</b>
<b>(Increase) / Decrease in Stocks</b>	<b>493</b>

### 34. EMPLOYEE BENEFITS EXPENSE

	₹/Lacs
	Year Ended 31 <sup>st</sup> March, 2023
Salaries, Wages and Bonus	10,176
Contribution to Provident and other funds (Refer Note 42)	850
Workers and Staff Welfare Expenses	968
	<b>11,994</b>

### 35. FINANCE COSTS

	₹/Lacs
	Year Ended 31 <sup>st</sup> March, 2023
Interest on borrowings	165
Interest on Lease Liabilities	35
Other (Including interest on deposits)	35
	<b>235</b>

Finance Costs Capitalised ₹190 Lacs for the year ended 31<sup>st</sup> March, 2023. Borrowing costs are capitalised using rates based on specific borrowings ranging from 6.80% to 9.30% per annum.

### 36. OTHER EXPENSES

	₹/Lacs
	Year Ended 31 <sup>st</sup> March, 2023
Stores and Spare Parts Consumed	3,521
Packing Material Consumed	3,751
Processing Charges	1,456
Building & Machinery Maintenance	2,472
Rent	53
Rates and taxes	118
Insurance	328
Directors' Sitting Fees	11

# NOTES

## TO THE CONSOLIDATED FINANCIAL STATEMENTS

	₹/Lacs
	<b>Year Ended 31<sup>st</sup> March, 2023</b>
Directors' Commission	38
Auditors Remuneration (Refer Note 50)	53
Commission on Sales	1,231
Transport and Handling	2,704
Expenditure on Corporate Social Responsibility (CSR) Activities (Refer Note 48)	276
Legal and Professional Fees	377
Miscellaneous Expenses	1,363
	<b>17,752</b>

### 37. FINANCIAL RISK MANAGEMENT OBJECTIVES (IND AS 107)

The Company's principal financial liabilities, other than derivatives, comprises of borrowings, lease, trade and other payables. The main purpose of these financial liabilities is to finance the company's operations. The company's principal financial assets, other than derivatives include trade and other receivables, deposit with banks, investments and cash and cash equivalents that derive directly from its operations.

The Company's activities expose it to market risk, liquidity risk and credit risk. Company's overall risk management focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the company. The company uses derivative financial instruments, such as foreign exchange forward contracts, to hedge foreign currency risk exposure. Derivatives are used exclusively for hedging purposes and not as trading or speculative instruments.

The sources of risks which the company is exposed to and their management are given below:

Risk	Exposure Arising From	Measurement	Management
<b>A. Market Risk</b>			
1) Foreign Exchange Risk	Committed commercial transaction Financial asset and Liabilities not denominated in INR	Cash Flow Forecasting Sensitivity Analysis	Forward foreign exchange contracts
2) Interest Rate	Long Term Borrowings and Short Term Borrowing at variable rates and Investments in Debt Schemes of Mutual Funds	Sensitivity Analysis, Interest rate movements	Portfolio Diversification
3) Commodity Price Risk	Movement in prices of commodities	Sensitivity Analysis, Commodity price tracking	Active inventory management, Sales Price linked to purchase price
<b>B. Credit Risk</b>	Trade receivables, Investments, Derivative financial instruments, Loans	Aging analysis, Credit Rating	Diversification of mutual fund investments, Credit limit and credit worthiness monitoring, Criteria based approval process
<b>C. Liquidity Risks</b>	Borrowings, lease liabilities, Other Liabilities and Liquid investments	Rolling cash flow forecasts Broker Quotes	Adequate unused credit lines and borrowing facilities Portfolio Diversification

The Company has standard operating procedures and investment policy for deployment of surplus liquidity, which allows investment in inter corporate deposits, fixed deposits, debt securities and mutual fund schemes of debt and debt like categories and restricts the exposure in equity markets.

Compliances of these policies and principles are reviewed by internal auditors on periodical basis.

# NOTES

## TO THE CONSOLIDATED FINANCIAL STATEMENTS

The Corporate Treasury team updates the Audit Committee on a quarterly basis to about the implementation of the above policies. It also updates to the Internal Risk Management Committee of the Company on periodical basis about the various risk to the business and status of various activities planned to mitigate the risk.

### A. Market Risk Management:

Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates, commodity prices, equity prices and other market changes that affect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including investments and deposits, foreign currency receivables, payables and borrowings.

- 1) Foreign Currency Risk:** Foreign currency risk is the risk of impact related to fair value or future cash flows of an exposure in foreign currency, which fluctuate due to changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to import of raw materials and spare parts, capital expenditure and exports.

When a derivative is entered for the purpose of being a hedge, the Company negotiates the terms of those derivatives to match the terms of the hedged exposure.

The Company evaluates exchange rate exposure arising from foreign currency transactions. The Company follows established risk management policies and standard operating procedures. It uses derivative instruments like foreign currency forwards to hedge exposure to foreign currency risk.

in Lacs	
Outstanding foreign currency exposure as at	As at 31 <sup>st</sup> March, 2023
<b>Trade receivables</b>	
USD	5
<b>Cash &amp; Cash Equivalent</b>	
EURO	#
USD	#
<b>Trade Payables (Incl. in-transit)</b>	
EURO	1
YEN	46
USD	60
<b>Total Foreign Currency - EURO</b>	<b>1</b>
<b>Total Foreign Currency - YEN</b>	<b>46</b>
<b>Total Foreign Currency - USD</b>	<b>65</b>

Out of USD 65 Lacs Foreign Currency Exposure as 31<sup>st</sup> March, 2023, USD 58 Lacs was hedged.

# EURO 593 and USD 3,065 held as cash and cash equivalent as on 31<sup>st</sup> March, 2023

# NOTES

## TO THE CONSOLIDATED FINANCIAL STATEMENTS

### Forward Exchange Contracts:

**Derivatives for hedging foreign currency risk with respect to outstanding payable/receivables & highly probable forecasted transaction**

in Lacs

Particulars	Purpose	Currency	As at 31 <sup>st</sup> March, 2023
Forward Contracts	Imports	USD	171
Forward Contracts	Imports	Euro	11
Forward Contracts	Imports	Yen	4,180

### Foreign currency sensitivity on unhedged exposure (Net):

100 bps increase in foreign exchange rates will have the following impact on profit before tax. ₹/Lacs

Outstanding foreign currency exposure as at	As at 31 <sup>st</sup> March, 2023
USD	3
Euro	-
YEN	-

Note: If the rate is decreased by 100 bps impact on profit will (increase)/decrease by an equal amount.

**Cash flow Hedge:** The company has foreign currency capital commitment and to mitigate the risk of foreign currency, the company has taken forward cover. The company is following hedge accounting for all the foreign currency capital commitment raised based on qualitative approach.

The Company assesses hedge effectiveness based on following criteria:

- (i) an economic relationship between the hedged item and the hedging instrument
- (ii) the effect of credit risk and
- (iii) assessment of the hedge ratio

The company designates the derivatives to hedge its currency risk and generally applies hedge ratio of 1:1. The company's policies is to match the critical terms of the forward exchange contracts to match with hedge item.

### Recognition of gain/(losses) under foreign exchange contracts designated under cash flow

₹/Lacs

Particulars	As at 31 <sup>st</sup> March, 2023	
	Effective Hedge (OCI)	Ineffective Hedge (Profit and Loss)
Gain	501	-

### 2) Interest rate risk:

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's short-term borrowing. The Company constantly monitors the credit markets and rebalances its financing strategies to achieve an optimal maturity profile and financing cost. Since all the borrowings are on floating rate, no significant risk of change in interest rate.



# NOTES

## TO THE CONSOLIDATED FINANCIAL STATEMENTS

### INR Interest rate exposure:

₹/Lacs			
Particulars	Total borrowings	Floating rate borrowings	Average Interest rate
Total as at 31 <sup>st</sup> March, 2023	6,378	6,378	9.03%

### Interest rate sensitivities for unhedged exposure (impact on increase in 100 bps):

₹/Lacs	
	As at 31 <sup>st</sup> March, 2023
INR	64

Note: If the rate is decreased by 100 bps profit will increase by an equal amount.

Interest rate sensitivity has been calculated assuming the borrowings outstanding at the reporting date have been outstanding for the entire reporting period.

### 3) Commodity price risk

Commodity price risk for the Company is mainly related to fluctuations of raw materials prices linked to various external factors, which can affect the production cost of the Company. Company actively manages inventory and in many cases sale prices are linked to major raw material prices. Energy costs is also one of the primary costs' drivers, any fluctuation in fuel prices can lead to drop in operating margin. To manage this risk, the Company enters into long-term supply agreement for power, identifying new sources of supply etc. Additionally, processes and policies related to such risks are reviewed and managed by senior management on continuous basis.

### B. Credit Risk Management:

Credit risk arises when a customer or counterparty does not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing/ investing activities, including deposits with banks, mutual fund investments, and investments in debt securities, foreign exchange transactions and financial guarantees. The Company has two major customers which represents 75% receivables as on 31<sup>st</sup> March, 2023 and company is receiving payments from these parties within due dates. Hence, the company has no significant credit risk related to these parties.

#### Trade receivables

Trade receivables are consisting of a large number of customers. The Company has credit evaluation policy for each customer and based on the evaluation credit limit of each customer is defined. Wherever the Company assesses the credit risk as high the exposure is backed by either letter of credit or security deposits.

As per simplified approach, the Company makes provision of expected credit losses on trade receivables using a provision matrix to mitigate the risk of default payments and makes appropriate provision at each reporting date wherever outstanding is for longer period and involves higher risk.

#### The Company makes provision for the trade receivable as per the following matrix:

Ageing of Trade Receivables	Provision (%)
Upto 1 Year	Nil
More than 1 Year but less than 2 years	25%
More than 2 Years but less than 3 Years	50%
More than 3 Years	100%

# NOTES

## TO THE CONSOLIDATED FINANCIAL STATEMENTS

### Movement in expected credit loss allowance on trade receivables:

₹/Lacs	
Particulars	As at 31 <sup>st</sup> March, 2023
Opening Balance	714
Add: Provision made during the year	-
Less: Provision utilization during the year	-
Closing Balance	714

### Investments, Derivative Instruments, Cash and Cash Equivalent and Bank Deposit

Credit Risk on cash and cash equivalent, deposits with the banks/financial institutions is generally low as the said deposits have been made with the banks/financial institutions who have been assigned high credit rating by international and domestic rating agencies.

Credit Risk on Derivative Instruments are generally low as Company enters into the Derivative Contracts with the reputed Banks and Financial Institutions.

Investments of surplus funds are made only with approved Financial Institutions/ Counterparty. Investments primarily include investment in units of mutual funds and high investment grade corporates. These Mutual Funds and Counterparties have low credit risk.

Total Non-current and current investments as on 31<sup>st</sup> March, 2023 is ₹ 34,391 Lacs.

### C. Liquidity Risk Management:

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time or at reasonable price. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of credit facilities to meet obligations when due. The Company's treasury team is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management. Management monitors the Company's liquidity position through rolling forecasts based on expected cash flows.

The table below provides details regarding the remaining contractual maturities of financial liabilities and investments at the reporting date based on contractual undiscounted payments.

₹/Lacs				
As at 31 <sup>st</sup> March, 2023	Less than 1 Year	1 to 5 Years	More than 5 Years	Total
Borrowings (including short term borrowing)	1,508	4,870		6,378
Trade payables	10,760	13		10,773
Interest accrued but not due on borrowings	51			51
Other financial liabilities (excluding derivative liability)	1,324	251		1,575
Derivative Liability/ (Assets)	(18)			(18)
Finance Lease Obligation	86	345	83	514
Investments	30,678	1,530	2,196	34,404

# NOTES

## TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 37. (A) - CLASSIFICATIONS OF FINANCIAL ASSETS AND LIABILITIES (IND AS 107):

		₹/Lacs
Particulars		As at 31 <sup>st</sup> March, 2023
<b>Financial Assets at amortised cost#</b>		
Trade receivables		21,704
Other Financial Assets		593
Cash and Cash Equivalents		270
Bank Balance other than Cash & Cash Equivalents		1,332
Fixed Deposits with Financial Institutions		7,200
Taxable Corporate Bonds		9,617
<b>Financial Assets at fair value through profit or loss</b>		
Investments		15,405
<b>Financial Assets at fair value through other comprehensive income</b>		
Investments (Non-Current)		1,296
<b>Total</b>		<b>57,417</b>
<b>Financial Liabilities at amortised cost #</b>		
Term Loan from Banks		6,360
Finance Lease Obligation		406
Other Non-Current Finance Liabilities		251
Cash Credits/Working Capital Borrowings		18
Trade payables		10,773
Other Financial Liabilities		1,375
<b>Fair Value Hedging Instruments</b>		
Derivative Liability/(Asset)		(18)
<b>Total</b>		<b>19,165</b>

# Considering nature of financial assets and financial liabilities, fair value is same as amortized cost.

Investment in Associate amounting to ₹885 Lacs measured at Cost in accordance with Ind AS 27

### 37. (B) - FAIR VALUE MEASUREMENTS (IND AS 113):

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The Company has established the following fair value hierarchy that categorizes the values into 3 levels. The inputs to valuation techniques used to measure fair value of financial instruments are:

Level 1: This hierarchy uses quoted (unadjusted) prices in active markets for identical assets or liabilities. The fair value of all bonds which are traded in the stock exchanges is valued using the closing price or dealer quotations as at the reporting date.

Level 2: The fair value of financial instruments that are not traded in an active market (For example traded bonds, over the counter derivatives) is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on company specific estimates. The mutual fund units are valued using the closing Net Asset Value. If all significant inputs required to fair value an instrument are observable, the instrument is included in Level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3.

# NOTES

## TO THE CONSOLIDATED FINANCIAL STATEMENTS

	₹/Lacs
	<b>Fair Value</b>
	<b>As at</b>
	<b>31<sup>st</sup> March, 2023</b>
<b>Financial Assets at fair value through profit or loss</b>	
Investments –Level 1	105
Investments –Level 2	15,300
<b>Total</b>	<b>15,405</b>
<b>Financial Assets at fair value through other comprehensive income</b>	
Investments –Level 1	1,296
<b>Total</b>	<b>1,296</b>
<b>Fair Value derivative</b>	
Derivative liability/ (Asset) -Level 2	(18)
<b>Total</b>	<b>(18)</b>

The management assessed that fair value of cash and bank balances, trade receivables, trade payables, cash credits and other financial assets and liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

The following methods and assumptions were used to estimate the fair values:

- The fair values of the quoted investments/units of mutual fund schemes are based on market price/net asset value at the reporting date.
- The fair values of unquoted investments are based on net asset value at the reporting date.
- The fair value of forward foreign exchange contracts is calculated as the present value determined using forward exchange rates and interest rate curve of the respective currencies.
- The fair value of the remaining financial instruments is determined using discounted cash flow analysis or based on the contractual terms. The discount rates used is based on management estimates.

### 38. SEGMENT REPORTING (IND AS 108):

The Company is exclusively engaged in the business of synthetic yarn related products primarily in India. As per Ind AS 108 "Operating Segments", specified under Section 133 of the Companies Act, 2013, there are no reportable operating or geographical segments applicable to the Company.

### 39. (A) DISTRIBUTION MADE AND PROPOSED (IND AS 1):

	₹/Lacs
<b>Particulars</b>	<b>Year Ended</b>
	<b>31<sup>st</sup> March, 2023</b>
<b>Proposed dividends on Equity shares:</b>	
Final dividend for the year ended on 31 <sup>st</sup> March, 2023: ₹10.00 Per share.	2,185

Proposed dividends on equity shares are subject to approval at the annual general meeting and are not recognized as a liability.

# NOTES

## TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 39. (B) CAPITAL MANAGEMENT (IND AS 1):

The Company's objectives when managing capital are to (a) maximise shareholder value and provide benefits to other stakeholders and (b) maintain an optimal capital structure to reduce the cost of capital.

For the purposes of the Company's capital management, capital includes issued capital, share premium and all other equity reserves attributable to the equity holders.

The Company monitors capital using debt-equity ratio, which is total debt divided by total equity.

₹/Lacs	
Particulars	As at 31 <sup>st</sup> March, 2023
Total Debt (Bank and other borrowings)	6,378
Equity	1,32,171
<b>Debt to Equity</b>	<b>0.05</b>

In addition, the Company has financial covenants relating to the borrowing facilities that it has taken from the lenders like interest coverage service ratio, Debt to EBITDA, etc. which is maintained by the Company.

### 40. INCOME TAXES (IND AS 12):

#### (i) Reconciliation of Effective Tax Rate:

₹/Lacs	
Particulars	Year Ended 31 <sup>st</sup> March, 2023
Profit before Tax	11,768
Tax Expense	2,736
Effective Tax Rate (in %)	23.249
Effect of Non-Deductible expenses (in %)	(0.590)
Effect of Allowances for tax purpose (in %)	
Effect of Previous year adjustments (in %)	0.586
Effect of (Increase)/Decrease in income Taxable at lower rate (in %)	1.970
Others (in %)	(0.047)
<b>Applicable Tax Rate (in %)</b>	<b>25.168</b>

### 41. LEASES (IND AS 116):

#### (i) Lease Expenses recognized in the Statement of Profit and Loss not included in the measurement of lease liabilities:

₹/Lacs	
Particulars	Year Ended 31 <sup>st</sup> March, 2023
Variable lease payments	-
Expenses relating to leases of low value assets, excluding short term lease of low value assets	(5)

# NOTES

## TO THE CONSOLIDATED FINANCIAL STATEMENTS

(ii) Maturity analysis of lease liabilities – Contractual undiscounted cash flows:

Particulars	₹/Lacs
	Year Ended 31 <sup>st</sup> March, 2023
Less than one year	86
One to five years	345
More than five years	83
<b>Total undiscounted lease liabilities</b>	<b>514</b>
<b>Discounted lease liabilities included in the statement of financial position</b>	<b>406</b>
Current lease liability	55
Non-current lease liability	351

(iii) The weighted average incremental borrowing rate of 8.5% p.a. has been applied for measuring the lease liability at the date of initial application.

(iv) The total cash outflow for leases for year ended 31<sup>st</sup> March, 2023, is ₹ 86 lacs.

### General description of leasing agreements:

- Leased assets: Land, Plant & Machinery, Godowns, Offices.
- Future lease rentals are determined based on agreed terms.
- At the expiry of lease terms, the Company has an option to return the assets or extend the term by giving notice in writing.
- Lease agreement are generally cancellable and are renewed by mutual consent on mutually agreed terms.

### 42. DISCLOSURES IN ACCORDANCE WITH IND AS-19 ON “EMPLOYEE BENEFITS”

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

Particulars	₹/Lacs
	FY 2023
Employer's Contribution to Provident Fund and Employee's Pension Scheme, 1995	550
Employer's Contribution to Superannuation Fund	50
Employer's Contribution to Employee's State Insurance	12
<b>Total</b>	<b>612</b>

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

#### Gratuity:

**Inherent Risk -** The plan is defined benefit in nature which is sponsored by the Company and hence it underwrites all the risks pertaining to the plan. In particular, this exposes the Company to actuarial risk such as adverse salary growth, change in demographic experience, inadequate return on underlying plan assets. This may result in an increase in cost of providing these benefits to employees in future. Since the benefits are lump sum in nature, the plan is not subject to any longevity risks.

The Company operates a gratuity plan which is administered through Insurance Policies 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.



# NOTES

## TO THE CONSOLIDATED FINANCIAL STATEMENTS

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

₹/Lacs	
Particulars	As at 31 <sup>st</sup> March, 2023
Opening DBO	3,883
Current Service Cost	193
Interest on DBO	268
Remeasurement due to:	
Actuarial loss/ (gain) arising from change in financial assumption	(59)
Actuarial loss/ (gain) arising from change in demographic assumption	34
Actuarial loss/ (gain) arising on account of experience change	5
Transfer In / (Out)	7
Benefits Paid	(392)
Acquisition Adjustment	-
<b>Closing DBO</b>	<b>3,939</b>

- ii) A reconciliation of the opening and closing balances of the fair value of plan assets:

₹/Lacs	
Particulars	As at 31 <sup>st</sup> March, 2023
Opening Fair Value of Plan Assets	3,819
Interest on Plan Assets	264
Remeasurement due to:	
Actuarial loss/ (gain) arising on account of experience change	(62)
Contribution by the Employer	71
Benefits Paid	(392)
Transfer In / (Out)	7
<b>Closing Fair Value of Plan Assets</b>	<b>3,707</b>

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

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

₹/Lacs	
Particulars	As at 31 <sup>st</sup> March, 2023
Present value of Defined Benefit Obligation	3,939
Fair value of Plan Assets	(3,707)
<b>Net Liability recognised in the Balance Sheet</b>	<b>232</b>
<b>Long Term Provisions</b>	<b>232</b>

# NOTES

## TO THE CONSOLIDATED FINANCIAL STATEMENTS

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

₹/Lacs	
Particulars	FY 2023
Current Service Cost	193
Interest Cost on defined benefit liability / (assets)	4
<b>Total</b>	<b>197</b>

v) Amount recorded in Other Comprehensive Income

₹/Lacs	
Particulars	As at 31 <sup>st</sup> March, 2023
Remeasurement due to:	
Changes in financial assumptions	(59)
Changes in demographic	34
Experience Adjustments	5
Actual return on plan assets less interest on plan assets	62
<b>Closing amount recognised in OCI outside profit and loss</b>	<b>42</b>

vi) Maturity Profile of defined benefit obligation:

₹/Lacs	
Particulars	As at 31 <sup>st</sup> March, 2023
Weighted average duration (based on discounted cashflows)	4 Years
Within the next 12 months	828
Above 1 and within 5 years	2,503
Above 5 and within 10 years	1,198
10 years and above	1,260

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

	As at 31 <sup>st</sup> March, 2023	
	Amount (₹/Lacs)	Rate (%)
Insurer Managed Funds	3,707	100%
<b>Total</b>	<b>3,707</b>	<b>100%</b>

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

ix) Following are the Principal Actuarial Assumptions used as at the balance sheet date:

Rate %	
Particulars	As at 31 <sup>st</sup> March, 2023
Discount Rate	7.35%
Salary Escalation Rate	7.00%
Attrition Rate (Average Rate of 4 Age Groups)	8.00%
Mortality Rate	100% of IALM 2012-14

# NOTES

## TO THE CONSOLIDATED FINANCIAL STATEMENTS

- x) Amounts recognised to Gratuity:

		₹/Lacs
Particulars		As at 31 <sup>st</sup> March, 2023
Defined Benefit Obligation		3,939
Plan Assets		3,707
Surplus / ( Deficit )		(232)
Experience Adjustment on Plan Liabilities		5
Experience Adjustment on Plan Assets		(62)

- xi) Expected Contribution to the Funds in the next year:

		₹/Lacs
Particulars		FY 2024
Gratuity		397
Provident Fund and Employee's Pension Scheme, 1995		319

- xii) Sensitivity Analysis:

		Rate %
Particulars		As at 31 <sup>st</sup> March, 2023
Impact of increase in 50 bps on discounting rate on DBO		(2.1%)
Impact of decrease in 50 bps on discounting rate on DBO		2.20%
Impact of increase in 50 bps on salary escalation rate on DBO		2.00%
Impact of decrease in 50 bps on salary escalation rate on DBO		(1.9%)
Impact of increase in 50% of attrition rate on DBO		1.00%
Impact of decrease in 50% of attrition rate on DBO		(1.3%)

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

- xiv) **Asset liability matching strategy:**

The money contributed by the Company to Gratuity Fund has to be invested. The trustee have outsourced management of investment to an Insurance Company. The Insurance Company in turn manage these funds as per mandate provided by the trustees and the asset allocation which is with in permissible limits prescribed in insurance regulations. Due to restrictions in type of investments that can be held by the fund it is not possible to explicitly follow asset liability matching strategy. There is no compulsion on the part of company to fully prefund liability of the plan. The Company fund these benefit based on known liability and Level of underfunding of the plan.

### Provident Fund:

The Company makes contribution towards Provident fund for certain eligible employees to the trust, set up and administered by the Company, in line with the Provident Fund and Miscellaneous Provisions Act, 1952. The plan guarantees interest at the rate notified by the Provident Fund Authorities. The contribution by the employer and employee together with the interest accumulated thereon are payable to employees at the time of their separation from the company or retirement, whichever is earlier. The benefits vest immediately on rendering of the services by the employee. The rules of the trust provides that if the board of trustees are unable to pay interest at the rate declared by the government under Para 60 of the Employees provident fund scheme, 1972 for the reason that the return on investment is less or for any other reason, then the deficiency shall be made good by the Company making interest shortfall a defined benefit plan. Accordingly, the Company has obtained actuarial valuation and based on the below provided assumptions there is no deficiency as at the balance sheet date. Hence, the liability is restricted towards monthly contributions only.

# NOTES

## TO THE CONSOLIDATED FINANCIAL STATEMENTS

Particulars	₹/Lacs
	As at 31 <sup>st</sup> March, 2023
Present value of Defined Benefit Obligation	11,625
Fair value of Plan Assets	(11,625)
Net Liability recognised in the Balance Sheet	-

Following are the Principal Actuarial Assumptions used as at the balance sheet date:

Particulars	₹/Lacs
	As at 31 <sup>st</sup> March, 2023
Discount Rate	7.31%
Expected rate of return on Plan Assets	7.31%
Discount Rate for the remaining term to Maturity of the Investment Portfolio	7.45%
Average Historic Yield on the Investment Portfolio	7.88%
Guaranteed Rate of Return	8.15%
Mortality Rate	100% of IALM 2012-14
Attrition Rate	6.00%

**C) Amount recognised as an expense in respect of Compensated Absences is ₹ 244 lacs**

### 43. RELATED PARTY DISCLOSURES (IND AS 24)

**(A) Related Parties with whom there were transactions during the year:**

Parties	Relationship
Mrs. Rajashree Birla - Non-Executive Director	Key Management Personnel (KMP)
Mr. Sohanlal K. Jain - Independent Director	Key Management Personnel (KMP)
Mr. Krishna S. Thar - Independent Director	Key Management Personnel (KMP)
Ms. Krupa R. Gandhi - Independent Director	Key Management Personnel (KMP)
Mr. Suresh Sodani - Managing Director	Key Management Personnel (KMP)
Mr. Devajyoti N. Bhattacharya - Non-Executive Director	Key Management Personnel (KMP)
Century Enka Ltd Employee's Provident Fund	Post-Employment Benefit Plan
ABReL Century Energy Limited	Associate

**(a) The following transactions were carried out with the related parties in the ordinary course of business:**

Nature of Transaction/Relationship	₹/Lacs
	Year Ended 31 <sup>st</sup> March, 2023
<b>Services received from:</b>	
KMP (Director's Sitting Fees and Commission)	49

# NOTES

## TO THE CONSOLIDATED FINANCIAL STATEMENTS

### (b) Compensation of key management personnel of the Company:

₹/Lacs	
Nature of Transaction/Relationship	Year Ended 31 <sup>st</sup> March, 2023
Short-term employee benefits	289
Other long-term benefits #	37
<b>Total compensation paid to key management personnel</b>	<b>326</b>

Based on the recommendation of the Nomination, Remuneration and Compensation Committee, all decisions relating to the remuneration of the Directors are taken by the Board of Directors of the Company, in accordance with shareholders' approval, wherever necessary.

# Includes Actuarial Valuation pertaining to Gratuity and compensated absences as per Ind AS 19.

### (c) Contribution to:

₹/Lacs	
Nature of Transaction	Year Ended 31 <sup>st</sup> March, 2023
Post-Employment Benefit Plan	218

### (d) Transactions with Associates : Investment of ₹885 Lacs made during the financial year 2022-23.

### 44. EARNINGS PER SHARE (EPS) (IND AS 33):

Particulars	As at 31 <sup>st</sup> March, 2023
Basic/Diluted EPS:	
(i) Net Profit attributable to Equity Shareholders (₹/Lacs)	9,032
(ii) Weighted average number of Equity Shares outstanding (Nos.) [For Basic & Diluted EPS]	2,18,50,589
<b>Basic/ Diluted EPS in ₹ Per share (Face Value ₹10 per share) (i)/(ii)</b>	<b>41.34</b>

### 45. OTHER STATUTORY INFORMATION

- No proceedings have been initiated on or are pending against the company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.
- The Company have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
  - directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
  - provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries
- The Company has transactions with the companies struck off under Companies Act, 2013, details is in below table.

₹/Lacs			
Name of the Company	Nature of Transaction	Balance Outstanding as on 31 <sup>st</sup> March, 2023	Relationship
Complete safety & security limited	Payable	1	Non related party

# NOTES

## TO THE CONSOLIDATED FINANCIAL STATEMENTS

- d) The Company has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.
- e) There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.
- f) The company has not traded or invested in crypto currency or virtual currency during the current or previous year.
- g) There are no charges or satisfaction which are yet to be registered with the Registrar of Companies beyond the statutory period.
- h) The Company have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
  - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
  - (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries

### 46. CONTINGENT LIABILITIES (TO THE EXTENT NOT PROVIDED FOR) (IND AS 37):

- (a) Claims against the Company not acknowledged as debt:

		₹/Lacs
Particulars	Brief Description	As at 31 <sup>st</sup> March, 2023
(i) Excise, Service Tax & Custom Matters	Matters relates to valuation, disallowances of input tax credit	326

The above amount of contingencies does not include applicable interest, if any. Cash outflows for the above are determinable only on receipt of judgments pending at various forums / authorities.

- (b) Excise Department had issued an order dated 31<sup>st</sup> December, 2013 denying the applicability of Notification No. 6/2000 dated 1<sup>st</sup> March, 2000 and raised a demand of ₹22,927 lacs plus interest thereon and penalty equivalent to duty demand amount. In this matter, CESTAT in its order dated 20<sup>th</sup> December, 2019, upheld the denial of aforesaid notification and remanded back the matter to Central Excise Department to redetermine quantum of duty short paid, imposition of equal amount of penalty on redetermined amount of duty demand and applicable interest. The Commissioner, CGST & Central Excise, Raigad has re-determined assessable value pursuant to order of CESTAT and confirmed the demand amounting to ₹730 lacs (as against above demand of ₹22,927 lacs), interest at appropriate rate on the duty and equal amount of penalty vide its order dated 8<sup>th</sup> September, 2020. Against the said order of the Commissioner, CGST & Central Excise, Raigad, Department has filed an appeal before the Appellate Tribunal.

The Company's appeal in the matter is pending before the hon'ble Supreme Court of India. The Company has deposited the amount of duty of ₹730 Lacs under protest. The Company has been advised by legal experts that it has a fair chance of ultimately succeeding in the matter and accordingly no provision is required to be made in the accounts.

- (c) Foreseeable Losses: The Company has a process whereby periodically all long term contracts are assessed for material foreseeable losses. At the year end, the Company has reviewed and ensured that adequate provision as required under any law/ applicable accounting standards for material foreseeable losses on such long term contracts has been made in the books of account.
- (d) Pending litigations: The Company has reviewed its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed the contingent liabilities where applicable, in its financial statements. The Company does not expect the outcome of these proceedings to have a materially adverse effect on its financial statements.

# NOTES

## TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 47. CAPITAL AND OTHER COMMITMENTS:

- (a) Estimated amount of contracts remaining to be executed on capital account, not provided for (net of advances) as on 31<sup>st</sup> March, 2023 is ₹7083 Lacs.
- (b) Other Commitments: The Company has non-cancellable agreements with Gas Utilities Company for purchase of LNG. Under this agreement, the Company is committed to purchase certain annual minimum quantity of LNG failing which it will pay the seller for any shortfall in offtake of LNG based on an agreed formula. The cost of the minimum committed quantity as at 31<sup>st</sup> March, 2023 for the remaining period of the contract at current market prices approximates ₹11531 Lacs. Based on the current projection Company does not expect shortfall in offtake of minimum committed quantity and therefore no material foreseeable losses are expected.

### 48. CORPORATE SOCIAL RESPONSIBILITY:

	₹/Lacs
	Year Ended 31 <sup>st</sup> March, 2023
Total amount excess / shortfall pertaining to previous year	Nil
Gross amount required to be spent under section 135 of the Companies Act, 2013	276
Total amount spent during the year (Refer Note- 36)	
(i) Construction/ acquisition of any asset	-
(ii) On purpose other than (i) above	276
<b>Total amount excess / shortfall at the end of year out of the required amount to be spent</b>	<b>Nil</b>

#### Amount of Corporate Social Responsibility is spent towards:

	₹/Lacs
	Year Ended 31 <sup>st</sup> March, 2023
Vocational Training	39
Promotion of School Education	141
Health Care, Medical facility and drinking water	21
Disaster Management	-
Rural Infrastructure Development other than mentioned above	75
<b>Total</b>	<b>276</b>

### 49. DISCLOSURE UNDER THE MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT ACT, 2006:

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

	₹/Lacs	
	FY 2023	
	Principal	Interest
Principal Amount and Interest due thereon remaining unpaid at the end of the year	83	--
The amount of interest paid as per terms of section 16 of the MSMED Act along with the amount of payment made beyond the due date	969	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the due date during the year) but without adding the interest specified under the act	-	-
Interest amount due and unpaid as at the end of the year	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.		

The above information has been determined to the extent such parties have been identified on the basis of information available with the Company and the same has been relied upon by the auditors.



# NOTES

## TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 50. AUDITORS' REMUNERATION (EXCLUDING TAXES) AND EXPENSES:

		₹/Lacs
Brief Description	As at	
	31 <sup>st</sup> March, 2023	
<b>(a) Statutory Auditors:</b>		
Audit fees (including quarterly Limited Review)		45
Tax audit fees		6
Fees for other services		-
Expenses reimbursed		2
		<b>53</b>
<b>(b) Cost Auditors:</b>		
Audit fees		<b>3</b>

### 51. REVENUE FROM CONTRACTS (IND AS 115):

The Company is primarily in the business of manufacture and sale of Synthetic Yarn. Sales are made at a point in time and revenue from contract with customer is recognised when goods are dispatched and the control over the goods sold is transferred to customers. The Company does not expect to have any contracts where the period between the transfer of goods and payment by customer exceeds one year. Hence, the Company does not adjust revenue for the time value of money.

#### a) Revenue recognised from Contract liability (Advances from Customers):

		₹/Lacs
	As at	
	31 <sup>st</sup> March, 2023	
<b>Closing Contract liability</b>		<b>404</b>

The Contract liability outstanding at the beginning of the year has been recognised as revenue during the year ended March 31<sup>st</sup>, 2023.

#### b) Reconciliation of revenue as per contract price and as recognised in statement of profit and loss:

		₹/Lacs
	As at	
	31 <sup>st</sup> March, 2023	
Revenue as per Contract Price		2,09,537
Less: Discounts		2,753
<b>Revenue as per statement of profit and loss</b>		<b>2,06,784</b>

### 52. INTEREST IN ASSOCIATES

Details of Associate of the Company is set out below. The country of incorporation is also their principal place of business and the proportion of ownership interest is the same as the proportion of voting rights held. The Company's interests in this entity is accounted for using equity method in the Consolidated Financial statements.

Name of Entity	Country of Incorporation	Proportion of Ownership Interest %	Carrying Amount (₹/Lacs)
		31 <sup>st</sup> March, 2023	31 <sup>st</sup> March, 2023
ABReL Century Energy Limited	India	26%	873

# NOTES

## TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 53. SUMMARISED FINANCIAL INFORMATION OF INDIVIDUALLY IMMATERIAL ASSOCIATE:

The Company also has interest in immaterial Associates that are accounted for using equity method of accounting. Below is the combined financial information with respect **ABReL Century Energy Limited**

₹/Lacs

Particulars	Year Ended 31 <sup>st</sup> March, 2023
Aggregate Carrying Amount of individually immaterial Associate	873
Profit or (Loss) before Tax	(12)
Profit or (Loss) after Tax	(12)
Other Comprehensive Income	-
Total Comprehensive Income/(Loss)	(12)

### 54. ADDITIONAL INFORMATION AS REQUIRED BY PARAGRAPH 2 OF PART III - GENERAL INSTRUCTION FOR PREPARATION OF CFS OF SCHEDULE III OF THE COMPANIES ACT, 2013:

S No.	Name of the entity	Net Assets i.e. total assets minus total liabilities		Share in profit or (loss)		Share in Other Comprehensive Income (OCI)		Share in Total Comprehensive Income (TCI)	
		As % of consolidated net assets	Amount (₹/Lacs)	As % of consolidated profit / (loss)	Amount (₹/Lacs)	As % of consolidated OCI	Amount (₹/Lacs)	As % of consolidated TCI	Amount (₹/Lacs)
<b>1</b>	<b>Parent</b>								
	Century Enka Limited	99%	1,31,298	100%	9,044	100%	256	100%	9,300
<b>2</b>	<b>Associate - Indian</b>								
(i)	ABReL Century Energy Limited	1%	873	0%	(12)	0%	0	0%	(12)
	<b>Total</b>	<b>100%</b>	<b>1,32,171</b>	<b>100%</b>	<b>9,032</b>	<b>100%</b>	<b>256</b>	<b>100%</b>	<b>9,288</b>

### 55. CHANGES IN INDIAN ACCOUNTING STANDARDS W.E.F 1<sup>ST</sup> APRIL 2023:

On 31<sup>st</sup> March, 2023 the Ministry of Corporate Affairs ("MCA") amended the Companies (Indian Accounting Standards) Rules, 2015 by issuing the Companies (Indian Accounting Standards) Amendment Rules, 2023, applicable from 1<sup>st</sup> April, 2023, as below :

- Ind AS 1 - Presentation of Financial Statements: The amendments require companies to disclose their material accounting policies rather than their significant accounting policies. Accounting policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of general purpose financial statements
- Ind AS 12 - Income Taxes: The amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of Ind AS 12 (recognition exemption) so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences.

# NOTES

## TO THE CONSOLIDATED FINANCIAL STATEMENTS

3. Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors: The amendments will help entities to distinguish between accounting policies and accounting estimates. The definition of a change in accounting estimates has been replaced with a definition of accounting estimates. Under the new definition, accounting estimates are “monetary amounts in financial statements that are subject to measurement uncertainty”. Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty.

The Company is evaluating the impact, if any, in its financial statements.

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For and on behalf of the Board of Directors

For **KKC & Associates LLP**  
(formerly Khimji Kunverji & Co LLP)  
Chartered Accountants  
(FRN 105146W/W100621)

**Kamlesh R Jagetia**  
Partner  
Membership No. 139585

Place : Mumbai  
Date : 18<sup>th</sup> May, 2023

**S. K. Jain**  
Director  
DIN: 02843676

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

Place : Mumbai  
Date : 18<sup>th</sup> May, 2023

**Suresh Sodani**  
Managing Director  
DIN: 08789604

**Rahul Dubey**  
Company Secretary

## FINANCIAL HIGHLIGHTS

### OPERATING RESULTS

₹/Lacs

FINANCIAL YEAR	Standalone					Consolidated
	2022-23	2021-22	2020-21	2019-20	2018-19	2022-23
<b>INCOME</b>						
Revenue from Operations (Net)	207205	209783	122280	142348	179138	207205
Other Income	1904	2063	2202	4223	2163	1904
	<b>209109</b>	<b>211846</b>	<b>124482</b>	<b>146571</b>	<b>181301</b>	<b>209109</b>
<b>EXPENDITURE</b>						
Materials & Overheads ( + / - Stock Adj. )	192972	183354	110245	133027	164087	192972
Share in Loss of associate (net of tax)	-	-	-	-	-	(12)
<b>PROFIT BEFORE EXCEPTIONAL ITEM, FINANCE COST, DEPRECIATION AND TAX</b>	<b>16137</b>	<b>28492</b>	<b>14237</b>	<b>13544</b>	<b>17214</b>	<b>16125</b>
Exceptional Item	-	-	(819)	-	(454)	-
<b>PROFIT BEFORE FINANCE COST, DEPRECIATION AND TAX</b>	<b>16137</b>	<b>28492</b>	<b>13418</b>	<b>13544</b>	<b>16760</b>	<b>16125</b>
Less : Finance Cost	235	124	155	349	346	235
PROFIT BEFORE DEPRECIATION AND TAX	15902	28368	13263	13195	16414	15890
Less : Depreciation / Amortisation	4122	3962	4088	4550	4504	4122
Less : Tax Expenses	2736	5,990	2,083	(908)	4252	2736
<b>NET PROFIT</b>	<b>9044</b>	<b>18416</b>	<b>7092</b>	<b>9553</b>	<b>7658</b>	<b>9032</b>
DIVIDEND ( % )	100%	100%	80%	80%	70%	100%
EARNING PER SHARE ( ₹ )	41.39	84.28	32.46	43.72	35.05	41.34
CASH EARNINGS PER SHARE ( ₹ )	59.18	100.66	52.80	51.37	57.63	59.12
BOOK VALUE PER SHARE ( ₹ )	604.96	572.39	498.35	468.99	437.01	604.90

### STATEMENT OF ASSETS AND LIABILITIES

₹/Lacs

FINANCIAL YEAR	Standalone					Consolidated
	As on 31.03.2023	As on 31.03.2022	As on 31.03.2021	As on 31.03.2020	As on 31.03.2019	As on 31.03.2023
<b>A. ASSETS</b>						
Property Plant Equipment and Intangible Assets	75102	54450	49337	53073	55010	75102
Non-Current Investments	3725	2602	1321	315	1039	3713
Long Term Loans and Advances	236	234	209	219	207	236
Other Non Current Assets	1168	2399	1100	1127	938	1168
Current Assets	82042	92574	82051	71653	65928	82042
<b>( A )</b>	<b>162273</b>	<b>152259</b>	<b>134018</b>	<b>126387</b>	<b>123122</b>	<b>162261</b>
<b>B. EQUITY AND LIABILITIES</b>						
<b>Equity</b>						
Share Capital	2185	2185	2185	2185	2185	2185
Other Equity	129998	122883	106704	100289	93302	129986
	<b>132183</b>	<b>125068</b>	<b>108889</b>	<b>102474</b>	<b>95487</b>	<b>132171</b>
<b>Non-Current Liabilities</b>						
Long Term Borrowings	4870	616	497	974	2102	4870
Deferred Tax Liabilities (Net)	7213	7323	7813	8275	11153	7213
Long Term Liabilities & Provisions	2899	2048	2130	2014	1487	2899
	<b>14982</b>	<b>9987</b>	<b>10440</b>	<b>11263</b>	<b>14742</b>	<b>14982</b>
<b>Current Liabilities</b>						
Short Term Borrowings	1508	419	314	22	-	1508
Trade Payables, Liabilities and Provisions	13600	16785	14375	12628	12893	13600
	<b>15108</b>	<b>17204</b>	<b>14689</b>	<b>12650</b>	<b>12893</b>	<b>15108</b>
<b>( B )</b>	<b>162273</b>	<b>152259</b>	<b>134018</b>	<b>126387</b>	<b>123122</b>	<b>162261</b>



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