



CENTURY ENKA LIMITED



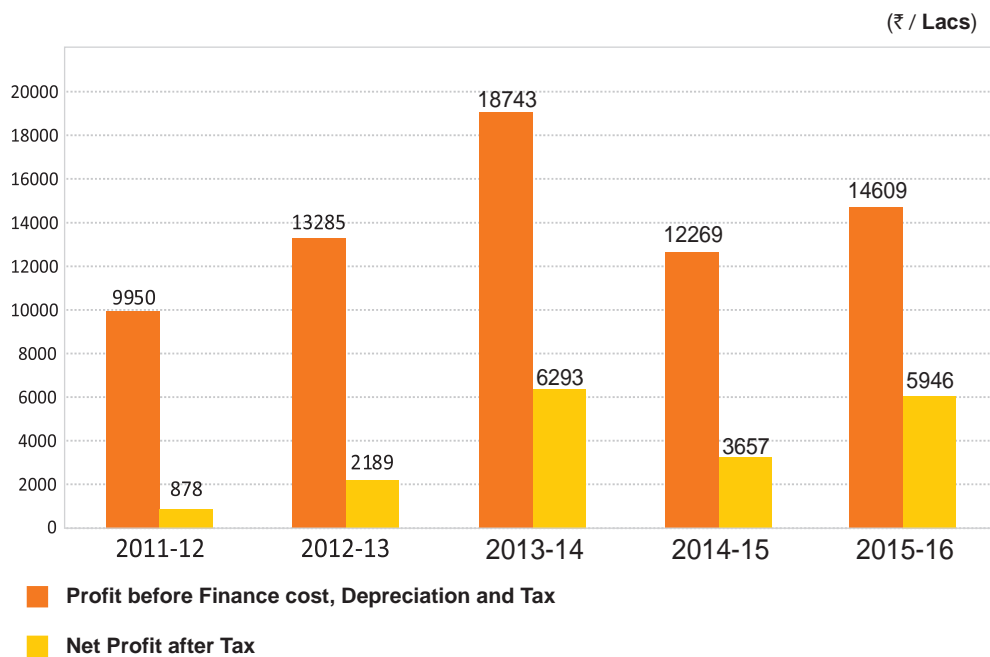
50th Annual Report 2015-2016

QUALITY driven!



Mr. B.K. Birla - Chairman

PROFIT





Fiftieth Annual Report 2015-16

CENTURY ENKA LIMITED

BOARD OF DIRECTORS

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

KEY MANAGERIAL PERSONNEL

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

AUDITORS

Messrs. Price Waterhouse

BANKERS

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

REGISTERED OFFICE

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

MUMBAI OFFICE

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

FACTORIES

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

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

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

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

SHARE TRANSFER AGENT

LINK INTIME INDIA PRIVATE LIMITED

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

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

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

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

FINANCIAL RESULTS

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

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

DIVIDEND

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

COURSE OF BUSINESS AND OUTLOOK

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

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

EXCISE DUTY DEMAND

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

EXPANSION AND MODERNISATION

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

HEALTH, SAFETY AND ENVIRONMENT

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

All Plant sites of the Company are environment regulations compliant.

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

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

CORPORATE GOVERNANCE

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



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

POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION :

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

Policy on Directors' Appointment

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

Policy on Remuneration

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

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

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

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

DECLARATION OF INDEPENDENCE BY THE INDEPENDENT DIRECTORS

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

DIRECTORS' RESPONSIBILITY STATEMENT

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

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

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

DIRECTORS

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

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

NUMBER OF MEETINGS OF BOARD OF DIRECTORS

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

DETAILS OF COMMITTEE OF DIRECTORS

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

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



KEY MANAGERIAL PERSONNEL

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

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

PARTICULARS OF CONTRACT OR ARRANGEMENT WITH RELATED PARTY

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

LOANS, INVESTMENTS AND GUARANTEES BY THE COMPANY

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

INTERNAL FINANCIAL CONTROLS

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

FIXED DEPOSITS

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

RISK MANAGEMENT

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

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

WHISTLE BLOWER MECHANISM

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

CORPORATE SOCIAL RESPONSIBILITY

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

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

ANALYSIS OF REMUNERATION

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

AUDITORS

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

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

SECRETARIAL AUDIT REPORT

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

PARTICULARS OF EMPLOYEES

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

EXTRACT OF ANNUAL RETURN

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

For and on behalf of the Board of Directors

Place : Mumbai
Date : May 04, 2016

RAJASHREE BIRLA
G.M. SINGHVI
Directors



ANNEXURE TO DIRECTORS' REPORT

Annexure - I

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

(A) CONSERVATION OF ENERGY

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

i. Steps taken or impact on conservation of energy

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

ii. Steps taken for Utilisation of alternate sources of energy

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

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

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

ii Benefits derived as a result of the above efforts :

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

iii Information regarding imported technology

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

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

iv Expenditure on Research & Development

(₹ / Lacs)

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

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

(B) TECHNOLOGY ABSORPTION

i Efforts made towards technology absorption:

- Modification in air conditioning system to improve process conditions.

(C) FOREIGN EXCHANGE EARNINGS AND OUTGO

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

**ANNEXURE TO DIRECTORS' REPORT****Annexure - II**

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

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

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

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

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

(₹ / Lacs)

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

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

G.M. Singhvi
(Whole-time Director)

B.S.Mehta
(Chairman CSR Committee)

Place: Mumbai
Date: May 04, 2016

DETAILS OF CSR ACTIVITIES

(₹ /Lacs)

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



ANNEXURE TO DIRECTORS' REPORT

Annexure - III

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

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

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

* Directors Remuneration is including sitting fees

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

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



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

ANNEXURE TO DIRECTORS' REPORT

Annexure - IV

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

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

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

NOTES:

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

For and on behalf of the Board of Directors

RAJASHREE BIRLA
G.M. SINGHVI
Directors

Place : Mumbai
Date : May 04, 2016