

ZENITH FIBRES LIMITED



29th Annual Report 2017-18

BOARD OF DIRECTORS

Executive Chairman
Managing Director
Directors

SHRI SANJEEV RUNGTA
SHRI RAJEEV RUNGTA
SHRIAMITABHA GHOSH
SMT. RASHMI DESAI (w.e.f. 11th Nov. 2017)
SHRIABHISHAKE RUNGTA
SHRI MUKUND BERIWALA
SMT. SHRADDHA MOOKIM (till 11th Nov.2017)

MANAGEMENT

Chief Executive Officer

SHRI S. S. IYER

Chief Financial Officer

SHRI K. D. SHARMA
(till 09th Sep., 2017)

SHRI B. K. MEHTA
(09th Sep., 2017
to 7th March, 2018)

SHRI PRATIP PATEL
(w.e.f. 01st June, 2018)

Chief Operations Officer

SHRI SHAILESH PANDEY

Chief Marketing Officer

SHRI PRAVEEN BUKYALKAR

Company Secretary

MS. SIDDHI SHAH

REGD. OFFICE

205, Marol Bhavan, 2nd Floor,
Marol Co-op. Industrial Estate Ltd.,
M.V. Road, J.B. Nagar Post,
Andheri East, Mumbai – 400 059.
Tel. No. : 022-28599428
Fax. No. : 022-28599429
E-mail : mumbai@zenithfibres.com

WORKS

Block 458,
Village Post Tundav,
Taluka Savli,
Dist. Vadodara – 391775

SHARE TRANSFER AGENT

M/s. Universal Capital Securities Pvt. Ltd.,
21, Shakil Niwas,
Opp. Sai Baba Temple,
Mahakali Caves Road,
Andheri (E),
Mumbai – 400093

AUDITORS

M/s. Surendra Modiani & Associates
Chartered Accountants

BANKERS

Standard Chartered Bank

URL : www.zenithfibres.com

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ZENITH FIBRES LIMITED NOTICE FOR TWENTY NINTH ANNUAL GENERAL MEETING CIN: L17120MH1989PLC054580

Regd. Office: 205, Marol Bhavan, Marol Co-op. Ind. Estate Ltd. M.V. Road, J.B Nagar Post, Andheri East, Mumbai-400059
E-Mail: mumbai@zenithfibres.com **Url:** www.zenithfibres.com **Tele No. :** 022-28599428 **Fax No. :** 022-28599429

Notice is hereby given that the Twenty Ninth Annual General Meeting of the members of Zenith Fibres Limited will be held on Friday the 28th of September, 2018 at 11.00 a.m. at Hotel Atithi, 77A/B Nehru Road, Ville Parle (E), Mumbai-400099, to transact the following business:

Ordinary Business:

1. To receive, consider and adopt the audited Financial Statements for the year ended on 31st March, 2018 together with Directors' Report and Auditor's Report thereon.
2. To declare Dividend.
3. To appoint a director in place of Mr. Rajeev Rungta, (DIN: 00122221) who retires by rotation and being eligible, offers himself for re-appointment.
4. To ratify appointment of M/s. Surendra Modiani & Associates as Statutory Auditors:

"RESOLVED THAT pursuant to the provisions of Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 (the Act) and the Rules made thereunder, (including any statutory modification(s) or re-enactment thereof for the time being in force) and pursuant to the resolution passed by Members at the 28th Annual General Meeting appointing M/s. Surendra Modiani & Associates, (Firm Registration No 126307W) as Statutory Auditors of the Company to hold office for five years, the Company hereby ratifies and confirms their appointment as Statutory Auditors of the Company for the financial year 2018-19 on such remuneration as recommended by the Audit Committee and as may be mutually agreed between the Board of Directors of the Company and the Statutory Auditors".

Special Business:

5. Appointment of Smt. Rashmi Desai (DIN: 02281570) as independent director:

To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 149, 150 and 152 and other applicable provisions, if any, of the Companies Act, 2013, and the Rules made thereunder, read with Schedule IV of the said Act, Smt. Rashmi Desai (DIN:02281570), who was appointed as an Additional Director of the Company with effect from 11th November, 2017 under Section 161 of the Companies Act, 2013, be and is hereby appointed as an Independent Director of the Company to hold office for a term upto five consecutive years commencing from 11th November, 2017."

By order of the Board of Directors
Siddhi Shah
Company Secretary

Date: 25/08/2018
Place: Mumbai

NOTES:

- a) **A member entitled to attend and vote at the meeting is entitled to appoint one or more proxy(ies) to attend and vote instead of himself and proxy(ies) so appointed need not be a member of the company. A form of proxy is enclosed, and if intended to be used, should be returned to the company duly completed not less than 48 (forty eight) hours before the commencement of the Annual General Meeting.** Proxies submitted on behalf of limited companies, societies, etc., must be supported by an appropriate resolution/authority, as applicable.
- b) A person can act as a proxy on behalf of members not exceeding fifty and holding in aggregate not more than ten percent of the total share capital of the company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy provided such person shall not act as a proxy for any other person or shareholder.
- c) The Register of Members and Share Transfer Books of the Company will remain closed from Saturday, 22nd September 2018 to Friday, 28th September 2018, (both days inclusive).
- d) The dividend on equity shares as recommended by the Board of Directors, if declared at the Annual General Meeting, will be paid to those shareholders, whose names stand on the Register of Members of the Company on 28th September, 2018 in case of physical shares and to those members as per the beneficiary position given by NSDL and CDSL.
- e) Members holding shares in demat form are hereby informed that bank particulars registered with demat accounts, will be used by the Company for the payment of dividend. Members are requested to notify any change in their registered address and/or bank details quoting the folio number of the company to registered Depository participants. Members are requested to register their e-mail address and changes therein with Depositories.
- f) Members holding shares in physical form are requested to intimate any change of address and/or bank mandate to M/s. Universal Capital Securities Pvt. Ltd., 21 Shakil Niwas, Opp. Sai Baba Temple Mahakali, Caves Road, Andheri (E), Mumbai-400093.
- g) As part of "**Green Initiative in Corporate Governance**" and pursuant to section 101 and section 136 of the Companies Act 2013 read with relevant rules made thereunder, companies can serve Annual Reports and other Communication through electronic mode to those members who have registered their email address(es) with the Depository/Registrar & Share Transfer Agents (RTA) (and available with the Company). It is encouraged that members support this green initiative and update desired email address(es). Please let us know in writing by email or letter by Speed Post/Regd. A/d. at least 15

days before the AGM in case you wish to receive the documents in paper mode. For members who have not registered their email address with the depository RTA, physical copies of Notice along with Balance Sheet and P&L account are being sent by the permitted modes. The notice of the meeting shall also be posted on the website of the Company.

h) Voting Process and Declaration of Results :

Pursuant to section 108 of the Companies Act 2013, read with rule 20 of the Companies (Management & Administration) Rules, 2014 and amendments thereof and Regulation 44 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide e-voting facility to the Members to cast their votes electronically for the businesses to be transacted at 29th Annual General Meeting of the Company, to be held on 28th September, 2018.

i) The instructions for shareholders voting electronically are as under

Particulars	Schedules
Date & time of commencement of voting through electronic means	25th September, 2018 at 9.00 a.m
Date & time of ending of voting through electronic means	27th September, 2018 at 5.00 p.m

- (i) Shareholders who have already voted prior to the meeting date will not be entitled to vote at the meeting venue.
- (ii) The shareholders should log on to the e-voting website www.evotingindia.com.
- (iii) Click on "Shareholders".
- (iv) Now Enter your User ID
 1. For CDSL: 16 digits beneficiary ID,
 2. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 3. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next, enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

For Members holding shares in Demat and Physical Form

PAN Enter your 10 digit alpha-numeric IT PAN (Applicable for both demat shareholders as well as physical shareholders)

- Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number which is mentioned in address label as Sr. no. affixed on Annual Report, in the PAN field.

- In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters, eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.

Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.
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- If both the details are not recorded with the depository or company, please enter the member id/folio number in the Dividend Bank details field as mentioned in instruction (iv).

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the relevant Company Name i.e. Zenith Fibres Limited on which you choose to vote.
- (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution, you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xvii) If a demat account holder has forgotten the login password then enter the user ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based

mobiles. The m-Voting app can be downloaded from Google Play Store. iPhone and Windows phone users can download the app from the App Store and the Windows Phone Store respectively on or after 30th June, 2016. Please follow the instructions as prompted by the mobile app while voting on your mobile.

- (xix) Note for Non - Individual Shareholders and Custodians
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com
 - After receiving the login details, a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
 - The list of accounts linked in the login should be emailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (PoA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xx) In case, you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com
- (xxi) The Scrutinizer shall within a period not exceeding 3 (three) working days from the conclusion of the e-voting period unblock the votes in the presence of at least 2 (two) witnesses not in the employment of the Company and will make the Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company or any other officer authorized by Chairman.
- (xxii) The Results on resolutions shall be declared on or after the AGM of the Company and the resolutions will be deemed to be passed on the AGM date subject to receipt of the requisite number of votes in favour of the Resolutions.
- (xxiii) Mr. A. R. Jain, Chartered Accountant has been appointed as the scrutiner for conducting the E-voting process.
- (xxiv) The Results declared along with the Scrutinizer's Report(s) will be available on the website of the Company, on Service Provider's website i.e www.evotingindia.com and BSE Limited website i.e www.bseindia.com within 2 (two) days of declaration of the results.
- j) Members are requested to note that as per Section 123 of the Companies Act 2013, dividend(s) not encashed/

claimed within seven years from the date of declaration will be transferred to Investor Education and Protection Fund (IEPF). After transfer of said amount to IEPF, no claims in this respect shall lie against IEPF or the Company.

The following are the details of dividend paid by the Company and their respective due dates of transfer to such fund of the Central Government, which remain unpaid:

Date of declaration of Dividend	Dividend for the year	Due date of transfer to the Govt.
29.09.2011	2010-11	28.10.2018
28.07.2012	2011-12	27.08.2019
29.07.2013	2012-13	28.08.2020
30.07.2014	2013-14	29.08.2021
29.09.2015	2014-15	28.10.2022
29.09.2016	2015-16	28.10.2023
29.09.2017	2016-17	28.10.2024

- k) The Company has intimated individually to all such shareholders, dividend on whose shares has remained unpaid or unclaimed for a continuous period of seven years and a notice in this regard has also been published in the news paper. Members are requested to approach the RTA of the Company to claim their unpaid dividend, if any.
- l) The Securities and Exchange Board of India (SEBI) has mandated submission of Permanent Account Number (PAN) by every participant in security market. Members holding shares in demat form are therefore, requested to submit PAN details to the Depository Participants with whom they are maintaining their Demat Accounts.
- m) Members, who have not yet dematerialized their shares, are requested to get their shares dematerialised at the earliest.
- n) Members desiring any information, relating to the accounts are requested to write to the Company at least seven working days in advance so as to enable the management to keep the information ready.
- o) In accordance with the Articles of Association of the Company, Shri Rajeev Rungta, (DIN:00122221) Managing Director of the Company is liable to retire by rotation and being eligible offers himself for re-appointment. His brief resume is provided in the CG Report.
- Except Shri Rajeev Rungta and Shri Sanjeev Rungta, none of the other Directors or KMP of the Company or their relatives is, in any way, concerned or interested, financially or otherwise, in the Resolution set out in Item No. 3 of the Notice as ordinary resolution.

An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 relating to the Special Business

Item No. 5

Smt. Rashmi Desai was appointed as an Additional Director by the Board with effect from 11th November, 2017. Pursuant to provisions of Section 161 of the Companies Act, 2013, Smt. Rashmi Desai holds office upto the date of this Annual General Meeting.

Smt. Rashmi Desai is a Science Graduate and also a Masters in Law. A practicing Advocate, with over four decades of very sound experience in Civil Litigation, Arbitration, Mediation and Negotiation, she also has salient knowledge of accounts.

Her continued association with the Company as a Director would be of great advantage. Your Directors therefore recommend her election to the office of Director of the Company.

The details of Smt. Rashmi Desai as required under the provisions of Regulation 36 (3) of the SEBI (LODR) Regulations, 2015 and provisions of Secretarial Standard 2 on General Meetings are disclosed under Corporate Governance Report.

Except Smt. Rashmi Desai, none of the Directors or KMP of the Company or their relatives are, in any way, concerned or interested, financially or otherwise, in the Resolution set out in Item No. 5 of the Notice as ordinary resolution.

DIRECTORS' REPORT

Dear Members,

Your Directors are pleased to present the 29th Annual Report along with the Audited Financial Statements for the year ended March 31, 2018.

(₹ in Lacs)

PARTICULARS	2017-18	2016-17
Revenue from Operations	3698.23	5635.14
Profit before Exceptional Item and Tax	477.69	927.40
Profit After Tax	319.39	613.34

DIVIDEND

Keeping in view the performance of the Company, the Directors recommend a dividend of 15% for the fiscal year ended 31st March, 2018. The dividend, if approved by the Members in the ensuing AGM, will absorb about ₹ 79.97 Lacs including dividend distribution tax of ₹ 13.64 Lacs out of the distributable profits available.

PERFORMANCE

The Company achieved total revenue of ₹ 3962.68 Lacs as compared to ₹ 5892.39 Lacs last year. Profit before tax is ₹ 477 Lacs and profit after tax stands at ₹ 319 Lacs during the year under review as against ₹ 927.40 Lacs and ₹ 613.34 Lacs respectively in the previous year.

The operations of the Company during the year declined substantially as compared to previous year due to reduced off take of the finished product due to various reasons.

PLANT OPERATIONS

Company has only one plant located at Savli, Baroda, Gujarat and the same is operating satisfactorily.

SHARE CAPITAL

The paid up capital as on 31st March, 2018 was ₹ 442.23 Lacs consisting of 44,22,346 numbers of Equity Shares of ₹ 10/- each. During the year under review, the Company has not issued any bonus shares, equity shares neither any right shares with differential voting rights etc., nor granted any stock options or sweat equity.

APPOINTMENT/REAPPOINTMENT/CESSATION OF DIRECTORS/ KMP

The following Directors / KMP were appointed / reappointed / resigned during the year:

Name of Directors/ K.M.P.	DIN/PAN	Reappointment
Shri Abhishake Rungta	00053730	Liable to retire by rotation and reappointed in the 28th AGM
Smt. Shraddha Mookim	06948233	Resigned w.e.f. 11th November, 2017
Smt. Rashmi Desai	02281570	Appointed w.e.f. 11th November, 2017
Shri K.D Sharma	AJMPS 8854P	Resigned w.e.f. 9th September, 2017

Shri B K Mehta	ABZPM 2594F	Appointed on 9th September, 2017 & Resigned w.e.f. 7th March, 2018
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BOARD EVALUATION

Pursuant to the provisions of the Companies Act, 2013 and SEBI (LODR) Regulations, 2015, the Independent Directors have carried out an evaluation of the Board as well as evaluation of the working of its Audit and Nomination & Remuneration Committee. The manner in which the evaluation has been carried out has been explained in the Corporate Governance Report.

SUBSIDIARY / JOINT VENTURE / ASSOCIATE COMPANY

Please refer Form AOC 1 at "Annexure A".

COMPANY'S POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION

The Board has on the recommendation of the Nomination & Remuneration Committee framed a policy for selection and appointment of Directors, KMP and their remuneration. The Remuneration Policy is spelt out in the Corporate Governance Report.

FINANCE / ACCOUNTS

The Company after very many years was suddenly facing issues of reduced offtake due to various reasons both in the domestic as well as in the international market. With reduced operations, a fresh look was taken at the expenses of the Company and wherever practical, expenses were curtailed for permanent long term financial benefits. The management is continuing to evaluate further prudent optimal financial deployment of funds for better contribution towards profitability of the Company. The overall generation was reduced due to decreased sales. The Company has in the past kept surplus funds invested prudently, without any undue risk so as to ensure safety and liquidity of the funds.

CORPORATE GOVERNANCE

The Company is committed to maintain the highest standards of Corporate Governance and adhere to all requirements as set out by law. The report on Corporate Governance as stipulated under SEBI (LODR) Regulations, 2015 forms an integral part of this Report. The requisite certificate from the Auditors of the Company confirming compliance with the conditions of Corporate Governance is attached to the report on Corporate Governance.

CORPORATE SOCIAL RESPONSIBILITY

The Corporate Social Responsibility (CSR) Committee has

formulated and recommended to the Board, a CSR Policy indicating the activities to be undertaken by the Company, which has been approved by the Board and hosted on the Company's website. The Annual Report on CSR activities is annexed herewith, marked as "Annexure B".

FIXED DEPOSITS

The Company has not accepted any deposit within the meaning of Section 73 of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014.

PARTICULARS OF LOANS, GUARANTEES, SECURITIES OR INVESTMENTS

The Company has not given any guarantees or securities covered under the provisions of Section 186 of the Companies Act, 2013. However, the aggregate of loans and advances granted, as also investments are within the limits of Section 186 of the Act. These have been disclosed in the Financial Statements.

DECLARATION GIVEN BY INDEPENDENT DIRECTORS

The Company has received declaration from all Independent Directors of the Company to the effect that they meet the criteria of independence as stipulated u/s 149(6) of the Act.

DIRECTORS' RESPONSIBILITY STATEMENT

In terms of Section 134 (5) of the Companies Act, 2013, the directors would like to state that:

- a) in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- b) they have selected such accounting policies and applied them consistently and made judgments and estimates that were 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 the year under review;
- c) they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) they have prepared the annual accounts on a going concern basis;
- e) they have laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively;
- f) they have devised proper system to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

PARTICULARS OF CONTRACTS OR ARRANGMENTS WITH RELATED PARTIES REFERRED TO IN SECTION 188 OF THE COMPANIES ACT, 2013

There are no materially significant related party transactions made by the company with Promoters, KMP or other designated persons during the year, which may have potential conflict with interest of the Company at large.

AUDIT COMMITTEE RECOMMENDATIONS

During the year, the Board has accepted all recommendations of

Audit Committee and accordingly no disclosure is required to be made in respect of any non-acceptance of recommendation.

AUDITORS

a) Statutory Auditor

The Statutory Auditor M/s. Surendra Modiani & Associates, Chartered Accountant having F.R.N.126307W were appointed as Statutory Auditors of the Company in the 28th Annual General Meeting of the Company for a period of five consecutive years, subject to ratification by members every year in the AGM. Based upon the declaration of their eligibility, consent and terms of engagement, your Directors recommend ratification of their appointment from the 29th AGM until conclusion of the 30th AGM of the Company. The Statutory Auditors have not reported any incident of fraud to the Audit Committee of the Company for Financial Year 2017-18.

b) Internal Auditor

The Board of Directors has appointed M/s. Keyur Patel and Company (F.R.N.126346W) as Internal Auditors of the Company for the financial year 2018-19.

EXTRACT OF ANNUAL RETURN

The extract of the Annual Return in form MGT-9 is placed on Company's website.

EXPLANATION / COMMENTS ON QUALIFICATION RESERVATION / ADVERSE REMARK/DISCLAIMER BY THE AUDITORS, IF ANY

Since there are no qualification/reservation/ adverse remark/disclaimer either by the Auditors or Secretarial Auditors in their respective report, no explanation/comment is offered.

CODE OF CONDUCT

The Board of Directors has approved a Code of Conduct which is applicable to the Members of the Board and all Employees in the course of day to day business operations of the company. The details of the Code are available on the website of the Company. All the Board Members and the Senior Management Personnel have confirmed compliance with the Code. All KMP have been given appropriate briefing in this regard.

WHISTLE BLOWER POLICY/VIGIL MECHANISM

The Company has a Vigil Mechanism/Whistle Blower Policy to deal with instance of fraud and mismanagement, if any. In staying true to our values of Strength, Performance and Passion and in line with our vision, the Company is committed to the high standards of Corporate Governance and stakeholder responsibility.

PREVENTION OF INSIDER TRADING

The Company has adopted a Code of Conduct for Prevention of Insider Trading pursuant to SEBI (Prohibition & Insider Trading) Regulations, 2015 with a view to regulate trading in securities by the Directors and Designated Employees of the Company. The details of the Code are available on the website of the Company. All Directors and the Designated Employees have confirmed compliance with the Code.

MEETINGS OF THE BOARD

Five meetings of the Board of Directors were held during the year. For details, please refer the Corporate Governance section of this Report.

SECRETARIAL AUDITOR

Pursuant to provisions of Section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 the Company has appointed Shri Upendra C. Shukla, Company Secretary in practice to undertake the Secretarial Audit of the Company. The Secretarial Audit Report for the financial year ended 31st March, 2018 is annexed herewith marked as "Annexure C" to this Report. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

RISK MANAGEMENT

The Company continuously keeps a watch regarding any possible risk threatening the existence of the Company and ensures necessary mitigation of the same.

DETAILS OF SIGNIFICANT & MATERIAL ORDERS IMPACTING THE GOING CONCERN STATUS/COMPANY'S OPERATIONS IN FUTURE

No significant/material orders have been passed by the regulators or courts or tribunals impacting the going concern status of the Company or company's operations in future.

PREVENTION OF SEXUAL HARASSMENT AT WORKPLACE

As per the requirement of the Sexual Harassment of Women at Work place (Prevention, Prohibition & Redressal) Act, 2013 the company has proper system to receive the complaint and constituted Internal Complaints Committee. During the year, no complaint was received from any employee.

PARTICULARS OF EMPLOYEES

The information required pursuant to Section 197 read with rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company is as per "Annexure D" to this Report.

Information required under Section 197 read with rules 5(2)(i) & 5(3) of Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014 is not attached. Members interested in inspecting these particulars, may do so at the Registered Office of the Company, 14 days before the 29th AGM and upto one day before of the said AGM during normal business hours on working days.

None of the employees was in receipt of remuneration exceeding ₹ 8,50,000/- p.m. or ₹ 1,02,00,000/- p.a.

MANAGEMENT DISCUSSION AND ANALYSIS

Management Discussion and Analysis Report for the year under review as stipulated under Regulations 34 and Schedule V of the SEBI (LODR) Regulations, 2015 is as under:

1. Industry Structure and Development

During the year under review, the Polypropylene Fibre market in the country remained somewhat subdued due to major shift in taxation policy of the Union Government viz. GST. There was no major increase in the consumption pattern domestically. However, not only does the potential loom large, there is certain movement in this direction which augurs well for the future. The management hopes the same will fructify at the earliest.

2. Segment wise Operational Performance

The Company operates only in one segment viz manufacturing

of Manmade Fibres.

Performances in terms of profits are commensurate to the production and sales and routine increase in costs:

(Quantity in MT)

	2017-18	2016-17
Production	2693.62	3829
Sales	2494.59	3851

(₹ in Lacs)

	2017-18	2016-17
Net sales	3593.92	5214.19
Profit Before Tax	477.69	927.40
Profit After Tax	319.39	613.34

Exports and sales of Yarn were 599.21MT (1198MT) and 681MT (770MT) respectively.

3. Quality & Future Outlook

The general outlook for the Polypropylene Staple Fibre is encouraging. All efforts are underway for growth in the international market whereby substantial potential exists. Product quality of the company is in consonance with international standards and all efforts are made to adhere to the same.

4. Threats and Concerns

The Company is committed to manufacture and deliver quality products strictly as per requirement of the customer. Constant feedback from the customers are received and all efforts made for continuous improvement in process performance and product quality, wherever required. With established production base of almost three decades, the Company is in a position to maintain production and supply of quality products smoothly. This testifies to the fact that there is virtually nil rejections of the Company's products. The Company has benefit of its long standing with its customers and can match the prices suitably as per pricing policy as and when required.

For the above reasons, no major threat is overseen and the Company is confident to face any threat from the competition. The Company is also maintaining healthy liquidity to meet any unforeseen exigencies.

5. Internal Control Systems and their adequacy

The Company has appropriate Internal Control Systems for business processes, financial reporting & controls, compliance with applicable laws, regulations etc. The Company has appointed statutory auditors to evaluate Internal Control System. Regular internal audits and checks ensure that system and procedures are continuously improved. The Audit Committee reviews the adequacy and effectiveness of Internal Control Systems and suggests ways of further strengthening them from time to time.

6. Human Resources and Industrial Relations

The Company has adequate and qualified human resources and enjoys cordial relations with its employees. Numbers of employees were 90 as on 31st March, 2018. The Board of

Directors wishes to place on record its appreciation for the contribution made by all the employees at all levels during the year.

7. Cautionary Statement

Statements in the Annual Report, particularly those which relate to Management Discussion and Analysis may constitute forward looking statements within the meaning of applicable laws and regulations. Although the expectations are based on reasonable assumption, the actual results might differ.

INDUSTRIAL RELATIONS

Industrial relations remained cordial throughout the year.

CONSERVATION OF ENERGY/TECHNOLOGY ABSORPTION AS WELL AS FOREIGN EXCHANGE EARNINGS AND OUTGO

The Company has not imported any foreign technology and hence, the company does not have any information to offer in respect of Technology Absorption. However, information in respect of Conservation of Energy & Foreign Exchange Earnings and outgo is as per "Annexure-E".

MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY, IF ANY, DURING THE PERIOD FROM 31ST MARCH, 2018 TO THE DATE OF THE REPORT

There is no material change/commitment affecting the financial position of the Company during the period from the end of the financial year on 31st March, 2018 to the date of the Report. Shri Pratip Patel has been appointed as CFO of the Company w.e.f. 01st June 2018.

ACKNOWLEDGEMENTS

The Company would like to thank all the Stakeholders, Bankers, Employees, including inter alia Suppliers, Vendors and Investors and also place on record its appreciation to all the valuable customers for their consistent unstinted support throughout the year.

On behalf of the Board of Directors

Sanjeev Rungta

Executive Chairman

DIN:00053602

Date: 25/08/2018

Place: Mumbai

Annexure – A
Form AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

Part “B”: Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

Name of Associates/Joint Ventures	Rainy Properties Private Limited
1. Latest audited Balance Sheet Date	31.03.2018
2. Shares of Associate/Joint Ventures held by the company on the year end on 31st March, 2018	10,00,000 Equity Shares
Amount of Investment in Associates/Joint Venture	₹ 100,00,000
Extend of Holding%	30.94%
3. Description of how there is significant influence	There is no Significant influence
4. Reason why the Associate/Joint venture is not consolidated	There is no Significant influence
Net worth attributable to shareholding as per latest audited Balance Sheet	₹ 83,10,091
5. Profit/Loss for the year	₹ 39,260
i. Considered in Consolidation	Not Consolidated
ii. Not Considered in Consolidation	Not Applicable

Date : 25/08/2018
Place: Mumbai

Sanjeev Rungta
Executive Chairman
DIN: 00053602

Annexure - B
ANNUAL REPORT ON CSR ACTIVITIES FOR THE FINANCIAL YEAR 2017-18

A brief outline of the Company's CSR Policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR Policy and projects or Programs	Company's vision on CSR is to enhance the quality of life and the economic well being of communities around our operations. For detailed policy, please refer the Company's website
Composition of CSR Committee	Shri Rajeev Rungta - Chairman Shri Mukund Beriwal - Member Smt. Shraddha Mookim - Member (till 11th Nov.2017) Smt. Rashmi Desai - Member (w.e.f. 11th Nov.2017)
Average net profits of the Company for the last three Financial Years	₹ 99,032,589/-
Prescribed CSR expenditure (Two percent of the above amount)	₹ 1,980,652/-
Details of CSR Spent during the Financial Year :	Budgeted Amount for the year 2017-18 : ₹ 2,000,000/- Amount spent for the year 2017-18 : ₹ 2,011,000/- Amount Unspent for the past years : ₹ 904,826/-
Reason for Unspent amount if any	--
Responsibility Statement	The CSR Committee confirms that the implementation and monitoring of CSR activities are in compliance with CSR Objectives and Policy of the Company

Sr. No	CSR Project/ activity identified	Sector in which the project is covered	Project /programs • Local area • Specify the state and district Where projects/programs was undertaken	Amount Outlay project/ programs wise	Amount spent on the projects/ programs • Direct Exp on Projects/ programs • overheads	Cumulative exp. up to the reporting period	Amount spent direct or through implementing agency
1.	Health Care and Research & Rehabilitation	Health Care	Vadodara - Gujarat	10.00	10.00	10.00	Agency: Shram Mandir Trust
2.	Health Care and Research & Rehabilitation	Health care	Kolkata-West Bengal	9.00	9.00	19.00	Agency: Savitriben Shantilal Parekh Charitable Trust
3.	Poverty & Health Care	Health care	Karamsad - Gujarat	1.00	1.00	20.00	Agency: Charutar Arogya Mandal
4	National heritage, art & culture	Museum	Vadodara - Gujarat		0.11	20.11	Convenor Model District Program
	Total				20.00	20.11	

Rajeev Rungta

Chairman of CSR Committee

DIN: 00122221

Date: 25/08/2018

Sanjeev Rungta

Executive Chairman

DIN: 00053602

Place: Mumbai

ANNEXURE - C
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31st March, 2018

[Pursuant to section 204(1) of the Companies Act, 2013 and rule no.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,
The Members,
Zenith Fibres Limited,
205, Marol Bhavan,
Sir M. V. Road, J. B. Nagar Post,
Andheri (East),
Mumbai 400059.

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Zenith Fibres Limited (hereinafter called 'the Company'). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my 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, I hereby report that in my opinion, the Company has during the audit period covering the financial year ended on 31st March, 2018 complied with the statutory provisions listed hereunder and also that the Company has proper Board process and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Zenith Fibres Limited for the financial year ended on 31st March, 2018 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye laws framed thereunder;
- (iv) 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 borrowing - not applicable since the Company does not have any FDI, ODI or ECB;

- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') :-
- The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.
- I report that during the year under review there was no action/event in pursuance of -
- The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
 - The Securities and Exchange Board of India (Buy-back of Securities) Regulations, 1998; and
 - The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - The Securities and Exchange Board of India (Issue and Listing of Debts Securities) Regulations, 2008;
 - The Securities and Exchange Board of India (Employees Stock Option Scheme and Employees Stock Purchase Scheme) Guidelines, 1999 and/or SEBI (Share Based Employee Benefits) Regulations, 2014.
 - The Securities and Exchange Board of India (Registrar to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with the client.

- (vi) The Acts / Guidelines specifically applicable to the Company: The management has confirmed that there is no specific law as identified and applicable to the Company.

I have also examined compliance with the applicable clauses of the following:

- Secretarial Standards with regard to Meeting of the Board of Directors (SS-1) and General Meetings (SS-2) issued by the Institute of the Company Secretaries of India; and
- SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

I report that during the year under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines and Standards mentioned above.

I further report that -

- The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the year under review were carried out in compliance with the provisions of the Act.
- Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed proposal on agenda were sent in advance duly complying with the time limits specified and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for a meaningful participation at the meeting.
- As per the minutes of the meeting duly recorded and signed by the chairman, the decisions of the Board were unanimous and no dissenting views have been recorded.

I further report that based on the information provided by the Company, its officers and authorised representatives during the conduct of the audit and also on the review of quarterly compliance reports, which are reviewed and taken on record by the Board of Directors of the Company, in my opinion adequate systems and processes and control mechanism exists commensurate with the size and operation of the Company to monitor and ensure compliance with applicable general laws, rules, regulations and guidelines.

I further report that the compliance by the Company of applicable financial laws like direct and indirect tax laws has not been reviewed in this audit since the same has been subject to review by statutory financial audit and other designated professionals.

I further report that during the audit period, there was no other specific event/action in pursuance of the above referred laws, rules, regulations, guidelines, etc. referred to above, having major bearing on the Company's affairs.

(U.C. SHUKLA)

COMPANY SECRETARY

FCS: 2727/CP: 1654

Place: Mumbai

Date: 25/08/2018

ANNEXURE - A

To,
The Members,
Zenith Fibres Limited,
205, Marol Bhavan,
Sir M. V. Road, J. B. Nagar Post,
Andheri (East),
Mumbai 400059.

My report of even date is to be read with this letter.

- Maintenance of secretarial record is the responsibility of the management of the Corporation. My responsibility is to express an opinion on these secretarial records based on my audit.
- I 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 the test basis to ensure that correct facts are reflected in secretarial records. I believe that the process and practices, I followed, provide reasonable basis for my opinion.

- I have not verified the correctness and appropriateness of financial records and books of accounts of the Corporation.
- Wherever required, I have obtained the management representation about the compliance of the laws, rules and regulations and happening of events etc.
- The compliance of the provisions of corporate and other applicable laws, rules, regulations and standards is the responsibility of the management. My examination was limited to the verification of procedure on test basis.
- The secretarial audit report is neither an assurance as to future viability of the Corporation nor of the efficacy or effectiveness with which the management has conducted the affairs of the Corporation.

(U.C. SHUKLA)

Place: Mumbai

COMPANY SECRETARY

Date: 25/08/2018

FCS: 2727/CP: 1654

Annexure – D
Information as per Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

- The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year 2017 -18 and percentage increase in remuneration of each Director, CEO, CFO and CS in the financial year 2017-18.**

Director/KMPs	Designation	Ratio	Increase/Decrease
Shri Sanjeev Rungta	Executive Chairman	11.74	--
Shri Rajeev Rungta	Managing Director	7.05	--
Shri S.S. Iyer	CEO	7.98	5.49%
Ms. Siddhi Shah	CS	1.25	9.87%

No remuneration is paid to other Directors except sitting fees.

- The percentage increase in the median remuneration of employees in the financial year:**
The median remuneration of employees of the Company was increased by 3.74%
- The number of permanent employees on the rolls of company as on 31st March, 2018 was 90.**
- Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration :**
Average Increase in the salaries of employees other than KMP: 4.80%
Average percentile increase in salaries of KMP in 2017: 9.78%
- Affirmation that the remuneration is as per the remuneration policy of the company:**
We affirm that remuneration paid to the Employees & Directors is as per the remuneration policy of the Company.
- Information as per Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014**
There are no Employees who receive the remuneration in excess of limits set out in the said rules.

Date : 25/08/2018
Place: Mumbai

Sanjeev Rungta
Executive Chairman
DIN: 00053602

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Annexure – E

Information under section 134(3)(m) of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014 and forming part of Directors' Report for the year ended on 31st March, 2018.

A. CONSERVATION OF ENERGY

i. Steps taken and impact on conservation of energy ii. Steps taken by the Company for utilizing alternate sources of energy iii. Capital investment on energy conservation equipments:	Energy conservation continues to receive priority attention at all levels. All efforts are made to conserve and optimize use of energy with continuous monitoring, improvement in maintenance and distribution systems and through improved operational techniques.
iv. Total energy consumption and energy consumption per unit of production is as per under.	

FORM – A

Form of disclosure of particulars with respect to conservation of energy.

	Current Year (2017-18)	Previous Year (2016-17)
A Power and Fuel Consumption		
1 Electricity		
a. Purchased Units (KWH)	2719920	3438240
Total Amount (₹)	20,565,138	24,966,240
Rate/Unit (₹)	7.57	7.26
b. Own Generation		
i Through Diesel Generator Unit (KWH)	7624	7958
Total Amount (₹)	2,34,177	2,96,434
Rate/Unit (₹)	30.72	37.25
ii Through steam turbine generator	N.A	N.A
iii Through wind farm project Units	N.A	N.A
2 Coal / Furnace Oil / Gas	N.A	N.A
B Consumption per Unit of Production	N.A	N.A
Polypropylene Staple Fibre(MT)	2788.06	3829
Electricity (₹/kg)	7.38	6.52
Diesel & Oil (₹/kg)	0.08	0.08

B. FOREIGN EXCHANGE EARNINGS AND OUTGO :

Particulars	₹ in Lacs
• Earnings in Foreign Currency	
F.O.B. Value of Exports	701.42
• Expenditure in Foreign Currency	
CIF Value of Imports	205.06
Travelling Expenses	3.95

Date : 25/08/2018
Place: Mumbai

Sanjeev Rungta
Executive Chairman
DIN: 00053602

CORPORATE GOVERNANCE REPORT

As per the SEBI (LODR) Regulations, 2015 Report on Corporate Governance is given below:-

1. Company's Philosophy on Code of Governance

Corporate Governance is the embodiment of values/practices such as application of best management policies, continued compliances of applicable laws/regulations and consistently adhering to highest ethical standards while endeavoring to enhance shareholders' value. The Company remains committed to conduct business in accordance with the highest ethical standards and sound corporate governance practices and thus the Company is committed towards fair and transparent dealings in all spheres of its operations.

2. Board of Directors

- i. None of the Directors on the Board is a Member of more than 10 Committees or a Chairman of more than 5 Committees across all the Indian Public Companies, in which he/she is a Director as stipulated in Regulation 26 of the SEBI (LODR) Regulations, 2015 and Section 165(1) of the Companies Act, 2013. The necessary disclosure regarding the Committee position has been made by the Directors.
- ii. The names and categories of the Directors on the Board, their attendance at Board Meetings held during the year and at last AGM and number of Directorships held by them in Indian Public and Private Companies and Committee Chairmanship/Membership held therein are given in the table below. For reckoning the maximum number of Chairmanships and Memberships, only two Committee's viz. 'Audit Committee' and 'Stakeholders' Relationship Committee' of the Board are considered.

iii. Independent Directors

The Company provides suitable training to Independent Directors to familiarize with the company, their roles, rights, responsibilities in the company, nature of the industry in which the company operates, and business model of the company.

- Shri Amitabha Ghosh is former Governor of Reserve Bank of India having experience for the past several decades in the banking field and is considered an authority in Finance, Banking and Management. He is Fellow Member of the Indian Institute of Bankers and F.C.A.
- Shri Mukund Beriwalla is B.A in Economics and has done advance course in Finance from the New York University. He is very well conversant with the financial and stock market of the country.
- Smt. Shraddha Mookim resigned w.e.f. 11th November, 2017.
- Smt. Rashmi Desai is a Science graduate and also a Masters in Law. A practicing Advocate, with over four decades of very sound experience in Civil Litigation, Arbitration, Mediation and Negotiation, she also has salient knowledge of accounts. She has been appointed as Independent Director w.e.f. 11th November, 2017.

iv. Non-independent Directors

Shri Sanjeev Rungta, Rajeev Rungta and Abhishake Rungta functioned as Non Independent Directors of the Company during the year. Shri Abhishake Rungta functioned as Non Executive Director. Shri Sanjeev Rungta and Shri Rajeev Rungta are related to each other. Except these, none of the Directors of the Company are inter-se-related to each other.

The Board of Directors is constituted with appropriate combination of Independent, Non-independent Directors, Woman Director and Non-executive Directors as per Regulation 17 of the SEBI (LODR) Regulations, 2015.

iv. Composition, Status, Attendance at the Board Meetings & the last AGM:

Name of Director	DIN	Category of Director	No. of Directorships	No. of Membership/ Chairmanship in Committees	Attendance in Board Meetings held in 2017-18	Attendance at the last AGM
Shri Sanjeev Rungta	00053602	E* & P**	4	3	5 out of 5	Present
Shri Amitabha Ghosh	00055962	NE#&I***	7	(2) 4	5 out of 5	Present
Shri Rajeev Rungta	00122221	E & P	8	1	4 out of 5	Absent
Shri Abhishake Rungta	00053730	NE&P	9	--	2 out of 5	Present
Shri Mukund Beriwalla	00053669	NE & I	5	(2)	5 out of 5	Present
Smt. Rashmi Desai (w.e.f. 11th Nov, 2017)	02281570	NE&I	2	2	0 out of 1	N. A.

*E-Executive

**P- Promoter

***I- Independent

#NE-Non-Executive

() chairmanship

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3. Board Meeting(s) held during the year

The Board Meetings of the Company were held in Mumbai on 27th May, 2017, 12th August, 2017, 09th September, 2017, 11th November, 2017 and 12th February, 2018.

4. Profile of Directors seeking Appointment / Re-appointment in 29th AGM.

Name	Shri Rajeev Rungta	Smt. Rashmi Desai
Father's Name	Shri Ajay Rungta	Shri Hakumatrai Nanubhai Desai
DIN	00122221	02281570
Qualification	B.Com, PGD in Business Management	Science graduate and a Masters in Law
Date of Birth	10.08.1961	20.06.1951
Shareholding in the Company	6000	1500
Category	Promoter Director	Independent Director
Directorships	<ol style="list-style-type: none"> 1. Aaekay Investment Centre Limited 2. Vinita Investment Limited 3. Purvi Iron Limited 4. Naga Dhunseri Group Limited 5. Zenith Fibres Limited 6. Noddy Properties Private Limited 7. Pearl Industries Limited 8. Zenith Ropes Private Limited 	<ol style="list-style-type: none"> 1. Solitaire Machine Tools Limited 2. Zenith Fibres Limited
Committee Membership(M) /Chairmanship(C)	Zenith Fibres Limited ➤ CSR Committee(C) Naga Dhunseri Group Limited ➤ Audit Committee(M)	Zenith Fibres Limited ➤ Audit Committee(M) ➤ Stakeholder Relationship Committee(M) ➤ Nomination & Remuneration Committee(M) ➤ CSR Committee(M)

5. Composition of Committees

Category	Audit Committee*	Nomination & Remuneration Committee*	Stakeholder Relationship Committee*	Corporate Social Responsibility Committee*
Chairman	Shri Mukund Beriwala (I&NE)	Shri Mukund Beriwala (I&NE)	Shri Mukund Beriwala (I&NE)	Shri Rajeev Rungta (ED)
Member	Shri Sanjeev Rungta (ED)	Shri Sanjeev Rungta (ED)	Shri Sanjeev Rungta (ED)	Shri Mukund Beriwala (I&NE)
Member	Smt Rashmi Desai (I&NE)	Smt Rashmi Desai (I&NE)	Smt Rashmi Desai (I&NE)	Smt Rashmi Desai (I&NE)
Member	Shri Amitabha Ghosh (I&NE)			

* Smt. Shraddha Mookim resigned w.e.f. 11th Nov 2017 from Audit Committee, Nomination and Remuneration Committee and Stakeholder Relationship Committee and subsequently Smt. Rashmi Desai was appointed and Shri Amitabha Ghosh was appointed w.e.f. 11th Nov. 2017 in the Audit Committee as member.

6. Audit Committee

The Company has an Audit Committee, with the powers and roles in accordance with the requirements of SEBI (LODR) Regulations, 2015 and the Companies Act, 2013. The role and terms of reference of the Committee covers the matters specified under Regulation 18 and Part C of Schedule II of the (LODR) Regulations read with Section 177 of the Act. Besides having access to all the required information from the Company, the Committee acts as a link between the Statutory and Internal Auditors and the Board of Directors of the Company. It is authorized to select and establish accounting policies, review reports of the Statutory and the Internal Auditors and meet with them to discuss their findings, suggestions and other related matters. The composition of Audit Committee is given at para 5 above.

All the members of Audit Committee are financially literate and majority of them have accounting and financial management expertise. The Audit Committee Chairman attended the 28th AGM held on Friday, September 29, 2017. The Audit Committee Meetings were held as below:

	I	II	III	IV	V
Date	27.05.2017	12.08.2017	09.09.2017	11.11.2017	12.02.2018
Place	Mumbai	Mumbai	Mumbai	Mumbai	Mumbai
Attended by Chairman	Shri. Mukund Beriwal	Shri. Mukund Beriwal	Shri. Mukund Beriwal	Shri. Mukund Beriwal	Shri. Mukund Beriwal
Member	Shri. Sanjeev Rungta	Shri. Sanjeev Rungta	Shri. Sanjeev Rungta	Shri. Sanjeev Rungta	Shri. Sanjeev Rungta
	Smt. Shraddha Mookim	Smt. Shraddha Mookim	Smt. Shraddha Mookim	Shri. Amitabha Ghosh	Shri. Amitabha Ghosh

7. Nomination and Remuneration Committee

Pursuant to provisions of Section 178 of the Companies Act, 2013 read with Regulation 19 of the SEBI (LODR) Regulations, 2015, 'the Composition of Nomination and Remuneration Committee is given in Para 5 above and all the members were present in the meeting held on 9th September, 2017. Further, except Smt. Shraddha Mookim all the members were present in the meeting held on 11th November, 2017. Chairman of the Committee attended the 28th AGM held on 29th September, 2017.

The Committee acts as a link amongst the Management and the Board of Directors. Besides having access to all required information within the Company, the Committee may investigate any activity within its terms of reference, seek information from any employee, secure attendance of outsiders with relevant expertise, or obtain legal or other professional advice from external sources, whenever required.

The terms of reference are listed on the Company's website.

8. Stakeholder Relationship Committee

Pursuant to provisions of Section 178 of the Companies Act, 2013 read with Regulation 20 of the SEBI (LODR) Regulations, 2015 Stakeholders Relationship Committee of the Board was constituted as per Para 5 above.

Company has authorized Ms. Siddhi Shah as Secretarial officer. There were 3 complaints received from the

shareholders during the year and the same have been duly redressed. All valid share transfers received during the year have been acted upon and there were no shares pending for transfer as on 31st March, 2018.

9. Corporate Social Responsibility Committee

The Company is fully aware of its social responsibility towards the society at large and within fair means contributes for the betterment of education for the poor either directly or through NGO's. It also contributes towards the charitable and welfare activities. Pursuant to provisions of Section 135 of the Companies Act, 2013 read with Listing Agreement CSR Committee is constituted as per Para above. All the members were present in the meeting held on 27th May, 2017 and 09th September, 2017. Committee identifies Projects and after due evaluation decides regarding the extent of financial involvement.

10. General Body Meetings

- At the 28th AGM held on 29th September, 2017 Special Resolution was passed for Reimbursement of Medical Expenses to Shri Sanjeev Rungta.
- No Extraordinary General Meeting was held during the last three years.
- No postal ballot was conducted during the year.
- At the forthcoming AGM, there is no item on the agenda requiring postal ballot.

The location and time of the AGMs held during the last three years are as below

Particulars	26th AGM	27th AGM	28th AGM
Date	29th September, 2015	29th September, 2016	29th September, 2017
Starting Time	11.00 A.M.	11.00 A.M.	11.00 A.M.
Venue	Hotel Atithi, 77 A/B Nehru Road, Ville Parle(E), Mumbai-400099	Hotel Atithi, 77 A/B Nehru Road, Ville Parle(E), Mumbai-400099	Hotel Atithi, 77 A/B Nehru Road, Ville Parle(E), Mumbai-400099
Special Businesses	Appointment of Dr. S.R. Vengsarker, Shri Abhishake Rungta, & Smt. Shraddha Mookim as an Independent Director and Cancellation of Equity Shares forfeited	Reimbursement of Medical expenses to Shri Sanjeev Rungta	Reimbursement of Medical expenses to Shri Sanjeev Rungta. Appointment of Shri Sanjeev Rungta as Executive Chairman for 3 years and of Shri Rajeev Rungta as Managing Director for 3 years

11. Annual Evaluation

The Company believes that systematic evaluation contributes significantly to improved performance at three levels - Organisational, Board and Individual Board Member. It encourages leadership, teamwork, accountability, decision making, communication and efficiency of the Board. Evaluation also ensures teamwork

by creating better understating of Board dynamics, Board-Management relations and thinking as a group within the Board. For the year 2017-18, the Board has carried out an evaluation of its own performance and that of its Committees and individual Directors. Independent Directors in their meeting have, evaluated performance of the 'Board', the 'Non-independent Directors' as well as

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the 'Chairman' of the Company and submitted their report to the Chairman. The Nomination and Remuneration Committee has further carried out evaluation of all Directors including Independent Directors. Board of Directors have expressed their satisfaction with the evaluation process.

12. Independent Directors' Meeting

The Independent Directors met on 12th February, 2018 to carry out the evaluation for the year and inter alia, discussed evaluation of the performance of Non Independent Directors and Board of Directors as a whole,

evaluation of the performance of the Chairman, taking into account the views of the other Directors.

None of the Non-Independent Directors were present at the Meeting.

13. Managerial Remuneration

a) Remuneration to the Executive Directors:

As per the Employment Agreement, approval of the shareholders and the Board of Directors, the details of remuneration paid for 2017-18 to the Executive Chairman and Managing Director are as follows:

Sr no	Particulars of Remuneration	Shri Sanjeev Rungta- Executive Chairman	Shri Rajeev Rungta- Managing Director
1.	Gross salary		
	a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	32,50,000/-	19,50,000/-
	b) Value of perquisites u/s 17(2) Income-tax Act, 1961	6,00,000/-	5,94,360/-
	Total	38,50,000/-	25,44,360/-

b) Remuneration to the Non- Executive Directors:

All other directors of the Company are Non Executive and only paid sitting fees. The other details of remuneration are given below. During the year the Company did not advance any loans to any of the Directors. No stock options have been issued to any of

the Directors. No relative of any of the Directors is employed by the Company to any place of profit.

Transactions of the Non-executive Directors or their relatives with the Company during the financial year 2017-18 are mentioned in notes forming part of financial statements.

Name of Directors	No of Meetings Attended		Sitting Fees paid (₹)
	Board Meetings	Audit Committee Meetings	
Shri Amitabha Ghosh	5	2	42,500
Shri Abhishake Rungta	2	NA	15,000
Shri Mukund Beriwala	5	5	50,000
Smt. Shraddha Mookim (till 11th Nov,2017)	3	3	30,000
Total			1,37,500

14. Disclosures

a) Directors' Shareholding in the Company

Name of Director	No. of Share held as on 31.03.2018
Shri Sanjeev Rungta	1800
Shri Rajeev Rungta	6000
Shri Abhishake Rungta	10530
Smt. Rashmi Desai	1500

b) Subsidiary Companies

The Company has no subsidiary Company.

c) During the last three years, there were no strictures or penalties imposed by either the Securities Exchange Board of India or the Stock Exchanges or any Statutory Authority for non-compliance of any matter related to the capital market.

d) The Board has received disclosures from the KMP relating to material, financial and commercial transactions, where they and/or their relatives have personal interest. There are no materially significant related party transactions of the Company which have potential conflict with the interest of the Company at large. However, transactions with related parties as per requirements of Indian Accounting Standards are disclosed under notes to accounts and all transactions with related party, as defined under the Companies Act, 2013 and Chapter IV of the SEBI (LODR) Regulations, 2015 during the year, were in ordinary course of business & at arm's length basis and do not attract provisions of Section 188 of the Companies Act, 2013.

15. Means of Communication

Newspapers in which Quarterly Results are normally published	Financial Express – Mumbai edition Mumbai lakshadeep – Mumbai edition
Any website where displayed	www.zenithfibres.com
Whether it also displays official news releases and presentation made to institutional investors or to Analyst	No
Whether Management Discussion and Analysis Report is a part of Annual Report or not	Yes

16. General Shareholder Information

29th AGM Date and Time	28th September, 2018 at 11.00 A.M		
Venue	Hotel Atithi, 77 A/B Nehru Road, Ville Parle (E), Mumbai		
Financial Calendar	April, 2018 to March, 2019		
First Quarter results	Second week August, 2018		
Second Quarter results	Second week November, 2018		
Third Quarter results	Second week February, 2019		
Results for year ending March, 2019	before end of May, 2019		
Date of Book closure	22th September, 2018 to 28th September, 2018 (both days inclusive)		
Dividend payment	shall be paid within the time limit prescribed in the Companies Act, 2013		
Listing on Stock Exchange	BSE Limited (Listing Fees for 2018-2019 has been paid)		
Stock Code	514266	Demat ISIN No. for NSDL and CDSL	INE 106C01013
Corporate Identification Number (CIN)	L17120MH1989PLC054580		
Dematerialization of shares and liquidity	42,32,650 (95.71%) shares of the paid-up capital have been dematerialized as on 31/3/2018. Out of the promoters' capital 100% Shares (22,23,106 shares) have been dematerialized.		
Outstanding GDRs/ADRs/Warrants or any Convertible Instruments, conversion dates and likely impact on equity	Not issued		
Plant Location	Village Tundav, Taluka Savli, District Vadodara, Gujarat		
Address for Shareholders correspondence	M/s. Zenith Fibres Limited, 2nd Floor, 205 Marol Bhavan, Marol Co-op. Indi. Estate Ltd., M.V. Road, J.B. Nagar Post, Andheri (E), Mumbai 400059 or Shareholders holding shares in Electronic mode should address all their correspondence to their respective depository participant		
Company's Share Transfer Agent	M/s. Universal Capital Securities Pvt. Ltd. 21, Shakil Niwas, Opp. Satya Saibaba Temple, Mahakali Caves Road, Andheri(E), Mumbai- 400093		

17. Share Transfer System

Transfers of shares are processed by the Share Transfer Agent and approved by Stakeholder Relationship Committee, which meets at frequent intervals. Share transfers are registered and returned generally within 15 days from the date of receipt if the relevant documents are complete in all respects.

18. Distribution Pattern as on 31.3.2018

No. of Equity Shares	No. of Folios	%	No. of Shares	%
01-500	3618	87.95	493712	11.16
501-1000	240	5.83	194522	4.40
1001-2000	105	2.55	164257	3.71
2001-3000	36	0.88	91458	2.07
3001-4000	17	0.41	58917	1.33
4001-5000	17	0.41	79471	1.80
5001-10000	40	0.97	281647	6.37
10001 and above	41	1.00	3058362	69.16
TOTAL	4114	100.00	4422346	100
In Physical Mode			189696	4.29
In Electronic Mode			4232650	95.71

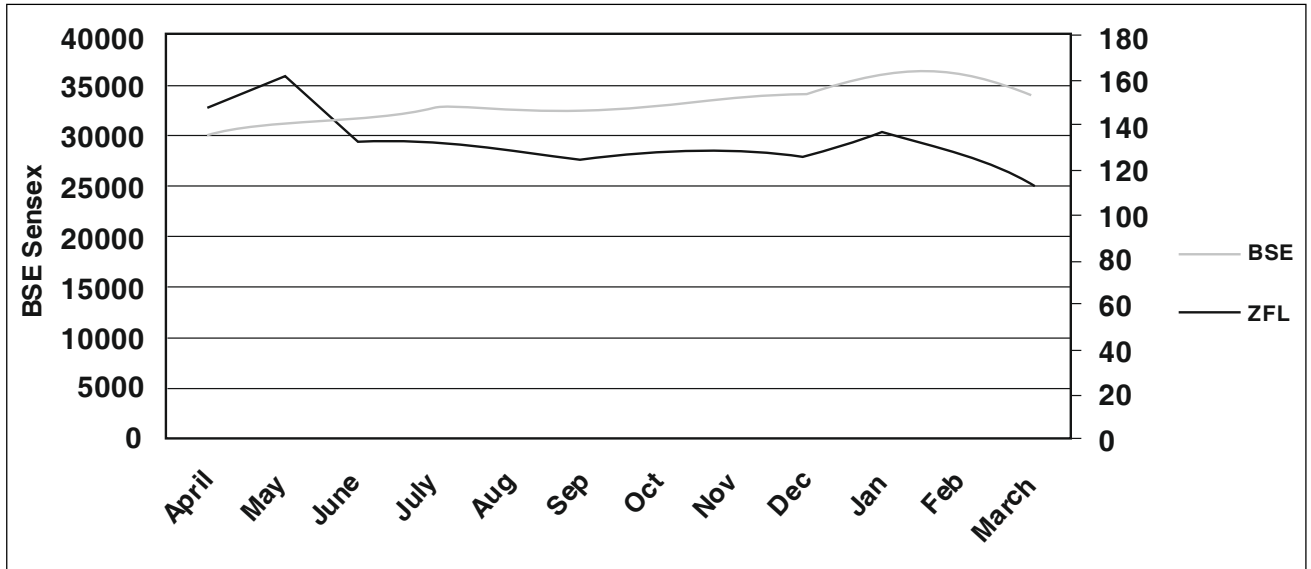
Shareholding Pattern as on 31.3.2018

Category	No. of Shares	%
Promoters	2223106	50.27
Mutual Funds & UTI	7600	0.17
Financial Institutions	--	--
Domestic Companies	254114	5.75
FII's and NRI's	49866	1.13
Resident Individuals/ others	1887660	42.68
TOTAL	4422346	100

Monthly High/Low in Rupees from April, 2017 to March, 2018

	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
High	147	161	132	132	129	124.95	128	129	125.90	137	127.95	113.95
Low	133	120.10	117	114	105	112.5	114.05	111.6	115	119.45	108.10	89.10

Performance of Share price compared with BSE Sensex



Disclosures

a) Disclosure of related party transactions

No transaction of material nature has been entered into by the Company with its Promoters, Directors or the management or their relatives and others that may have potential conflict with the interest of the Company.

b) Disclosure of Accounting Treatment in Preparing of Financial Statement

The Company follows the guidelines of Accounting Standards referred to in Section 133 of the Companies Act, 2013 read with the Rule 7 of the Companies (Accounts) Rules, 2014 together with adoption of Indian Accounting Standards the consequential limited revisions to certain Accounting Standards issued by the ICAI.

c) Disclosure of non-compliance by the Company

There were no instances of non-compliance or penalty, strictures imposed on the Company by the Stock Exchange or SEBI or any statutory authority on any matter related to Capital Markets during the last three Years.

A. CEO/CFO Certificate

Certificate duly signed by Shri Sanjeev Rungta, Executive

Chairman and Shri S. S. Iyer, CEO certifying financial statements and the cash flow statement, as required under Regulation 17(8) of the SEBI (LODR) Regulations, 2015, was placed before the Board.

B. NON-MANDATORY REQUIREMENTS

The Company has complied with all mandatory requirements of SEBI (LODR), 2015 with the Stock Exchange and has implemented the following non mandatory requirements.

Shareholders rights: The Company's quarterly results are published in English and Marathi newspapers having wide circulation and hence the same is not being sent to the shareholders' household.

Postal Ballot: No Resolution has been passed through postal ballot during the year.

On behalf of the Board of Directors

Sanjeev Rungta

Executive Chairman

DIN:00053602

Date: 25/08/2018

Place: Mumbai

AUDITORS' CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE

TO THE MEMBERS OF ZENITH FIBRES LIMITED

1. We have examined the compliance of conditions of Corporate Governance by Zenith Fibres Limited ("the Company"), for the year ended 31st March 2018, as stipulated in Regulations 17 to 27, clauses (b) to (i) of sub-regulation (2) of regulation 46 and para C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations').

Management's Responsibility

2. The compliance of conditions of Corporate Governance is the responsibility of the Company's management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure compliance with the conditions of the Corporate Governance stipulated in the Listing Regulations.

3. The Management along with the Board of Directors are also responsible for ensuring that the Company complies with the conditions of Corporate Governance as stipulated in the Listing Regulations, issued by the Securities and Exchange Board of India.

Auditor's Responsibility

4. Pursuant to the requirements of the Listing Regulations, our responsibility is to express a reasonable assurance in the form of an opinion whether the Company has complied with the specific requirements of the Listing Regulations referred to in paragraph 1 above.

5. We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India (the "ICAI"), the Standards on Auditing specified under Section 143(10) of the Companies Act 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or

Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI. Our examination was limited to the review of the procedures and implementation thereof, adopted by the Company for ensuring the compliance with the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Opinion

7. In our opinion and to the best of our information and according to the explanations given to us, and the representations made by the Directors and the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations, as applicable for the year ended March 31, 2018, referred to in paragraph 1 above.

8. We 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 SURENDRA MODIANI & ASSOCIATES

Chartered Accountants
Firm Registration No. 126307W

SURENDRA MODIANI

Partner

M. No. 047966

Place : Vadodara

Date : 25/08/2018

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF ZENITH FIBRES LIMITED

Report on Financial Statements

We have audited the accompanying standalone Ind AS financial statements of Zenith Fibres Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act., read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.

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 the design, implementation and maintenance of adequate internal financial control that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone Ind AS financial statements based on our audit.

We have taken into account the provisions of the Act and the Rules made thereunder including the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone Ind AS financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2018, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Other matters

The comparative financial information of the Company for the year ended March 31, 2017 and the transition date opening balance sheet as at April 1, 2016 included in these Ind AS financial statements, are based on the previously issued statutory financial statements for the years ended March 31, 2017 and March 31, 2016 prepared in accordance with the Companies (Accounting Standards) Rules, 2006 (as amended) which were audited by the predecessor auditor who expressed an unmodified opinion vide reports dated May 27, 2017 and May 28, 2016 respectively. The adjustments to those financial statements for the differences in accounting principles adopted by the Company on transition to the Ind AS have been audited by us. Our opinion is not qualified in respect of these matters.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ('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.
2. As required by Section 143(3) of the Act, we report that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books
- (c) The Balance Sheet, Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this report are in agreement with the books of account.
- (d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
- (e) On the basis of the written representations received from the directors as on 31st March, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- (g) 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:
 - i) The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements - Refer Note 32.1.1 to the standalone Ind AS financial statements;
 - ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company;
 - iv) The reporting on disclosures relating to Specified Bank Notes is not applicable to the Company for the year ended March 31, 2018.

FOR SURENDRA MODIANI & ASSOCIATES
Chartered Accountants (F.R.N. 126307W)
SURENDRA MODIANI
Partner(M. No. 047966)

Date: 24/05/2018
Place: Vadodara

ANNEXURE-A TO INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1 under the heading "Report on Other Legal and Regulatory Requirements" of the Independent Auditor's Report to the members of Zenith Fibres Limited for the year ended 31st March, 2018)

- i) (a) The Company is maintaining proper records showing full particulars including quantitative details and situation of fixed assets;
- (b) These fixed assets have been physically verified by the management at reasonable intervals. We are informed that no material discrepancies were noticed on such verification;
- (c) 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 immovable properties are held in the name of the Company.
- ii) The physical verification of inventory has been conducted at reasonable intervals by the management. No material discrepancies were noticed on such physical verification.
- iii) The Company has not granted any loans, secured or unsecured, to companies, firm or other parties covered in the register maintained under section 189 of the Act and therefore, the matters referred in paragraph (iii)(a), (iii)(b) and (iii)(c) of the order are not applicable.
- iv) In our opinion, the Company has complied with the provisions of Section 186 of the Act in respect of the loans and investments made, and guarantees and security provided by it.
- v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Companies Act, 2013, related to the manufacture of its products, and are of the opinion that prima facie, the specified accounts and records have been made

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and maintained. We have not, however, made a detailed examination of the same.

- vii) According to the information and explanations given to us and as shown by our examination of the books of accounts:
- (a) The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, goods and service tax, cess and other statutory dues applicable to it.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, service tax, sales-tax, duty of custom, duty of excise, value added tax, goods and service tax, cess and other material statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.
- (c) According to the records of the Company, the particulars of dues of Duty of Excise which have not been deposited as on March 31, 2018 on account of disputes are as under

Name of the statute	Amount involved in ₹.	Period to which amount relates	Forum where dispute is pending
The Central Excise Act, 1944	90,48,505/-	April,2010 to March,2011	Tribunal Central Excise and Custom

- viii) The Company has not defaulted in repayment of loans or borrowings to Bank. There are no loans or borrowings from financial institutions or Government and the Company has not issued any debentures.
- ix) The Company has not raised any moneys by way of initial public offer, further public offer (including debt instruments) and term loans. Accordingly, the provisions of Clause 3(ix) of the Order are not applicable to the Company.
- x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no fraud on the Company by its officers or employees has been noticed or reported during the year.
- xi) Company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
- xii) As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the provisions of Clause 3(xii) of the Order are not applicable to the Company.
- xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.
- xiv) The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, the provisions of Clause 3(xiv) of the Order are not applicable to the Company and, not commented upon.
- xv) The Company has not entered into any non cash transactions with its directors or persons connected with him. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company.
- xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

FOR SURENDRA MODIANI & ASSOCIATES

Chartered Accountants (F.R.N. 126307W)

SURENDRA MODIANI

Partner(M. No. 047966)

Date: 24/05/2018

Place: Vadodara

ANNEXURE-B TO INDEPENDENT AUDITOR'S REPORT

[Referred to in paragraph 2(f) under the heading "Report on Other Legal and Regulatory Requirements" of the Independent Auditor's Report to the members of Zenith Fibres Limited for the year ended 31st March, 2018]

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Zenith Fibres Limited ("the Company") as of March 31, 2018 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company on considering the essential components of internal

control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Date: 24/05/2018
Place: Vadodara

FOR SURENDRA MODIANI & ASSOCIATES
Chartered Accountants (F.R.N. 126307W)
SURENDRA MODIANI
Partner(M. No. 047966)

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BALANCE SHEET AS AT 31st MARCH, 2018

Particulars	NOTE No.	AS AT 31.03.2018 (₹)	AS AT 31.03.2017 (₹)	AS AT 01.04.2016 (₹)
ASSETS				
(1) NON-CURRENT ASSETS				
(a) Property, Plant and Equipment	4	61,054,852	46,362,169	49,165,754
(b) Intangible Assets	5	333,750	434,299	534,781
(c) Financial Assets				
(i) Investments	6	195,509,289	178,887,778	14,215,000
(ii) Loans	7	20,000,000	20,000,000	-
(d) Other Non-Current Assets	8	822,020	923,838	1,272,474
TOTAL NON-CURRENT ASSETS		277,719,911	246,608,084	65,188,009
(2) CURRENT ASSETS				
(a) Inventories	9	51,408,065	41,037,233	44,688,597
(b) Financial Assets				
(i) Trade Receivables	10	12,424,865	55,038,332	38,680,327
(ii) Cash and Cash Equivalents	11	144,830,973	125,358,980	274,377,675
(iii) Bank Balances Other than (ii) above	12	6,498,454	6,348,877	1,949,820
(iv) Loans	13	7,500,000	7,500,000	7,500,000
(c) Other Current Assets	14	10,677,461	17,471,210	25,468,506
TOTAL CURRENT ASSETS		233,339,818	252,754,632	392,664,925
TOTAL ASSETS		511,059,729	499,362,716	457,852,934
EQUITY AND LIABILITIES				
(1) EQUITY				
(a) Equity Share Capital	15	44,223,460	44,223,460	44,223,460
(b) Other Equity	16	438,106,541	418,174,154	374,004,474
TOTAL EQUITY		482,330,001	462,397,614	418,227,934
LIABILITIES				
(2) Non-Current Liabilities				
(a) Financial Liabilities				
Borrowings	17	-	-	1,580,693
(b) Provisions	18	6,493,295	5,131,030	3,519,387
(c) Deferred Tax Liabilities (Net)	19	6,565,158	5,013,390	3,829,357
TOTAL NON-CURRENT LIABILITIES		13,058,453	10,144,420	8,929,437
(3) Current Liabilities				
(a) Financial Liabilities				
(i) Trade Payables	20	1,347,313	11,854,501	8,734,286
(ii) Other Financial Liabilities	21	9,435,027	7,876,632	9,012,231
(b) Other Current Liabilities	22	2,820,326	4,851,722	4,359,165
(c) Provisions	23	1,259,733	2,237,827	1,938,970
(d) Current Tax Liabilities	24	808,876	-	6,650,911
TOTAL CURRENT LIABILITIES		15,671,275	26,820,682	30,695,563
TOTAL EQUITY AND LIABILITIES		511,059,729	499,362,716	457,852,934
Significant Accounting Policies	2 to 3			
Other Notes to Financial Statements	32			

Refer accompanying notes forming part of financial statements

As per our report of even date

FOR SURENDRA MODIANI & ASSOCIATES

Chartered Accountants (F.R.N. 126307W)

SURENDRA MODIANI

Partner (M. No. 047966)

Date: 24/05/2018

Place: Mumbai

on behalf of Board of Directors

Sanjeev Rungta

Executive Chairman

DIN: 00053602

Siddhi Shah

Company Secretary

Statement of Profit & Loss for the Year Ended 31st March, 2018

Particulars	NOTE No.	Year ended 31.03.2018 (₹)	Year ended 31.03.2017 (₹)
INCOME			
I Revenue from Operations	25	369,823,229	563,514,368
II Other Income	26	26,445,196	25,724,734
III Total Income (I + II)		396,268,425	589,239,102
IV EXPENSES			
Cost of raw materials consumed	27	231,345,323	314,846,524
Changes in inventories of finished goods and work-in-progress	28	(18,819,676)	4,558,851
Excise Duty		7,716,747	38,825,650
Employee benefits expense	29	42,831,345	38,122,865
Finance costs	30	1,044,376	2,049,619
Depreciation and amortization expense	4&5	5,505,533	6,195,440
Other expenses	31	78,875,856	91,900,309
TOTAL EXPENSES (IV)		348,499,504	496,499,258
V Profit Before Tax (III-IV)		47,768,921	92,739,844
VI Tax Expenses			
Current Tax		14,081,520	28,700,000
Deferred Tax		2,076,440	1,774,836
Adjustment of Tax relating to earlier Periods		(327,970)	931,335
Total Tax Expenses		15,829,990	31,406,171
VII Profit for the Year (V-VI)		31,938,931	61,333,673
VIII Other Comprehensive Income			
Items that will not be reclassified to profit or loss			
(i) Re-measurement of Defined Benefit Obligation		(1,885,953)	(1,786,901)
(ii) Income Tax effect relating to items that will not be reclassified to profit & loss		524,672	590,803
IX Total Comprehensive Income for the Year (VII+VIII)		30,577,650	60,137,575
X Earning Per Equity Share F.V. of ₹ 10/- each (Basic and Diluted)		7.22	13.87
Significant Accounting Policies	2 to 3		
Other Notes to Financial Statements	32		

Refer accompanying notes forming part of financial statements

As per our report of even date

FOR SURENDRA MODIANI & ASSOCIATES

Chartered Accountants (F.R.N. 126307W)

SURENDRA MODIANI

Partner (M. No. 047966)

Date: 24/05/2018

Place: Mumbai

on behalf of Board of Directors

Sanjeev Rungta

Executive Chairman

DIN: 00053602

Siddhi Shah

Company Secretary

29th ANNUAL REPORT

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31ST MARCH, 2018

Particulars	AS AT 31.03.2018 (₹)	AS AT 31.03.2017 (₹)
I. Cash Flow from Operating activities		
Profit before tax	47,768,921	92,739,844
Adjustments for:		
Depreciation and amortization expenses	5,505,533	6,195,440
(Gain) / Loss on investments measured at fair value through Profit and Loss	(10,594,720)	(7,172,780)
(Gain) / Loss on disposal of Property, Plant and Equipment	732,111	(70,641)
Pre measurement of defined benefit plans	(1,885,953)	(1,786,901)
Gain on Sale of Investments	(1,026,788)	-
Interest income	(14,823,688)	(18,481,313)
Finance cost	1,044,376	2,049,619
Operating Profit before Working Capital Changes	26,719,792	73,473,268
Changes in Operating Assets and Liabilities		
(Increase)/Decrease in Inventories	(10,370,832)	3,651,364
(Increase)/Decrease in Trade Receivables	42,613,467	(16,358,005)
(Increase)/Decrease in Other Assets	6,895,567	8,345,932
Increase/(Decrease) in Trade Payables	(10,507,188)	3,120,215
Increase/(Decrease) in Other Financial Liabilities	3,139,088	257,165
Increase/(Decrease) in Other Liabilities	(2,031,396)	492,557
Increase/(Decrease) in Provisions	384,171	1,910,500
Cash generated from Operations	56,842,669	74,892,996
Income Tax Paid	12,944,675	36,282,244
Net Cash Inflow from Operating Activities	43,897,994	38,610,752
II. Investing Activities		
Gain on Sale of Investments	1,026,788	-
Interest Income	14,823,688	18,481,313
Purchase of Fixed Assets	(21,841,478)	(3,351,532)
Sale Proceeds of Fixed Assets	1,011,700	130,800
Purchase of Investments	(6,026,791)	(177,500,000)
Net Cash from Investing Activities	(11,006,093)	(162,239,419)
III. Financing Activities		
Repayment of term loan	(1,580,693)	(2,973,457)
Finance cost	(1,044,376)	(2,049,619)
Dividend (including tax on dividend) paid	(10,645,263)	(15,967,895)
Net Cash from Financing Activities	(13,270,332)	(20,990,971)
Net change in Cash and cash equivalents	19,621,570	(144,619,638)
Cash and cash equivalents at the beginning of the year	131,707,857	276,327,495
Cash and cash equivalents at the end of the year	151,329,427	131,707,857

Refer accompanying notes forming part of financial statements

As per our report of even date

FOR SURENDRA MODIANI & ASSOCIATES

Chartered Accountants (F.R.N. 126307W)

SURENDRA MODIANI

Partner (M. No. 047966)

Date: 24/05/2018

Place: Mumbai

on behalf of Board of Directors

Sanjeev Rungta

Executive Chairman

DIN: 00053602

Siddhi Shah

Company Secretary

(A) EQUITY SHARE CAPITAL

Particulars	31st March, 2018		31st March, 2017	
	No. of Shares	Amount	No. of Shares	Amount
Balance at the beginning of the year	4,422,346	44,223,460	4,422,346	44,223,460
Changes in equity share capital during the year	-	-	-	-
Balance at the end of the year	4,422,346	44,223,460	4,422,346	44,223,460

(B) OTHER EQUITY

Particulars	Capital Reserve	Share Premium Reserve	General Reserve	Retained earnings	Other Comprehensive Income	Total
Balance as at April 1, 2016	9,194,405	9,183,588	276,000,000	80,008,009	(381,528)	374,004,474
Profit for the year				61,333,673	-	61,333,673
Other Comprehensive Income (Net of tax)				-	(1,196,098)	(1,196,098)
Total Comprehensive Income for the year				61,333,673	(1,196,098)	60,137,575
Transferred from surplus in statement of profit & loss to General Reserve			30,000,000	(30,000,000)		-
Dividend Paid	-	-	-	(13,267,038)		(13,267,038)
Tax on Dividend Paid	-	-	-	(2,700,857)		(2,700,857)
Balance at the end of March 31, 2017	9,194,405	9,183,588	306,000,000	95,373,787	(1,577,626)	418,174,154
Profit for the year				31,938,931	-	31,938,931
Other Comprehensive Income (Net of tax)				-	(1,361,281)	(1,361,281)
Total Comprehensive Income for the year				31,938,931	(1,361,281)	30,577,650
Transferred from Surplus in statement of profit & loss to General Reserve			5,000,000	(5,000,000)		-
Dividend Paid				(8,844,692)		(8,844,692)
Tax on Dividend Paid				(1,800,571)		(1,800,571)
Balance at the end of March 31, 2018	9,194,405	9,183,588	311,000,000	111,667,455	(2,938,907)	438,106,541

Notes Forming Part of Financial Statements
1. Corporate Information

Zenith Fibres Limited ("the Company") is a Public Limited Company incorporated in India and governed by the Companies Act, 2013 ("the Act"). The Company is engaged in the manufacturing of Manmade Fibres. The shares of the Company are listed on the Bombay Stock Exchange.

The Company's registered office is located at 205, Marol Bhavan, 2nd Floor, Marol Co-op Industrial Estate Limited, M.V. Road, J.B. Nagar Post, Andheri (E), Mumbai - 400059.

2. Statement of compliance and basis of preparation and presentation
2.1 Statement of compliance
Compliance with Indian Accounting Standards (Ind AS)

The financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015, as amended by the Companies (Indian Accounting Standards)(Amendment) Rules, 2016, notified under Section 133 of the Companies Act, 2013 and the relevant provisions of the Companies Act, 2013 ("the Act").

For all periods up to year ended 31st March, 2017, the Company prepared its financial statements in accordance with accounting standards notified under the Section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP). These financial statements for the year ended 31st March, 2018 are the first financial statements prepared in accordance with Ind AS.

2.2 Basis of preparation

The financial statements have been prepared under historical cost convention on accrual basis except for the items that have been measured at fair value as required by relevant Ind AS.

2.3 Significant Accounting judgements, estimates and assumptions

The preparation of these financial statements requires management judgements, estimates and assumptions that effect application of accounting policies, the accounting disclosures made and the reported amounts of assets, liabilities, income and expenses.

Estimates and underlying assumptions are reviewed on a periodic basis, Revisions to accounting estimates are made in the period, in which, the estimates are revised and in any future periods, effected pursuant to such revision.

2.4 Functional Currency

The functional currency of the Company is the Indian Rupees (INR). These financial statements are presented in Indian Rupees at full values, except where otherwise indicated.

2.5 Classification of current or non-current assets and liabilities

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

2.6 Fair Value Measurement

The Company measures financial instruments, such as investments (other than equity investments in Associates) and derivatives at fair values at each Balance Sheet date. Fair value is the price that would be received on selling an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities (for which fair value is measured or disclosed in the financial statements) are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole

Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities, that are recognized in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The management determines the policies and procedures for recurring fair value measurement, such as derivative instruments and unquoted financial assets measured at fair value, and for non-recurring measurement, such as assets held for disposal in discontinued operations.

2.7 First-time adoption of Ind AS

Transition to Ind AS

These are the Company's first financial statements prepared in accordance with Ind AS.

The accounting policies set out in following notes have been applied in preparing the financial statements for the year ended 31st March, 2018, the comparative information presented in these financial statements for the year

ended 31st March, 2017 and in the preparation of an opening Ind AS Balance Sheet at 1st April, 2016 (the Company's date of transition). In preparing its opening Ind AS Balance Sheet, the Company has adjusted the amounts reported previously in financial statements prepared in accordance with the Accounting Standards notified under Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act (previous GAAP or Indian GAAP). An explanation of how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows is set out in the following tables and notes.

Exemptions Availed

i) Deemed Cost for Property, Plant and Equipments and Intangible Assets

The Company has elected to continue with the carrying value of all its property, plant and equipment and intangible assets recognized as of 1st April, 2016 (the transition date), measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

ii) Equity investment in Associate

The Company has elected to apply Indian GAAP carrying amount as deemed cost on the date of transition to Ind AS for its equity investments in associates.

3. Significant Accounting Policies

3.1 Property, Plant and Equipment (PPE)

Property, plant and equipment are carried at cost less accumulated depreciation and accumulated impairment losses, if any. Cost includes purchase price, borrowing cost and any cost directly attributable to bringing the assets to its working condition for its intended use.

The cost of an item of PPE is recognized as an asset if, and only if, it is probable that the economic benefits associated with the item will flow to the Company in future periods and the cost of the item can be measured reliably. Expenditure incurred after the PPE have been put into operations, such as repairs and maintenance expenses are charged to the Statement of Profit and Loss during the period in which they are incurred.

Items such as spare parts, standby equipment and servicing equipment are recognized as PPE when it is held for use in the production or supply of goods or services, or for administrative purpose, and are expected to be used for more than one year.

An item of PPE is de-recognized upon disposal or when no future economic benefits are expected to arise from the continued use of the assets. Any gain or loss arising on the disposal or retirement of an item of PPE, is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in the Statement of Profit and Loss.

3.2 Depreciation and amortization

Depreciation has been provided as per straight-line method on pro rata basis from the date of such additions in the manner and at the useful life specified in Schedule II of the Companies Act, 2013 except that in case of expenditure on software. In the opinion of management useful life of fixed assets broadly corresponds to life as specified in schedule II of the Companies Act 2013 and the depreciation provided accordingly. Cost of software is amortized over 6 years considering its useful life.

3.3 Impairment of assets

Carrying amounts of fixed assets are reviewed at each balance sheet date to ascertain whether there is any indication of impairment in their value caused by any internal / external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount, recoverable amount being the greater of the assets' net selling price and value in use.

3.4 Investments and financial assets

a) Investment in Associates

Loss if any, investment in Associate is recognized at cost.

b) Other investments and financial assets

i) Classification

The Company classifies its financial assets in the following measurement categories depending upon the Company's business model for managing the financial assets and the contractual terms of the cash flows.

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- those measured at amortized cost.

For assets measured at fair value, gains and losses will either be recorded in statement of profit and loss or other comprehensive income, as elected. For investments in debt instruments, this will depend on the business model in which the investment is held.

The Company reclassifies debt investments when and only when its business model for managing those assets changes.

ii) **Measurement**

At initial recognition, the Company measures a financial asset at its fair value including, in the case of 'a financial asset not at fair value through profit or loss', transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at 'fair value through statement of profit and loss' are recognized in the statement of profit or loss Account.

Debt instruments

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. There are two measurement categories into which the Company classifies its debt instruments:

Amortized cost

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost e.g. Bonds. A gain or loss on a debt investment that is subsequently measured at amortized cost is recognized in statement of profit and loss Account when the asset is derecognized or impaired. Interest income from these financial assets is included in investment income using the effective interest rate method.

Fair value through statement of profit and loss

Assets that do not meet the criteria for amortized cost, are measured at fair value through statement of profit and loss e.g. investments in Mutual Funds.

iii) **Impairment of financial assets**

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortized cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk and if so, assess the need to provide for the same in the statement of profit and loss Account.

iv) **Derecognition of financial assets**

A financial asset is derecognized only when Company has transferred the rights to receive cash flows from the financial asset. Where the entity has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognized.

3.5 **Inventories**

Inventories are valued at the lower of cost and net realisable value.

Costs incurred in bringing each product to its present location and conditions are accounted for as follows:

- Raw materials:** Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on FIFO (First in, First Out) Method.
- Finished goods:** Cost of Finished Goods include material cost, cost of conversion, depreciation, other overheads to the extent applicable and excise duty.
- Work in progress:** It is valued at cost determined by taking material cost, labour charges, and direct expenses.
- Stores and spares:** are stated at cost less provision, if any, for obsolescence.
- Waste/Scrap** is valued at estimated net realizable value in absence of the cost.

Net realisable value is estimated selling price in ordinary course of business, less estimated cost necessary to make the sale.

Change in method of determination of cost for valuation

Company changed its method of determining cost of inventories from Weighted average method to First in, First

Out(FIFO) Method during the year, which, in the opinion of management, results in the financial statements providing reliable and more relevant information about the effects of transactions and other conditions on the company's financial position, financial performance and cash flows.

Such change has been applied on a retrospective basis as per applicable Accounting Standard.

3.6 Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

i. Sale of Goods

Revenue from the sale of goods is recognized when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on delivery of the goods. Revenue from sale of goods is measured at the fair value of the consideration received or receivable, which is inclusive of excise duty and net of value added taxes, Goods and Service Tax, returns, discounts, rebates and incentives.

ii. Interest Income

Interest income from a financial asset is recognized when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

iii. Value of import entitlements is accounted for by reduction from the cost of inputs in the year of export.

3.7 Foreign currency transactions and translation

Transactions in foreign currencies are initially recorded in the functional currency, using the spot exchange rates on the date, the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Exchange differences that arise on settlement of monetary items or on reporting at each balance sheet date of the Company's monetary items at the closing rate are recognized as income or expenses in the period in which they arise. Non-monetary assets and non-monetary liabilities denominated at a foreign currency and measured at historical cost are translated at exchange rate prevalent on the date of the transaction.

3.8 Employee Benefits

Short-Term Employee Benefits

Short-term employee benefits are recognized as an expense on accrual basis.

Provident fund

Contribution to Provident Fund, a defined contribution plan, is made in accordance with the statute, and is recognized as an expense in the year in which the employees have rendered services.

Leave Benefits

Leave benefits being a defined benefit plan is accounted for using the projected unit credit method, on the basis of actuarial valuations carried out by third party actuaries at each Balance Sheet date. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to other comprehensive income in the year in which they arise. Other costs are accounted in statement of profit and loss.

Gratuity

The company provides for gratuity, a defined benefit retirement plan ('the Gratuity Plan') covering eligible employees. The Gratuity plan provides a lump-sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment with the company.

Liabilities with regard to the Gratuity Plan are determined by actuarial valuation, performed by an independent actuary, at each Balance Sheet date using the projected unit credit method. The company contributes liabilities to Gratuity Fund in to a scheme administered by the Life Insurance Corporation of India. Any deficit in plan assets managed by Life Insurance Corporation of India as compared to the liability on the basis of an independent actuarial valuation is recognized as a liability.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to other comprehensive income in the period in which they arise. Other costs are accounted in statement of profit and loss.

3.9 Borrowing Costs

Borrowing cost includes interest expense, amortization of discounts, 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.

Borrowing costs that are attributable to the acquisition or construction or production of a qualifying asset are capitalized as part of the cost of such asset till such time that the asset is ready for its intended use. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

All other borrowing cost are recognized in the statement of profit and loss in the period in which they are incurred.

3.10 Income Taxes

Income tax expense comprises current and deferred income tax.

Income tax expense is recognized in net profit in the Statement of Profit and Loss except to the extent that it relates to items recognized directly in equity, in which case, it is recognized in other comprehensive income. Current income tax for current and prior periods is recognized at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date.

Deferred income tax assets and liabilities are recognized for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Deferred income tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect of changes in tax rates on deferred income tax assets and liabilities are recognized as income or expense in the period that includes the enactment or substantive enactment date. A deferred income tax asset is recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilized.

The company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts.

3.11 Earnings per share

Basic earnings per share is computed by dividing the net profit after tax by the weighted average number of equity shares outstanding during the period.

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

3.12 Cash and cash equivalents

Cash and cash equivalents include cash on hand and at bank, Cheques on hand and remittances in transit for the purpose of meeting short term cash commitments.

3.13 Operating Leases - As A Lessee

Leases, where significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases and lease rentals thereon are charged to the Statement of Profit and Loss on a straight-line basis over the lease term.

3.14 Provisions and contingent liabilities

A provision is recognized if, as a result of a past event, the Company has a present legal obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

Provisions are determined by the best estimate of the outflow of economic benefits required to settle the obligation at the reporting date. Where no reliable estimate can be made, a disclosure is made as contingent liability. A disclosure for a contingent liability is also made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

3.15 Segment Reporting

The Company's operations fall under single segment namely "Manmade Fibres" hence no separate disclosure of segment reporting is required to be made as required under Ind AS 108 'Operating Segments'.

3.16 As per the information available with the company and identification of the parties there are no amounts outstanding to Micro, Small and Medium Enterprises as at March 31, 2018 and no amount were overdue during the year for which disclosure requirements under Micro, Small and Medium Enterprises Development Act, 2006 are applicable.

4. PROPERTY, PLANT & EQUIPMENT

(Amt. in ₹)

Particulars	GROSS CARRYING AMOUNT				ACCUMULATED DEPRECIATION/ AMORTISATION				NET CARRYING AMOUNT As At 31.03.18
	Deemed Cost As At 01.04.17	Additions	Deductions	Deemed Cost As At 31.03.18	As At 01.04.17	Additions	Deductions	As At 31.03.18	
Land	1,086,398	-	-	1,086,398	-	-	-	-	1,086,398
Buildings	8,673,859	15,291,200	-	23,965,059	525,114	694,408	-	1,219,522	22,745,537
Plant & Machineries	31,057,216	437,500	-	31,494,716	3,088,076	2,792,605	-	5,880,681	25,614,035
Furniture & Fixtures	472,504	2,403,012	-	2,875,516	227,025	90,179	-	317,204	2,558,312
Office Equipments	338,339	1,238,129	29,200	1,547,268	93,803	71,336	2,994	162,144	1,385,124
Electric Fittings	18,367	50,000	-	68,367	10,033	6,017	-	16,050	52,317
Vehicles	10,254,487	2,194,089	1,951,373	10,497,203	1,689,462	1,639,573	233,767	3,095,268	7,401,935
Computers	165,190	227,548	-	392,738	70,678	110,866	-	181,544	211,194
Total	52,066,360	21,841,478	1,980,573	71,927,265	5,704,191	5,404,983	236,761	10,872,413	61,054,852

Particulars	GROSS CARRYING AMOUNT				ACCUMULATED DEPRECIATION/ AMORTISATION				NET CARRYING AMOUNT As At 31.03.17
	Deemed Cost As At 01.04.16	Additions	Deductions	Deemed Cost As At 31.03.17	As At 01.04.16	Additions	Deductions	As At 31.03.17	
Land	1,086,398	-	-	1,086,398	-	-	-	-	1,086,398
Buildings	6,766,175	1,907,684	-	8,673,859	-	525,114	-	525,114	8,148,745
Plant & Machineries	30,603,916	453,300	-	31,057,216	-	3,088,076	-	3,088,076	27,969,140
Furniture & Fixtures	472,504	-	-	472,504	-	227,025	-	227,025	245,479
Office Equipments	115,020	231,194	7,875	338,339	-	101,284	7,481	93,803	244,536
Electric Fittings	18,367	-	-	18,367	-	10,033	-	10,033	8,334
Vehicles	9,967,084	730,454	443,051	10,254,487	-	2,072,748	383,286	1,689,462	8,565,025
Computers	136,290	28,900	-	165,190	-	70,678	-	70,678	94,512
Total	49,165,754	3,351,532	450,926	52,066,360	-	6,094,958	390,767	5,704,191	46,362,169

5. INTANGIBLE ASSETS

(Amt. in ₹)

Particulars	GROSS CARRYING AMOUNT				ACCUMULATED DEPRECIATION/ AMORTISATION				NET CARRYING AMOUNT As At 31.03.18
	As At 01.04.17	Additions	Deductions	As At 31.03.18	As At 01.04.17	Additions	Deductions	As At 31.03.18	
Intangible Assets	534,782	-	-	534,782	100,483	100,549	-	201,032	333,750
Total	534,782	-	-	534,782	100,483	100,549	-	201,032	333,750

Particulars	GROSS CARRYING AMOUNT				ACCUMULATED DEPRECIATION/ AMORTISATION				NET CARRYING AMOUNT As At 31.03.17
	As At 01.04.16	Additions	Deductions	As At 31.03.17	As At 01.04.16	Additions	Deductions	As At 31.03.17	
Intangible Assets	534,782	-	-	534,782	-	100,483	-	100,483	434,299
Total	534,782	-	-	534,782	-	100,483	-	100,483	434,299

NOTES FORMING PART OF FINANCIAL STATEMENTS

Particulars	AS AT 31.03.2018 (₹)	AS AT 31.03.2017 (₹)	AS AT 01.04.2016 (₹)
6 Financial Assets			
Investments - Un-Quoted - Other than Trading			
Investment measured at cost			
Shares of Associate Company			
Rainy Properties Pvt Ltd.			
10,00,000 Equity shares of ₹ 10 each fully paid up (P. Year 10,00,000 Equity shares of ₹10 each fully paid up)	10,000,000	10,000,000	10,000,000
Investments in Bonds Un-Quoted	4,215,000	4,215,000	4,215,000
National Highway Authority of India [3627 Bonds of ₹1000/- each]			
India Railway Finance Corpe. Ltd. [588 Bonds of ₹1000/- each]			
Investments measured at fair value through P & L A/C			
Investments in Mutual Funds	31/03/2018	31/03/2017	
	(No. of Units)	(No. of Units)	
Aitya Birla Sunlife Medium Term Plan	894102	894102	19,637,173
DHFL Pramerica Collection	407817	407817	5,612,297
DSPL Black Rock Credit Risk Fund	295006	295006	8,435,730
Franklin India Corporate Bond Fund	945412	945412	17,058,163
Franklin India Dynamic Fund	547755	547755	33,619,610
Franklin India Ultra Short Term Fund	4007	4007	14,708,132
HDFC Corporate Debt Opportunity Fund	1348013	1348013	19,425,944
ICICI Prudential Regular Savings Fund	900643	900643	16,719,995
Reliance Regular Saving Fund	690368	690368	16,712,210
Kotak Medium Term Fund	1351522	1351522	19,495,703
Indiabulls High Yield Fund	-	-	9,869,332
			181,294,289
			164,672,778
Total Aggregate amount of Un-Quoted Investments	195,509,289	178,887,778	14,215,000
7 Loans			
Fixed Deposit with a Corporate	20,000,000	20,000,000	-
	20,000,000	20,000,000	-
8 Other Non-Current Assets			
Unsecured, Considered Good			
Deposit with related party	-	-	54,000
Security Deposit	822,020	923,838	826,674
Capital Advances	-	-	391,800
	822,020	923,838	1,272,474

NOTES FORMING PART OF FINANCIAL STATEMENTS

Particulars	AS AT 31.03.2018 (₹)	AS AT 31.03.2017 (₹)	AS AT 01.04.2016 (₹)
CURRENT ASSETS			
9 Inventories (at lower of cost and net realizable value)			
Raw Materials	14,011,135	22,169,043	21,036,166
Work-in-Progress	688,900	653,649	242,709
Finished Goods & Scraps	34,362,507	15,578,082	20,547,873
Stores and Spares	1,882,265	1,989,260	2,144,129
Loose Tools	24,753	67,073	58,422
Other - Packing Materials	438,505	580,126	659,298
	<u>51,408,065</u>	<u>41,037,233</u>	<u>44,688,597</u>
10 Trade Receivables			
Unsecured and Considered Good	12,424,865	55,038,332	38,680,327
	<u>12,424,865</u>	<u>55,038,332</u>	<u>38,680,327</u>
11 Cash and Cash Equivalents			
Cash on Hand	130,219	213,219	212,119
Cheques on Hand	-	688,375	-
Balance with Banks - (In Current Accounts)	697,223	2,015,038	7,315,556
Fixed Deposit with Banks with maturity from date of Balance Sheet - More than 12 months	10,850,000	-	-
- Less than 12 months	133,153,531	122,442,348	266,850,000
	<u>144,830,973</u>	<u>125,358,980</u>	<u>274,377,675</u>
12 Bank Balances other Cash and Cash equivalents			
Earmarked Balances			
In Unclaimed Dividend Accounts	2,348,454	2,198,877	1,949,820
Margin Money Deposit	4,150,000	4,150,000	-
	<u>6,498,454</u>	<u>6,348,877</u>	<u>1,949,820</u>
13 Loans			
Inter Corporate Deposit	<u>7,500,000</u>	<u>7,500,000</u>	<u>7,500,000</u>
14 Other Current Assets			
Unsecured, Considered Good			
a) Advances recoverable in cash or kind or for value to be received	7,371,638	10,122,474	14,546,894
b) Balance with Government Authorities	-	452,261	3,218,354
c) VAT Input credit/refund receivables	2,419,458	6,118,742	7,316,886
d) Pre-Paid Expenses	886,365	777,733	386,372
	<u>10,677,461</u>	<u>17,471,210</u>	<u>25,468,506</u>
15. Equity Share Capital			
AUTHORISED			
6000000 Equity Shares of 10/- each	60,000,000	60,000,000	60,000,000
ISSUED			
4422346 Equity Shares of 10/- each	44223460	44223460	44223460
SUBSCRIBED AND FULLY PAID-UP			
4422346 Equity Shares of 10/- each	44,223,460	44,223,460	44,223,460

NOTES FORMING PART OF FINANCIAL STATEMENTS

a) Reconciliation of number of shares outstanding at the beginning and at the end of reporting period

Particulars	31st March, 2018		31st March, 2017	
	No. of Shares	Amount in ₹	No. of Shares	Amount in ₹
At the beginning of the year	4,422,346	44,223,460	4,422,346	44,223,460
Changes during the year	-	-	-	-
At the end of the year	4,422,346	44,223,460	4,422,346	44,223,460

b) Details of shares held by each shareholder holding more than 5% of shares in the Company

Particulars	31st March, 2018		31st March, 2017	
	No. of Shares at the end of the year	% Holding	No. of Shares at the beginning of the year	% Holding
Demris Finvest Pvt. Ltd.	481,500	10.89%	481,500	10.89%
Galaxy Dealers Pvt. Ltd	325,810	7.37%	325,810	7.37%
Rainy Fiscal Services Pvt. Ltd	560,100	12.67%	560,100	12.67%
Shark Barter Pvt. Ltd	450,000	10.18%	450,000	10.18%

Terms / rights attached to equity shares: The Company has only one class of share capital, i.e., equity shares having face value of ₹10 per share. Each holder of equity share is entitled to one vote per share.

Particulars	AS AT	AS AT	AS AT
	31.03.2018 (₹)	31.03.2017 (₹)	01.04.2016 (₹)
16. Other Equity			
a) Capital Reserve			
Subsidy	2,500,000	2,500,000	2,500,000
Cancellation of Forfeited Shares	6,660,905	6,660,905	6,660,905
On reissue on forfeited shares	33,500	33,500	33,500
Share Premium Reserve	9,183,588	9,183,588	9,183,588
	18,377,993	18,377,993	18,377,993
b) General Reserve			
Opening Balance of General Reserve	306,000,000	276,000,000	226,000,000
Transfer from Profit & Loss A/c	5,000,000	30,000,000	50,000,000
	311,000,000	306,000,000	276,000,000
c) Retained earnings			
Balance Brought Forward from Last Year Profit	95,373,787	80,008,009	45,619,569
Amount of past re-measurement cost	-	-	381,528
Adjustment due to Change in Accounting Policy	-	-	(901,601)
Transfer from Profit & Loss A/c	31,938,931	61,333,673	84,908,513
	127,312,718	141,341,682	130,008,009
Less : Appropriations			
a) Dividend paid	8,844,692	13,267,038	-
b) Tax on Dividend paid	1,800,571	2,700,857	-
c) Transfer to General Reserve	5,000,000	30,000,000	50,000,000
	111,667,455	95,373,787	80,008,009
d) Other Comprehensive Income	(2,938,907)	(1,577,626)	(381,528)
Total Reserve and Surplus (a)+(b)+(c)+(d)	438,106,541	418,174,154	374,004,474

NOTES FORMING PART OF FINANCIAL STATEMENTS

Details of additions / deductions to other Equity since last date of Balance sheet					
Other Equity	Capital Reserve	General Reserve	Retained earnings	Other Comprehensive Income	Total
Balance as on 01/04/2016	18,377,993	276,000,000	80,008,009	(381,528)	374,004,474
Addition/(Deduction)		30,000,000	15,365,778	(1,196,098)	44,169,680
Balance as on 31/03/2017	18,377,993	306,000,000	95,373,787	(1,577,626)	418,174,154
Balance at the beginning of the year	18,377,993	306,000,000	95,373,787	(1,577,626)	418,174,154
Addition/(Deduction) during the year Balance	-	5,000,000	16,293,668	(1,361,281)	19,932,387
Balance as on 31/03/2018	18,377,993	311,000,000	111,667,455	(2,938,907)	438,106,541

Particulars	AS AT 31.03.2018 (₹)	AS AT 31.03.2017 (₹)	AS AT 01.04.2016 (₹)
Non-Current Liabilities			
Financial Liabilities			
17. Borrowings (Secured)			
Term Loan from Banks	-	-	740,125
From Other Parties(Secured by hypothecation of vehicles)	-	-	840,568
			1,580,693
18. Provisions			
Provision for Employee Benefits	-	-	-
Provision for Compensated absence	723,704	2,039,343	1,845,576
Provision for Gratuity	5,769,591	3,091,687	1,673,811
	6,493,295	5,131,030	3,519,387
19. Deferred Tax Liabilities (Net)			
The movement of deferred tax account is as follows :			
Deferred Tax Assets	2,524,687	2,939,509	2,388,045
Deferred Tax Liabilities	9,089,845	7,952,899	6,217,402
	6,565,158	5,013,390	3,829,357

Analysis of deferred tax assets / liabilities

Year ended 31st March, 2018	Opening Balance	Recognized in Profit & Loss A/c	Recognized in Other Comprehensive Income	Closing Balance
Deferred Tax Assets / (Liabilities) in relation to :				
Deferred Tax Assets				
Expenses Allowable on Payments	2,939,509	(939,494)	524,672	2,524,687
Total Deferred Tax Assets	2,939,509	(939,494)	524,672	2,524,687
Deferred Tax Liabilities				
Depreciation and Amortization	5,572,352	(1,437,429)	-	4,134,923
Income recognized in Profit and Loss Account	2,380,547	2,574,375	-	4,942,919
Total Deferred Tax Liabilities	7,952,899	1,136,946	-	9,089,845
NET DEFERRED TAX LIABILITIES ASSETS/(LIABILITIES)	(5,013,390)	(2,076,440)	524,672	(6,565,158)
Year ended 31st March, 2017				
Deferred Tax Assets				
Expenses Allowable on Payments	2,388,045	(39,339)	590,803	2,939,509
Total Deferred Tax Assets	2,388,045	(39,339)	590,803	2,939,509
Deferred Tax Liabilities				
Depreciation and Amortization	6,217,402	(645,050)	-	5,572,352
Income recognized in Profit and Loss Account	-	2,380,547	-	2,380,547
Total Deferred Tax Liabilities	6,217,402	1,735,497	-	7,952,899
NET DEFERRED TAX ASSETS / (LIABILITIES)	(3,829,357)	1,774,836	590,803	(5,013,390)

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NOTES FORMING PART OF FINANCIAL STATEMENTS

Particulars	AS AT 31.03.2018 (₹)	AS AT 31.03.2017 (₹)	AS AT 01.04.2016 (₹)
20. Trade Payables			
Micro and Small Enterprises	-	-	-
Other than Micro and Small Enterprises	1,347,313	11,854,501	8,734,286
	<u>1,347,313</u>	<u>11,854,501</u>	<u>8,734,286</u>
21. Other Financial Liabilities			
Current Maturity of Long-term debts (Secured by Hypothecation of Vehicles)	-	-	2,973,457
From Banks (Previous Year ₹ 7,40,125/-)	-	1,580,693	-
From Other (Previous Year ₹ 8,40,568/-)	-	-	-
Unclaimed Dividend	2,348,454	2,198,877	1,949,820
Employee Benefits	3,939,363	4,097,062	4,088,954
Creditor for purchase of capital goods	3,147,210	-	-
	<u>9,435,027</u>	<u>7,876,632</u>	<u>9,012,231</u>
22. Other Current Liabilities			
Statutory Tax Payables	724,343	2,192,718	2,170,269
Advance from Customers	373,136	615,448	716,305
Interest Received in Advance	-	134,101	83,993
Others	1,722,847	1,909,455	1,388,598
	<u>2,820,326</u>	<u>4,851,722</u>	<u>4,359,165</u>
23. Provisions			
Provision for Employee Benefits	-	-	-
Provision for Gratuity	1,101,341	959,240	841,312
Provision for Compensated absence	158,392	1,278,587	1,097,658
	<u>1,259,733</u>	<u>2,237,827</u>	<u>1,938,970</u>
24. Current Tax Liabilities			
Provision for Income tax (Net of Advance Tax & TDS)	808,876	-	6,650,911
	<u>808,876</u>	<u>-</u>	<u>6,650,911</u>

Particulars	Year ended 31.03.2018 (₹)	Year ended 31.03.2017 (₹)
25. REVENUE FROM OPERATIONS		
Sale of Products (Including excise duty)	367,108,962	560,244,819
OTHER OPERATING REVENUE		
Scrap Sales	146,579	228,524
Cash Discount	1,292,160	2,037,600
Net gain on foreign currency transaction and translations	1,175,094	997,557
Liabilities/Provisions no longer required written back	100,434	5,868
	<u>2,714,267</u>	<u>3,269,549</u>
Total Revenue From Operations	<u>3,69,823,229</u>	<u>5,63,514,368</u>
26. OTHER INCOME		
Interest	14,823,688	18,481,313
Gain on sale of Investment	1,026,788	-

NOTES FORMING PART OF FINANCIAL STATEMENTS

Particulars	Year ended 31.03.2018 (₹)	Year ended 31.03.2017 (₹)
Profit on sale of assets	-	70,641
Fair Value changes in Investments	10,594,720	7,172,780
	26,445,196	25,724,734
27. Cost of Raw Materials and Components Consumed		
Opening Stock	22,169,043	21,036,166
Add : Purchases	229,280,897	344,447,829
	251,449,940	365,483,995
Less :Cenvat	6,093,482	28,468,428
Less : Closing Stock	14,011,135	22,169,043
	231,345,323	314,846,524
28. Changes in Stock of Finished Goods and Work-in-Progress		
Opening Stock		
Finished Goods	15,536,332	20,542,373
Work-in-Progress and Scrap	695,399	248,209
	16,231,731	20,790,582
Closing Stock		
Finished Goods	34,362,507	15,536,332
Work-in-Progress and Scrap	688,900	695,399
	35,051,407	16,231,731
	(18,819,676)	45,58,851
29. Employee Benefit Expenses		
Salaries and Wages	38,883,555	33,669,330
Contribution to Provident Fund and other Funds	3,500,798	3,989,844
Staff Welfare Expenses	446,992	463,691
	42,831,345	38,122,865
30. Financial Costs		
(a) Interest expenses on	111,302	418,671
(i) Borrowings		
(ii) Others- Interest on delayed payment of income tax	4,670	18,788
Interest on other delayed payments	-	-
(b) Other borrowing cost	928,404	1,612,160
	1,044,376	2,049,619
31. Other Expenses		
Stores Consumed	913,265	3,494,521
Packing Consumed	2,340,568	3,455,640
Power and Fuel	20,645,408	25,195,601
Rent & Service Charges	2,954,888	2,199,474
Repairs to Machinery	2,636,249	1,916,557
Insurance	731,096	691,665
Legal and Professional Charges	1,698,832	890,203
Loss on Fixed Assets Discarded	732,111	-
Processing Charges	24,325,227	27,294,016

NOTES FORMING PART OF FINANCIAL STATEMENTS

Particulars	Year ended 31.03.2018 (₹)	Year ended 31.03.2017 (₹)
Security Service Charges	1,615,685	1,599,162
Transportation charges on Job work	1,135,972	1,320,774
Commission and Discount	244,557	2,758,047
Donations	1,118,667	1,712,001
Corporate Social Responsibility (CSR) Expenditure	2,011,000	2,241,000
Travelling and Conveyance	5,531,652	5,320,388
Auditors' Remuneration		
Audit Fees (Including Quarterly review)	200,000	165,000
Taxation matter	50,000	105,000
Other Services (Certification, Compliance with Laws etc.,)	125,000	30,000
Freight & Forwarding charges	3,470,765	5,038,441
Miscellaneous Expenses	6,394,914	6,472,819
	78,875,856	91,900,309

32 OTHER NOTES:

32.1.1 a. CONTINGENT LIABILITIES AND COMMITMENTS

Amount in ₹

Particulars	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
Bank Guarantee	4,310,000	4,150,000	4,150,000

b. Claims against the Company not acknowledged as debts

Excise department has raised demand of ₹ 90,48,505/- (including penalty of ₹ 59,74,353/-) pertaining to the period 01.04.2010 to 31.03.2011 vide order of Commissioner, Central Excise and Customs dated 28.08.2014. No provision for the same is made as the Company has contested the same before the higher authority and as per the legal advice received, the Company is hopeful of favorable decision.

c. Commitments:

Capital Commitments

	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
	Nil	Nil	31,500

32.1.2 Proposed Dividend

The Directors have recommended a dividend of ₹ 1.50 per equity share of ₹ 10 each for the financial year ended 31st March, 2018. Total Amount of dividend, if approved by the shareholders in ensuing General Meeting, would be ₹ 66,33,519/- and dividend distribution tax (DDT) of ₹ 13,63,539/-. (As at 31.03.2017: ₹ 2/-per fully paid equity share amounting to ₹ 88,44,692/- and ₹ 18,00,574/- DDT thereon).

32.1.3 Segment Reporting

The Company's operations fall under single segment namely "Manmade Fibres" hence no separate disclosure of segment reporting is required to be made as required under Ind AS 108 'Operating Segments'.

32.2 As per the information available with the company and identification of the parties there are no amounts outstanding to Micro, Small and Medium Enterprises as at March 31, 2018 and no amount were overdue for which disclosure requirements under Micro, Small and Medium Enterprises Development Act, 2006 are applicable.

32.3 Related Party Disclosures

a) Names of related parties and nature of relationships:

Names	Nature of Relationship
Sanjeev Rungta	Executive Chairman
Rajeev Rungta	Managing Director
S.S. Iyer	Key Management Personnel
Rainy Properties Private Limited	Associate Company

b) Details of Transactions with the related parties during the year and amount outstanding: Amount in ₹

Name of related parties	Nature of Transactions	Transaction during the year ended		Amount outstanding as at	
		31.03.2018	31.03.2017	31.03.2018	31.03.2017
Rainy Properties Private Limited	Investment in equity shares	-	-	10,000,000	10,000,000
Sanjeev Rungta	Sitting Fees	-	7,500	-	-
	Remuneration	38,50,000	35,14,356	-	-
Rajeev Rungta	Sitting Fees	-	20,000	-	-
	Remuneration	25,44,360	-	-	-
S.S. Iyer	Remuneration	2,208,000	2,184,000	-	-

32.4 The Company has taken premises under operating lease. Rental expenses towards cancellable operating leases charged to statement of profit and loss account amounts to ₹ 29,54,888/- (previous year ₹ 21,99,474/-)

32.5 Foreign Currency Risk

The carrying amount of foreign currency denominated monetary assets and monetarily liabilities at the end of the reporting period is NIL (Previous Year NIL).

32.6 Fair Value Measurement
Financial Instrument by Category

Set out below is a comparison by class of the carrying amounts and fair value of the Company's financial assets and liabilities that are recognized in the financial statements.

Financial assets and liabilities as at March 31, 2018
Amount in ₹

Particulars	Fair Value through Profit & Loss	Carrying Value	Amortized Cost	Fair Value
Financial Assets				
Non-current investments	-	14,215,000	14,215,000	-
Non-current investments Mutual Funds	17,767,501	163,526,788	-	181,294,289
Trade receivables	-	12,424,865	-	12,424,865
Cash and cash equivalents	-	144,830,973	-	144,830,973
Other bank balances	-	6,498,454	-	6,498,454
Loan	-	27,500,000	-	27,500,000
Total Financial Assets	17,767,501	368,996,080	14,215,000	372,548,581
Financial Liabilities				
Trade payables	-	1,347,313	-	1,347,313
Other financial liabilities	-	9,435,027	-	9,435,027
Total Financial Liabilities	-	10,782,340	-	10,782,340

Financial assets and liabilities as at March 31, 2017
Amount in ₹

Particulars	Fair Value through Profit & Loss	Carrying Value	Amortized Cost	Fair Value
Financial Assets				
Non-current investments	-	14,215,000	14,215,000	-
Non-current investments Mutual Fund and Bonds	7,172,778	157,500,000	-	164,672,778
Trade receivables	-	55,038,332	-	55,038,332
Cash and cash equivalents	-	125,358,980	-	125,358,980
Other bank balances	-	6,348,877	-	6,348,877
Loan	-	27,500,000	-	27,500,000
Total Financial Assets	7,172,778	385,961,189	14,215,000	378,918,967

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Financial Liabilities				
Borrowings	-	-	-	-
Trade payables	-	11,854,501	-	11,854,501
Other financial liabilities	-	7,876,632	-	7,876,632
Total Financial Liabilities	-	19,731,133	-	19,731,133

Financial assets and liabilities as at April 1, 2016 **Amount in ₹**

Particulars	Fair Value through Profit & Loss	Carrying Value	Amortized Cost	Fair Value
Financial Assets				
Non-current investments	-	14,215,000	14,215,000	-
Trade receivables	-	38,680,327	-	38,680,327
Cash and cash equivalents	-	274,377,675	-	274,377,675
Other bank balances	-	1,949,820	-	1,949,820
Loans	-	7,500,000	-	7,500,000
Total Financial Assets	-	336,722,822	14,215,000	322,507,822
Financial Liabilities				
Borrowings	-	1,580,693	-	1,580,693
Trade payables	-	8,734,286	-	8,734,286
Other financial liabilities	-	9,012,231	-	9,012,231
Total Financial Liabilities	-	19,327,210	-	19,327,210

Fair valuation techniques used to determine fair value

The Company maintains procedures to value financial assets or liabilities using the best and most relevant available data. The fair values of the financial assets and liabilities are included at the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between participants at the measurement date.

The following assumptions were used to estimate the fair values:

1. Fair value of trade receivables, cash and cash equivalents, other bank balances, trade payables, deposits and other financial assets and liabilities are approximate at their carrying amount.
2. Fair value of quoted financial instruments are derived from quoted market prices in active market.
3. Investment in Equity and Bonds are measured at cost.

Fair value hierarchy

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

1. Level 1- Quoted prices / published NAV in active markets for financial instruments like mutual funds for which net assets value (NAV) is published by mutual fund operator at the balance sheet date.
2. Level 2- Inputs for fair valuation which are observable, either directly or indirectly, other than quoted prices included within Level 1 for the assets or liabilities.
3. Level 3 - Inputs which are unobservable inputs for the assets or liabilities reflecting significant modifications to the observable related market data or Company's assumptions about pricing by market participants.

The following table provides hierarchy of the fair value measurement of Company's financial instruments/assets, grouped into Level 1 (Quoted prices in active market) as described below:

Particulars	31st March, 2018			31st March, 2017			1st April, 2016		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Financial instruments designated at fair value through profit and loss									
Mutual Funds	181,294,289	-	-	164,672,778	-	-	-	-	-
Total	181,294,289	-	-	164,672,778	-	-	-	-	-

32.7 Reconciliation and effects of Ind AS adoption on the Balance Sheet as at 31st March, 2017 and 1st April, 2016
Amount in ₹

Particulars	As at 31st March, 2017			Note No.	As at 1st April, 2016		
	Previous GAAP	Transition effect	Ind AS		Previous GAAP	Transition effect	Ind AS
ASSETS							
Non-current assets							
Property, plant and equipment	46,362,169	-	46,362,169		49,165,754	-	49,165,754
Intangible assets	434,299	-	434,299		534,781	-	534,781
Financial assets:							
Investments	171,715,000	7,172,778	178,887,778		14,215,000	-	14,215,000
Loan	20,000,000	-	20,000,000		-	-	-
Other Non-current assets	923,838	-	923,838		8,772,474	-	8,772,474
	239,435,306	7,172,778	246,608,084		72,688,009	-	72,688,009
Current assets							
Inventories	40,159,805	877,428	41,037,233	1	45,590,198	(901,601)	44,688,597
Financial assets:							
Trade receivables	55,038,332	-	55,038,332		38,680,327	-	38,680,327
Cash and cash equivalents	125,358,980	-	125,358,980		274,377,675	-	274,377,675
Other bank balances	6,348,877	-	6,348,877		1,949,820	-	1,949,820
Loan	7,500,000	-	7,500,000		7,500,000	-	7,500,000
Other current assets	17,471,210	-	17,471,210		25,468,506	-	25,468,506
	251,877,204	877,428	252,754,632		393,566,526	(901,601)	392,664,925
Total	491,312,510	8,050,206	499,362,716		458,754,535	(901,601)	457,852,934
EQUITY AND LIABILITIES							
Equity							
Equity share capital	44,223,460	-	44,223,460		44,223,460	-	44,223,460
Other equity	412,494,898	5,679,256	418,174,154	2	358,938,180	15,066,294	374,004,474
	456,718,358	5,679,256	462,397,614		403,161,640	15,066,294	418,227,934
Non-current liabilities							
Financial liabilities							
Borrowings	-	-	-		1,580,693	-	1,580,693
Provisions	5,131,030	-	5,131,030		3,519,387	-	3,519,387
Deferred tax liabilities (net)	2,642,440	2,370,950	5,013,390		3,829,357	-	3,829,357
	7,773,470	2,370,950	10,144,420		8,929,437	-	8,929,437
Current liabilities							
Financial liabilities							
Borrowings	-	-	-		-	-	-
Trade payables	11,854,501	-	11,854,501		8,734,286	-	8,734,286
Other financial liabilities	7,876,632	-	7,876,632		4,923,277	-	4,923,277
Other current liabilities	4,851,722	-	4,851,722		8,296,592	-	8,296,592
Provisions	2,237,827	-	2,237,827	3	18,058,392	(15,967,895)	2,090,497
Current tax liabilities (net)	-	-	-		6,650,911	-	6,650,911
	26,820,682	8,050,206	26,820,682		46,663,458	(15,967,895)	30,695,563
Total	491,312,510	8,050,206	499,362,716		458,754,535	(901,601)	457,852,934

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Reconciliation of Total Equity as at 31st March, 2017 and 1st April, 2016

Amount in ₹

Particulars	31.03.2017	01.04.2016
Total equity (shareholders' funds) as reported under previous GAAP	456,718,358	403,161,640
Add/(Less):		
Effect of Changes in accounting policy on inventory valuation	877,428	(901,601)
Ind AS adjustment:		
(a) Effect of changes in Fair valuation of mutual fund (net of tax)	4,801,242	-
(b) Effect of reversal of Proposed dividend (including tax)	-	15,967,895
(c) Effect of fair valuation of security deposits (net of tax)	18,242	-
(d) Effect of amortization of pre-paid rent (net of tax)	(17,655)	-
Total adjustments to equity	5,679,256	15,066,294
Total Equity under Ind AS	462,397,614	418,228,934

Notes on Reconciliation: -

As at 1st April, 2016

1. The Components of amount transferred to other equity are as under:

Particulars	Amount in ₹
Effect of changes in accounting policy on inventory valuation	(901,601)
Effect of reversal of provision of Dividend(including tax)	15,967,895
	15,066,294

2. During F.Y. 17-18, Company has changed method of inventory valuation from weighted average basis to FIFO. The effect of changes has been given with effect from 1st day of April, 2016. On account of change in accounting policy on inventory valuation, value of inventory as on 1st day of April, 2016 is lower by ₹ 9,01,601/-.
3. The sum of ₹ 1,59,67,895/- being reversal of provision is the amount of proposed dividend ₹ 1,32,67,038/- and tax thereon ₹ 27,00,857/-. Under previous GAAP, proposed dividend recognized as a provision in the financial statements, even if declared after the balance sheet date. Under Ind AS, dividend is recognized when declared hence provision is reversed. The effect of ₹ 1,59,67,895 is transferred to Other Equity.

As at 31st March, 2017

1. The Company has measured financial instrument being Mutual funds as fair value through statement of profit and loss. The gain on account of fair valuation of mutual fund ₹ 71,72,778/- added to the fair value mutual funds as on 31st March, 2017. During F.Y. 17-18, Company has changed method of inventory valuation from weighted average basis to FIFO. The effect of changes has been given with effect from 1st day of April, 2016. The changed method resulted into upward valuation of inventory as on 31st March, 2017 by ₹ 8,77,428.
2. The net effect of Ind AS transition and changes in accounting policy ₹ 56,79,256/- is transferred to Other Equity as under:

Particulars	Amount in ₹
Effect of Changes in accounting policy on inventory valuation	877,428
Effect of changes in Fair valuation of mutual fund (net of tax)	4,801,242
Effect of fair valuation of security deposits (net of tax)	18,242
Effect of amortization of pre-paid rent (net of tax)	(17,655)
Total adjustments to equity	5,679,256

3. The Components of increase in deferred tax liability on implementation of Ind As are as under:

Particulars	Amount in ₹
Effect of tax liability on interest on fair valuation of security deposits	9,011
Effect of tax liability in fair valuation of mutual funds	2,371,536
Effect of tax assets on amortization of pre-paid rent	(9,597)
Increase in deferred tax liability on implementation of Ind AS	2,370,950

32.8 Reconciliation and effects of Ind AS adoption on the Statement of Profit and Loss for the year ended 31st March, 2017.

	Particulars	Notes	Previous GAAP to Ind AS	Effect of Transition	Ind AS
	INCOME				
I	Revenue from Operation		563,514,368	-	563,514,368
II	Other Income	1	18,551,955	7,172,778	25,724,734
III	Total Income (I + II)		582,066,323	7,172,778	589,239,102
	EXPENSES				
IV	Cost of raw materials consumed		316,625,552	(1,779,028)	314,846,524
	Changes in inventories of finished goods and work-in-progress		4,558,851	-	4,558,851
	Excise Duty		38,825,650	-	38,825,650
	Employee benefits expense	2	39,909,766	(1,786,901)	38,122,865
	Finance costs		2,429,271	(379,652)	2,049,619
	Depreciation and amortization expense		6,195,440	-	6,195,440
	Other expenses		91,520,658	379,652	91,900,309
	TOTAL EXPENSES (IV)		500,065,188	(3,565,929)	496,499,258
V	Profit Before Tax (III-IV)		82,001,135	10,738,707	92,739,844
	Tax Expenses				
VI	Current Tax		28,700,000	-	28,700,000
	Deferred Tax	3	(1,186,918)	2,961,753	1,774,835
	Tax relating to earlier Periods		931,335	-	931,335
	Total Tax Expenses		28,444,417	2,961,753	31,406,170
VII	Profit for the Year (V-VI)		53,556,718	7,776,954	61,333,674
	Other Comprehensive Income				
VIII	Items that will not be reclassified to profit or loss				
	Re-measurement of Defined Benefit Obligation	4	-	(1,786,901)	(1,786,901)
	Income Tax effect	5	-	590,803	590,803
	Items that will be reclassified to profit or loss				
	Re-measurement of Investment		-	-	-
	Income Tax effect		-	-	-
IX	Total Comprehensive Income for the Year (VII+VIII)		53,556,718	6,580,856	60,137,576

* The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose of this note.

Reconciliation of Total Comprehensive Income for the year ended 31st March, 2017
Amount in ₹

Particulars	31.03.2017	01.04.2016
Net profit under previous GAAP	53,556,718	84,908,513
Add/(Less):		
Effects of changes in accounting policy on inventory valuation	1,779,028	-
Ind AS adjustments:		
a) Effects of changes in Fair Valuation of mutual fund (net of tax)	4,801,242	-
b) Effects of fair valuation security deposits (net of tax)	18,242	-
c) Effects of amortization of pre-paid rent (net of tax)	(17,655)	-
d) Effects of re-measurement of defined benefit obligation (net of tax)	-	(381,528)
	6,580,857	(381,528)
Total Comprehensive Income for the period under Ind AS	60,137,575	84,526,985

Notes on effects of transition to Ind AS
1. Fair Valuation of Mutual Funds through statement of profit and loss

Under previous GAAP, investment in Mutual Funds were measured at cost. Under Ind AS, non-current investment (other than investment in equity of associate) are measured at fair value through statement of profit and loss. Consequently, difference of ₹ 71,72,778/-, as at the date of transition, respectively between carrying value as per previous GAAP and fair value, are reflected in total equity and statement of profit and loss.

2. Employee Benefit Expenses

Under previous GAAP, actuarial gain and losses on employees defined benefit obligations were recognized in statement of profit or loss Account. Under Ind AS, the actuarial gains and losses on re-measurement of net defined benefit obligation are

recognized in other comprehensive income. This resulted in a re-classification of ₹ 17,86,901/- between statement of profit and loss and other comprehensive income.

3. **Deferred tax**

Previous GAAP requires deferred tax accounting using the income statement approach, which focuses on differences between taxable profits and accounting profits for the period. Ind AS 12 requires entities to account for deferred taxes using the Balance Sheet approach, which focuses on difference between the carrying amount of an asset or liability in the Balance Sheet and its tax base. It requires recognition of tax consequences of differences between the carrying amounts of assets and liabilities and their tax base. As a result deferred tax liability has been increased by ₹ 29,61,753/- as at 31st March, 2017 with corresponding decrease in retained earnings and net profit respectively.

4. **Re-measurement of defined benefit obligation**

Under previous GAAP, actuarial gain and losses on employees defined benefit obligations were recognized in statement of profit and loss Account. Under Ind AS, the actuarial gains and losses on re-measurement of net defined benefit obligation are recognized in other comprehensive income. This resulted in a re-classification of ₹ 17,86,901/- between Statement of profit or loss Account and other comprehensive income.

5. **Tax effect on Re-measurement of defined benefit obligation**

The Component of deferred tax assets ₹ 5,90,803/- pertaining to actuarial gain or loss ₹ 17,86,901/-, is reclassified to other comprehensive income.

32.9 **Financial Risk Management**

The Financial risk management is practices and procedures that a Company uses to optimize the amount of risk it handles with financial interest. The Risk management is done to identify how risks associated with the Company will be identified, analyzed, and managed. It outlines how risk management activities will be performed, recorded, and monitored by the Company. The basic objective of risk management plan is to implement an integrated risk management approach to ensure all significant areas of risks are identified, understood and effectively managed, to promote a shared vision of risk management and encourage discussion on risks at all levels of the organization to provide a clear understanding of risk/benefit trade-offs, to deploy appropriate risk management methodologies and tools for use in identifying, assessing, managing and reporting on risks.

Credit Risk

Credit risk is the risk that a counter party will 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 in respect of trade receivables, including deposits with banks, foreign exchange transactions and other financial instruments. The Company deals on advance payment basis with customers in majority of the cases and credit is restrictively offered to very old and credit worthy customers only. Company has minimal credit risk which also assessed on regular basis. Hence, no provision towards credit loss was considered necessary.

Market Risk

PP Fibre is used primarily in India for three applications - in the manufacture of Filter Fabrics used for almost all kinds of liquid filtration, in the manufacture of automotive and exhibition carpets and for the construction and geo-textile sector.

Due to its inherent properties, PP fibre is the primary requirement for the filtration application and is irreplaceable. As long as there will be consumption of pharmaceutical liquids, juices, drinking water, etc. this market will always remain.

Until automotive vehicles will be manufactured and as long as marriages and exhibitions will take place, there will always be the requirement of carpets.

There is varied demand for PP Fibre in the construction and geo-textile sector.

In view of the above, sufficient margin is expected to be maintained.

Foreign Exchange Rate Risk

The Company's exposure to foreign currency changes for all other currencies is not material. The Company does not have exposure to foreign currency as at the end of financial year.

Liquidity Risk

There is no apparent Liquidity risk is to the Company in view of the substantial liquid funds available. The Company does not have any immediate need of cash or funds. Company holds its surplus funds in various financial instruments which can easily be sold in the market to cover the liquidity requirement. The Company has enough liquidity to meet its financial obligation in the near future.

The table below provides undiscounted cash flows towards financial liabilities into relevant maturity based on the remaining period at the balance sheet to the contractual maturity date.

Compared to above, the Company has cash and cash equivalents of ₹ 14.48 crores and investments in mutual funds, which is liquid, is ₹ 18.12 crores which is sufficient to meet this liability.

Particulars	On Demand	0-3 Months	3-6 Months	6-12 Months	More than 1 Year	Total in ₹
As at 1st April, 2016						
Trade Payables		8,734,286	-	-	-	8,734,286
Other Financial Liabilities	1,949,820	7,027,245	1,420,874	2,973,457	-	13,371,396
As at 31st March, 2017						
Trade payables	-	11,854,501	-	-	-	11,854,501
Other Financial Liabilities	2,198,877	7,456,034	1,492,750	1,580,693	-	12,728,354
As at 31st March, 2018						
Trade Payables	-	1,347,313	-	-	-	1,347,313
Other Financial Liabilities	2,348,454	8,628,765	1,278,134	-	-	12,255,353

Capital Management

For the purpose of Company's capital management, capital includes issued capital and all other equity reserves. The primary objective of the Company's capital management is to maximize shareholders value. Equity comprises all components including other comprehensive income and net of debt. Below table outlines the total equity net of debt.

Particulars	Amount in ₹	
	31.03.2018	31.03.2017
Debt	-	-
Less : Cash and Cash Equivalents	144,830,973	125,358,980
Other Bank Balances	6,498,454	6,348,877
Net debt	-	-
Total Equity	482,330,001	462,397,614
Total Equity net of debt	482,330,001	462,397,614
Gearing Ratio	0 %	0 %

32.10 Employee Benefits

As per Ind AS 19 'Employee Benefits', the disclosure of Employee benefits as defined in the Ind AS are given below:

a) Defined Contribution Plan - Provident Fund:

The eligible employees of the Company are entitled to receive the benefits of Provident fund, defined contribution plan, in which both employees and the Company make monthly contribution at a specified percentage of the covered employees' salary which are charged to statement of profit and loss on accrual basis. The provident fund contribution are paid the Regional Provident Fund Commissioner by the Company. During the year, the company has recognized the Company's Contribution to Employees Provident Fund amounting to ₹ 16,42,533/- (₹ 16,00,619/-) as part of Remuneration and other benefits to the employees.

b) Defined Benefit Plan

GRATUITY:

The employees' Gratuity Fund is managed by the Life Insurance Corporation of India. The Company makes contributions to approved gratuity fund. The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit method, which recognized each period of service as given rise to additional unit of employee benefit entitlement and measures each unit separately to build up final obligation.

The principal assumptions used for actuarial assumptions were as follows

Gratuity	31.03.2018	31.03.2017
Discount Rate	7.55%	7.00%
Salary Growth Rate	7.00%	7.00%
Withdrawal Rate	2% at younger ages to reducing to 1% at older ages	5% at younger ages reducing to 1% at older ages

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The amount included in the balance sheet arising from the Company's obligation in respect of defined benefit plan is as follows

	Amount in ₹		
Gratuity (Funded)	31.03.2018	31.03.2017	01.04.2016
Present Value of defined benefit obligation	16,416,774	13,497,744	11,657,506
Fair value of plan assets	9,545,842	9,446,817	9,142,383
Net Liability	6,870,932	4,050,927	2,515,123

Movement in the present value of defined benefit obligation in the current year were as Follows		Amount in ₹	
Gratuity	31.03.2018	31.03.2017	
Opening defined benefit obligation	13,497,744	11,657,506	
Current service cost	959,240	841,312	
Interest cost	791,042	780,487	
Actuarial (gain) loss on:			
(a) Change in financial assumption	(5,48,012)	737,271	
(b) Experience adjustment and past service cost	2,535,178	487,388	
(c) Past Service cost	685,492	-	
Benefit paid	(1,503,910)	(1,006,220)	
Closing defined benefit obligation	16,416,774	13,497,744	

Movement in the fair value of plan asset in the current year were as follows		Amount in ₹	
Gratuity	31.03.2018	31.03.2017	
Opening fair value of plan assets	9,446,817	9,142,383	
Interest Income	541,051	615,024	
Return on plan asset	101,213	26,376	
Contribution paid	960,671	669,254	
Benefit paid	(1,503,910)	(1,006,220)	
Closing fair value of plan asset	9,545,842	9,446,817	

The Company funds the cost of gratuity expected to be earned on a yearly basis to Life Insurance Corporation of India, which manages the plan asset. The actual return on plan asset is ₹ 6,42,264/-.

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate and expected salary increase. The sensitivity analysis below has been determined based on reasonably possible changes of the respective assumption occurring at the end of the reporting period.

		Amount in ₹	
Gratuity	31.03.2018	31.03.2017	
if the Discount rate is 50 basis points higher / lower, the defined benefit obligation would:			
decrease to	15,949,615	13,077,435	
increase to	16,913,396	13,946,942	
if the expected salary increases / decreases by 50 basis points, the defined benefit obligation would:			
decrease to	16,876,892	13,936,576	
increase to	15,978,933	13,095,318	

Amount of employees benefit expenses recognized in statement of profit & loss and other comprehensive income as follows

		Amount in ₹	
Expenses Charged to statement of profit and loss on account of Gratuity	31.03.2018	31.03.2017	
Service Cost	-	-	
Current service cost	959,240	841,312	
Past service cost	685,492	-	
Net interests cost	249,991	165,463	
Total Charged to Statement of Profit & Loss under the head 'Employee Benefit Expense'	1,894,723	1,006,775	
Expenses recognized in Other Comprehensive Income			
Actuarial (gain) loss on Obligation:			
Due to change in financial assumption	(548,012)	737,271	
Due to experience adjustment	2,535,178	487,388	
Return on plan assets	(101,213)	(26,376)	
Amount recognized in other comprehensive income	1,885,953	1,198,283	

This plan typically exposes the Company to actuarial risks such as Adverse salary growth, Investment risk, Liquidity risk, Market risk, Legislative risk

Adverse Salary Growth Experience	Salary hikes that are higher than assumed will result into an increase in obligation at a rate that is higher than expected.
Variability is Mortality Rate	If Actual mortality rate are higher than assumed mortality rate then Gratuity benefit will be paid earlier than expected.
Variability in Withdrawal Rate	If actual withdrawal rates are higher than assumed withdrawal rate than Gratuity benefit will be paid earlier than expected.
Investment Risk	For funded plans that rely on insurer for managing assets, the value of assets certified by the insurer may not be the fair value of investment backing the liability.
Liquidity Risk	Employees with high salaries and long duration or those higher in hierarchy, accumulate significant level of benefits. If some of such employees resign or retire then there can be strain on the cash flow.
Market Risk	Market risk is the collective term for risk that are related to the changes and fluctuations in the financial market. Discount rate used for the valuation reflects time value of money. Increase in discount rate leads to decrease in defined benefit obligation of the plan benefit & vice-versa. The assumption of discount rate depends on the yields on the Corporate/ Government bond and hence the valuation liability exposes to the fluctuations in the yields as at the valuation date.
Legislative Risk	Legislative risk is the risk of increase in the plan liability or reduction in the plan assets due to change in regulation. The Government may amend the Payment of Gratuity Act requiring Company to pay higher benefit.

COMPENSATED ABSENCES

The Company provides for the compensated absences subject to Company's certain rules. The employees are entitled to accumulate leave subject to certain limits for availing in future. The liability is provided based on the number of days of unavailed leave at each Balance Sheet date on the basis of an independent actuarial valuation using the Projected Unit Credit method.

32.11 Earnings Per Share

EARNING PER SHARE	31.03.2018	31.03.2017
(i) Profit after tax (₹ in Lacs)	319.38	613.33
(ii) Weighted average number of shares (Nos.)	44,22,346	4,422,346
(iii) Earnings Per Share (Basic and Diluted) (₹)	7.22	13.87
(iv) Face value per share (₹)	10.00	10.00

32.12 The Company has changed its method of determining cost of inventories from weighted average method to FIFO necessitated to value the inventory at the fair valuation representing by the current cost of purchases, considering the changes in raw material prices so as to provide more reliable and relevant information and also considering basis concept and fundamental principle of fair valuation envisaged in Ind AS. Such change has been applied on retrospective basis. The effect of changes and adjustments made are as under:

Particulars	Amount in ₹		
	For the year ended 31st March, 2018	For the year ended 31st March, 2017	As on 1st April, 2016
Effect change in valuation of inventories	1,858,972	877,427	(901,601)
Effect of changes in consumption of materials	(981,545)	(1,779,028)	-
Effect of changes in profit	981,545	1,779,028	-
Effect in Retained earnings	-	-	(901,601)
Change in basic and diluted earnings per share	0.22	0.40	-

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32.13 Product wise details of Sales and stocks

Amount in ₹

(a)	TURNOVER (Class of Goods)	Sales Amount	Opening Stock	Closing Stock	
	Polypropylene Staple Fibre	235,814,758 (406,231,185)	12,793,324 (13,755,665)	29,519,091 (12,793,324)	
	P.P. Yarn	131,294,204 (154,013,634)	991,755 (5,094,103)	1,136,526 (991,755)	
	Total	367,108,962	13,785,079	30,655,617	
(b)	WORK IN PROGRESS (Class of Materials)	Opening Stock		Closing Stock	
		2017-18	2016-17	2017-18	2016-17
	Master Batch	289,703	209,137	234,092	289,703
	Resin	35,982	19,920	34,070	35,982
	Standard Fibre	192,964	10,214	11,821	192,964
	Mix Fibre	135,000	3,438	4,08,896	135,000
	Total	653,649	2,42,709	6,88,900	653,649

32.14 Details of Raw materials under Broad head

Amount in ₹

(a)	VALUE OF RAW MATERIAL CONSUMPTION	Current Year	%	Previous Year	%
(i)	IMPORTED				
	- Spin Finish	3,084,561	1.33	4,715,063	1.49
	- Resin	19,765,195	8.54	14,475,425	4.57
(ii)	INDIGENOUS				
	- Resin	200,759,117	86.79	281,399,158	88.87
	- Master Batch	5,374,390	2.32	12,683,845	4.01
	- Spin Finish	2,362,060	1.02	3,352,061	1.06
	Total	231,345,323	100.00	316,625,552	100.00

Amount in ₹

(a)	VALUE OF IMPORTS ON CIF BASIS	Current Year	Previous Year
(i)	Raw Materials	20,506,215	22,197,408
(b)	Expenditure in Foreign Currency	Current Year	Previous Year
(i)	Travelling	3,95,179	4,29,929
(c)	Earning in Foreign Exchange	Current Year	Previous Year
(i)	F.O.B. Value of Exports	70,142,110	146,833,726

32.15 Reconciliation of tax expenses and the accounting profit multiplied by tax rate

Amount in ₹

Particulars	Year ended 31st March, 2018	Year ended 31st March, 2017
Net profit before taxation	47,768,921	92,739,844
Tax effect of profit @ 33.063%	15,793,808	30,662,575
Tax effect of disallowances / additions	4,779,178	643,702
Tax effect of allowances / deductions	(6,491,466)	(2,606,277)
Effect of deferred tax	20,76,440	1,774,836
Tax effect of earlier year provision written back	(327,970)	931,335
Total tax	15,829,990	31,406,171

32.16 Details of expenditure on "Corporate Social Responsibility"
Amount in ₹

Particulars	Current year	Previous year
Gross amount required to be spent by the Company during the year	19,80,652	17,78,671
Amount spent during the year by way of contribution to Registered Trust	20,11,000	15,35,000

32.17 Figures of the previous year have been regrouped and/or reclassified wherever considered necessary to confirm to the grouping of the current year.
FOR SURENDRA MODIANI & ASSOCIATES

Chartered Accountants (F.R.N. 126307W)

SURENDRA MODIANI

Partner (M. No. 047966)

Date: 24/05/2018

Place: Mumbai

on behalf of Board of Directors

Sanjeev Rungta

Executive Chairman

DIN: 00053602

Siddhi Shah

Company Secretary

 **ZENITH FIBRES LIMITED**
CIN : L17120MH1989PLC054580

Form No. MGT-11 Proxy form

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the member(s):			
Registered address:			
E-mail ID:			
DP ID:		Folio No/ Client ID:	

I/We, being the member (s) of shares of the above named company, hereby appoint

- Name: _____
Address: _____
E-mail ID: _____ Signature: _____, or failing him
- Name: _____
Address: _____
E-mail ID: _____ Signature: _____, or failing him
- Name: _____
Address: _____
E-mail ID: _____ Signature: _____

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 29th Annual General Meeting of the company, to be held on the 28th September, 2018 Friday at 11.00 a.m. at Hotel Atithi, 77A/B Nehru Road, Ville Parle(East), Mumbai- 400099 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No:

- Adoption of accounts
- Confirmation of dividend
- Re-appointment of Shri. Rajeev Rungta as Director
- Ratification of Statutory Auditors
- Appointment of Smt. Rashmi Desai as independent director for 5 years

Affix ₹ 1/- Revenue Stamp

Place: _____

Date: _____

Signature of shareholder _____

Signature of Proxy holder(s) _____

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

 **ZENITH FIBRES LIMITED**
CIN : L17120MH1989PLC054580

Regd. office : 205, Marol Bhavan, 2nd Floor, Marol co-op. Ind. Estate Ltd. M.V.Road, J.B Nagar Post, Andheri East, Mumbai-400059

**TWENTY NINTH ANNUAL GENERAL MEETING
ATTENDANCE SLIP**

Name of the member(s)/proxy :			
Registered address:			No. of Shares held:
E-mail ID:			
DP ID:		Folio No/ Client ID:	

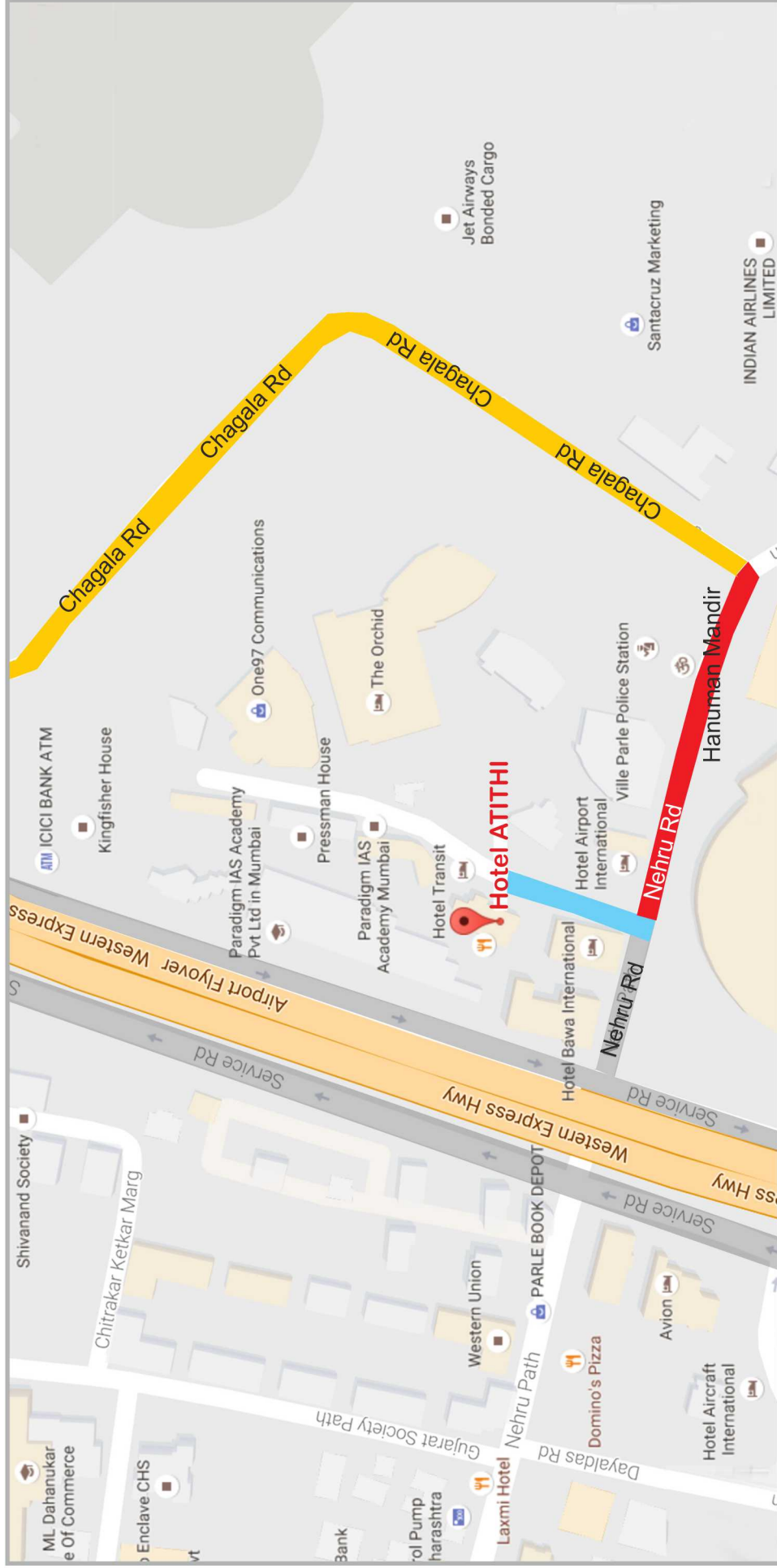
I/We hereby record my/our presence at the 29th Annual General Meeting of the company, to be held on the 28th September, 2018 Friday at 11.00.a.m. at Hotel Atithi, 77A/B Nehru Road, Ville Parle(East), Mumbai- 400099

Member's /Proxy Name in Block Letters _____

Member's/ Proxy signature _____

(Shareholders attending the meeting in person or by proxy are requested to complete the attendance slip and hand over the same at the entrance of the meeting Hall.)

Venue of AGM : Route Map



To,



If undelivered please return to:

ZENITH FIBRES LIMITED

Registered Office:

205, Marol Bhavan, Marol Co-op. Industrial Estate Ltd.

M.V. Road, J.B. Nagar Post, Andheri East, Mumbai - 400 059.

ISO 9001:2015
Certified Company