

# CENTURY ENKA LIMITED



## 51<sup>st</sup> Annual Report 2016-2017

QUALITY driven!

# Chairman's Message



Dear Shareholders,

The passage of constitutional amendment paved the way for introduction of GST and is expected to have positive impact on organized sector and the Indian economy as a whole. With GDP growth projection of 7.4% for the year 2017-18, there is good prospects for economic growth.

Your Company witnessed optimum utilization of existing capacities in the year 2016-17. Profit has been good, despite pressure on margins, on the back of inventory gains due to steep rise in Caprolactam prices. The prices are now on declining trend and thus the year 2017-18 could witness reversal of inventory gains. In the long run stable Caprolactam prices would auger well for the business.

Nylon tyre cord demand is expected to remain stagnant or witness marginal decline. Your company is therefore evaluating diversification into polyester tyre cord and other reinforcement materials for tyre as a future growth plan.

It is a matter of satisfaction that your company has been able to maintain its leadership in nylon yarn for textiles and will further consolidate its position.

Last year, the Company had declared a dividend at the rate of 75% (which included a special dividend at the rate of 15% to commemorate our Golden Jubilee). For this year, we have proposed a dividend at the rate of 70%.

I would like to add that since the Company is in a commodity business, it is of utmost importance to have a strong balance sheet to withstand price volatility and minimising dependence on borrowings.

I should assure the shareholders that a stable dividend policy is our goal and commitment.

I would like to extend my gratitude to all our stakeholders, including shareholders, customers, lenders and our loyal, hard working and committed employees, for their continued support and faith in the Company.

**B.K. Birla**  
Chairman



## Fifty First Annual Report 2016-17

## 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. O. R. Chitlange (Managing Director) w.e.f. 16.05.2017  
 Mr. G. M. Singhvi (Whole-time Director) upto 15.05.2017

## KEY MANAGERIAL PERSONNEL

Mr. K. G. Ladsaria - Chief Financial Officer (w.e.f.13.02.2017)  
 Mr. D. B. Roonghta - Chief Financial Officer (upto12.02.2017)  
 Mr. C. B. Gagrani - Company Secretary

## AUDITORS

Messrs. Khimji Kunverji & Co.

## BANKERS

Bank of Maharashtra  
 State Bank of India

HDFC Bank  
 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

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

Rajashree Polyfil  
 Rajashree Nagar, Post: Umalla-393120  
 Dist.: Bharuch  
 Tel. No. 02640-308555  
 Fax No. 02640-308510  
 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-101, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai - 400 083.  
 Tel. : 022-49186270 Fax : 022-49186060

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**DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH, 2017****Dear Shareholders,**

Your Directors present the 51st Annual Report and Audited Financial Statements of the Company for the year ended 31st March, 2017.

Profit after Finance Cost but Before Tax has increased by 58% during the year. This was due to overall improvement in plant operations, higher sales both in quantitative term as well as value and lower finance cost.

**FINANCIAL RESULTS**

	₹ / Lacs	
	<b>This Year</b>	Previous Year
Net Revenue from Operations (Net of Excise Duty)	<b>118531</b>	114848
Profit before Depreciation, Finance Cost, Exceptional Items and Tax	<b>19736</b>	14624
Add / (Less) :		
Depreciation	<b>(4237)</b>	(4094)
Finance Cost	<b>(562)</b>	(956)
Exceptional Item (Note 1)	<b>(958)</b>	(754)
Taxation (Net)	<b>(4882)</b>	(2910)
<b>Net Profit</b>	<b>9097</b>	5910

Note 1: Exceptional item in this year represents impairment loss for some polyester spinning machines (previous year write-down of Continuous Polyester Polymerisation Unit).

Figures for previous year have undergone change consequent to transition to Ind AS, on first time adoption of Ind AS.

**DIVIDEND**

We recommend a dividend at the rate of 70% (i.e. ₹ 7/- per Equity Share of ₹ 10/- each) for the year ended 31st March, 2017 (Previous year dividend at the rate of 75% i.e. ₹ 7.50 per equity share of ₹ 10/- each which includes a special dividend to commemorate Golden Jubilee Year at the rate of 15% i.e. ₹ 1.50 per equity share).

**TRANSFER TO RESERVES**

It is proposed to transfer ₹ 900 lacs (Previous year ₹ 600 lacs) to General Reserve.

**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 business engineering undertaken in earlier years by converting polyester spinning machines into nylon spinning machines, with strong in-house technical support, has given

good results and led your Company to market leadership in a fragmented market with large number of players. Nylon Tyre Cord Fabric (NTCF) plants at both the sites are operating at full capacity. High energy cost is a matter of concern and continuous efforts are made in that direction to procure cheaper power. Your Company has been able to conclude a long term Open Power Purchase Agreement effective from 6th April, 2017 for its Bharuch Site that will result in savings in power cost.

**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. 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**

During the year, your Company has commissioned nylon textile mother yarn spinning machine and further converted part of polyester yarn spinning machines into nylon yarn spinning machines. Your Company continues its focus on conversion of polyester spinning machines into nylon spinning machines and will convert some more polyester spinning machines during the year. The Company plans to undertake debottlenecking of its NTCF dipping capacity and would install required machines for conversion of additional quantities of tyre cord into tyre cord fabric. Your Company, to widen its product basket, is actively considering to use a part of its conversion and dipping capacity for polyester tyre cord fabric and also use dipping facility for rayon tyre cord fabric.

The Company has planned to replace some old equipment to improve efficiency and savings in energy cost.

**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 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 Regulation 34(3) of 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 10th May, 2017 in this regard, are annexed hereto and form 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 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 thereunder, 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 meet 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 declarations 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(3)(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 :

- that in the preparation of the annual accounts, the applicable accounting standards had been followed alongwith proper explanation relating to material departure;
- 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;
- 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;
- that the directors had prepared the annual accounts on a going concern basis;
- 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
- 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, Mrs. Rajashree Birla, Director of the Company will retire by rotation and being eligible, offers herself for re-appointment.

Mr. G.M. Singhvi's tenure as a Whole-time Director of the Company will come to an end on 15th May, 2017. Your Company wishes to place on record its appreciation for the valuable services rendered by Mr. G.M. Singhvi during his long tenure with the Company.

Mr. O.R. Chitlange has been appointed as Managing Director for a period of 5 years effective from 16th May, 2017, subject to approval of the members in the forthcoming Annual General Meeting of the Company.

### NUMBER OF MEETINGS OF BOARD OF DIRECTORS

The Board of Directors have met 5 times and Independent Directors once during the year ended 31st March, 2017.

### DETAILS OF COMMITTEES OF DIRECTORS

Composition of Audit Committee of Directors, Nomination and Remuneration Committee of Directors, Corporate Social Responsibility Committee of Directors, Stakeholders Relationship/Grievance Committee of Directors and Share Transfer Committee of Directors, number of meetings held of each Committee of Directors during the financial year 2016-17 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, have been accepted by it.

### KEY MANAGERIAL PERSONNEL

Mr. G.M. Singhvi is the Whole-time Director of the Company, whose tenure will come to an end on 15th May, 2017.

Mr. O.R. Chitlange, has been appointed as the Managing Director of the Company effective from 16th May, 2017, subject to approval of the shareholders.

Mr. K.G. Ladsaria has been appointed as the Chief Financial Officer (CFO) of the Company effective from 13th February, 2017. Mr. D.B. Roonghta was CFO upto 12th February, 2017.

Mr. C.B. Gagrani is the Company Secretary of the Company.

### 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 Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014.

### LOANS, INVESTMENTS AND GUARANTEES BY THE COMPANY

There are no loans given, investments made, guarantees given or securities 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 Control 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, 2017.

### RISK MANAGEMENT

Your Company has developed and implemented a Risk Management Policy, including identification of elements of risk and the risks that may threaten the existence of the Company. The Company has constituted a Risk Management Committee of Senior Executives to evaluate the risks and mitigation plans 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 mitigations is given under the head Risk Management in Management's Discussion and Analysis.

### WHISTLE BLOWER MECHANISM

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

## COROPRATE SOCIAL RESPONSIBILITY

Information on Corporate Social Responsibility (CSR) Policy and initiative taken by the Company during the financial year 2016-17, pursuant to Section 135 of the Companies Act, 2013 read with Rule 8 of the Companies (CSR 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

M/s. Khimji Kunverji & Co., Chartered Accountants have been appointed as the Auditors of the Company to hold office for a term of 5 (five) consecutive years from the conclusion of 50th Annual General Meeting held on 15th July, 2016 until the conclusion of the 55th Annual General Meeting subject to ratification of their appointment by the members at every Annual General Meeting during the remaining term of 5 (five) years. Accordingly, being eligible, their appointment is required to be ratified at the ensuing Annual General Meeting.

## COST AUDITORS

The Cost Accounts records maintained by your Company for its products – Polyester and Nylon are subject to yearly audit by qualified Cost Auditors. Your Company has appointed M/s. D.C. Dave & Co., a firm of Cost Auditors, for conducting the audit of such records for the financial year 2016-17.

## SECRETARIAL AUDIT REPORT

A Secretarial Audit Report for the year ended 31st March, 2017, in prescribed form, duly audited by the firm of Practising Company Secretaries 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 : 10th May, 2017

B. S. Mehta  
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 pump for chilled water and cooling water system.	2.16
b. Optimisation of HTM system	1.42
c. Installation of centrifugal compressors for MP air.	35.70
d. Partition in spinning hall	1.33
e. Installation of LED lamps in plant	4.12
f. Installation of harmonic filter	1.74
g. Installation of new energy efficient chiller	5.18
h. Replacement of old and rewind motors with energy efficient motors	2.90

#### ii) Steps taken for utilisation of alternate sources of energy

Installation of steam heater in place of electrical heating system for instrument air.

#### iii) Capital investments on energy conservation equipment during the year 2016-17: ₹ 271 Lacs (previous year ₹ 280 Lacs)

- Modification in industrial yarn spinning machines for process improvement
- Modification in industrial yarn conversion machine for operational efficiency
- Modification & upgradation in after treatment machines for flexibility of products
- Upgradation of dryers for auto operation
- Upgradation of control system of nylon yarn spinning winding machines.

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

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

#### 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 been fully absorbed : Not applicable

#### iv) Expenditure on Research & Development:

₹ / Lacs

Particulars	2016-17	2015-16
1. Capital	See Note Below	
2. Recurring	185	161
3. Total	185	161
4. Total R & D expenditure as a percentage of total revenue from Operation (Net)	0.16%	0.14%

Note: The Company has spent ₹ 179 Lacs (previous year ₹ 324 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 polymerisation to improve process cost optimisation

### (C) FOREIGN EXCHANGE EARNINGS AND OUTGO

Total foreign exchange used ₹ 44103 Lacs (previous year ₹ 32596 Lacs) and earned ₹ 962 Lacs (previous year ₹ 996 Lacs).



## 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 31<sup>st</sup> March, 2017.**

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 Raigad district. Under healthcare, the Company carried out camps for eye checkup & cataract operations and General checkup & Medical treatment near its Bharuch site. Rural community welfare projects such as building roads & pathways, drinking waters resources and others as per local needs 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](http://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 ₹ 8848 Lacs.
4. Prescribed CSR Expenditure for the financial year 2016 – 17 is ₹ 176.96 Lacs (Previous Year ₹ 131.74 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
		2016 – 17	2015 – 16	
i.	Total amount to be spent for the financial year	176.96	131.74	308.70
ii.	Amount Spent	174.02	131.14	305.16
iii.	Amount (Unspent)/Overspent, if any	(2.94)	(0.60)	(3.54)
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 approvals not being received 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: 10th May, 2017

## 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 under taken	(5) Amount outlay (budget) project/ programme wise	(6) Amount spent on the project/ programme sub heads : (1) Direct expenditure on project/ programme (2) Over-heads	(7) Cumulative expenditure upto the reporting period i. e. 31.03.2017	(8) Amount spent : Direct or through implementing agency
1	<b>a) Vocational &amp; Technical Education:</b> Contribution towards setting up of new Vocational Training Institute <b>b) School Education Projects:</b> Distribution of stationery items at various schools <b>c) School Infrastructure:</b> Financial Assistance in upgradation of infrastructure.	Education	Gujarat - Bharuch Gujarat - Bharuch Gujarat - Bharuch Maharashtra - Raigad	123.00 3.00 44.00	123.00 3.13 42.04	168.17	Cenka Samaj Kalyan Sanstha Direct Direct & Cenka Samaj Kalyan Sanstha
				170.00	168.17		
2	<b>Preventive Health Care Programme :</b> Eye / General Medical checkup & Treatment camps.	Health	Gujarat - Bharuch	4.00	3.80	3.80	Direct
3	<b>Rural Infrastructure Development other than for the purpose of Health / Education / Livelihood:</b> Roads and Path ways, Drinking Water resources, others as per local needs.	Rural development & social empowerment	Gujarat - Bharuch	4.00	2.05	2.05	Direct
			<b>TOTAL</b>	<b>178.00</b>	<b>174.02</b>		





## 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, 2017.**

- i The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the financial year 2016-17, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2016-17 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	2016-17 ₹ / Lacs			2015-16 ₹ / 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	Mr. B.K. Birla	Chairman	5.30	-2.75	1.35	5.45	2.83	1.44
2	Mrs. Rajashree Birla	Vice Chairperson	5.60	**	1.42	4.99	**	1.32
3	Mr. B.S. Mehta	Independent Director	11.50	-0.43	2.93	11.55	2.39	3.05
4	Mr. S.K. Jain	Independent Director	6.35	-0.78	1.62	6.40	3.23	1.69
5	Mr. K.S. Thar	Independent Director	6.40	-0.78	1.63	6.45	**	1.70
6	Mr. G.M. Singhvi	Whole-time Director	224.15	17.00	57.04	191.58	14.94	50.55
7	Mr. D.B. Roonghta	Chief Financial Officer upto 12-02-2017	65.91	***	NA	70.05	22.72	NA
8	Mr K.G. Ladsaria	Chief Financial Officer w.e.f 13-02-2017	8.76	***	NA	-	-	-
9	Mr. C.B. Gagrani	Company Secretary	38.77	4.90	NA	36.96	18.39	NA

\* Directors Remuneration is including sitting fees

\*\* Details not given as Mrs. Rajashree Birla was on the Board only for the part of financial year 2015-16 and Mr. K.S. Thar was for the part of financial year 2014-15.

\*\*\* Details not given as Mr. K.G. Ladsaria was appointed Chief Financial Officer w.e.f. 13th February, 2017 and Mr. D. B. Roonghta was Chief Financial Officer upto 12th February, 2017.

- ii The median remuneration of employees of the Company during the financial year was Rs.3.93 Lacs (Previous Year Rs.3.79 Lacs)
- iii. During the financial year, there was an increase of 3.70 % in the median remuneration of employees (Previous Year 4%)
- iv. Number of permanent employees on the rolls of the Company as on 31st March, 2017 was 1479 Nos. and as on 31st March, 2016 was 1500 Nos.
- v. Average percentage increase made in the salaries of employees other than the managerial personnel in the financial year 2016-17 and 2015-16 was 6.36 %, 11.66 % respectively and the increase in the managerial remuneration for the financial year 2016-17 and 2015-16 was 17.00%, 14.94 % respectively.
- vi. 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) of the Companies act 2013, read with 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 31<sup>st</sup> March, 2017.**

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 ₹ 1,02,00,000

- 1) G.M.Singhvi, Whole-time Director, ₹ 22415330, Contractual, B.Com., LL.B., F.C.A., 51, 11.09.1997,75, Practicing Management Service, NIL.
2. Sanjay Thapliyal, President, ₹ 11349396, Non-Contractual, B. Tech (Textile), 30, 16.02.2006, 53, Pioneer Embroideries 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:**

1. 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.
2. The above employee is not relative of any of the Directors of the Company.

For and on behalf of the Board of Directors

B. S. Mehta  
G. M. Singhvi  
Directors

Place : Mumbai  
Date : 10th May, 2017