

Zenith Fibres Limited



**31st Annual Report
2019-20**

BOARD OF DIRECTORS

Executive Chairman	SHRI. SANJEEV RUNGTA
Directors	SHRI. AMITABHA GHOSH
	SMT. RASHMI DESAI
	SHRI. MUKUND BERIWALA
	SHRI.AMAN RUNGTA

Registered Office

205, Marol Bhavan, 2nd Floor,
Marol Co-op. Industrial Estate,
M.V. Road, J.B. Nagar Post,
Andheri(E), Mumbai – 400 059
Tele :+91-22-28599428
Fax : +91-22-28599429
E-mail : mumbai@zenithfibres.com

Works

Block 458,
Village Tunday,
Taluka Savli
Dist. Vadodara – 391775

Share Transfer Agent

M/s. Universal Capital Securities P. Ltd.
C 101, 247 Park,
LBS Road, Vikhroli West,
Mumbai – 400083.
Tel Nos. : (022) 28207203-05
Fax No. : (022) 28207207
Email id : info@unisec.in

AUDITORS

M/s. Surendra Modiani & Associates
Chartered Accountants

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ZENITH FIBRES LIMITED
NOTICE FOR THIRTY FIRST ANNUAL GENERAL MEETING
CIN: L40100MH1989PLC054580

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

Notice is hereby given that the Thirty First Annual General Meeting of the members of Zenith Fibres Limited will be held on Tuesday, the 29th September, 2020 at 11.00 a.m. through Video Conferencing /other Audio Visual Means, to transact the following business:

Ordinary Business:

1. To receive, consider and adopt the audited Financial Statements for the year ended on 31st March, 2020 together with the Directors' Report and Auditors' Report thereon.
2. To appoint a director in place of Mr. Sanjeev Rungta (DIN: 00053602), who retires by rotation and being eligible, offers himself for re-appointment.

Special Business:

3. **Re-appointment of Shri. Sanjeev Rungta (DIN:00053602) as Whole Time Director of the Company for a period of five years with effect from 1st April, 2020 to 31st March, 2025 (both days inclusive)**

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

"RESOLVED THAT in accordance with the provisions of Sections 196, 197, 198 and 203 read with Schedule V and all other applicable provisions, if any, of the Companies Act, 2013, or any statutory modification(s) or re-enactment thereof, consent of members of the Company be and is hereby accorded to the appointment of and payment of remuneration to Shri Sanjeev Rungta, (DIN : 00053602) as Whole Time Director, designated as Executive Chairman of the Company, for a period of 5(five) years with effect from 1st April, 2020 on the terms and conditions, as set out herein below, with liberty to the Board of Directors to alter and vary the terms and conditions and/or remuneration, subject to the same not exceeding the limits specified under Schedule V of the Companies Act, 2013, or any statutory modification(s) or re-enactment thereof for the time being in force or as may hereafter be made by the Central Government in that behalf from time to time, or any amendments thereto as may be agreed to between the Board of Directors and Shri Sanjeev Rungta."

The salient feature of the terms and conditions of employment are as follows :

SALARY : Rs. 3,00,000/- (Rupees Three Lacs) per month.

PERQUISITES : The Executive Chairman shall be entitled to perquisites & benefits like, medical reimbursement, leave travel concession for self & family, club fees, medical and personal accident insurance for self and family, bonus/ ex-gratia, loans, etc. as per rules/policy of the Company. The value of perquisites shall be evaluated as per Income Tax Rules wherever applicable. He will be entitled to Company's contribution to Provident Fund, Superannuation Fund, Pension Fund, Gratuity, encashment of earned leave. Reimbursement of Mobile and telephone expenses at residence, Free fully furnished accommodation whereby rent (if any), electricity, gas, water charges, etc. as per actual to be borne by the Company, use of Company's car for official purposes and for to and fro from residence etc. and these shall not be included in the computation of perquisites.

OTHER TERMS :

- I. The Executive Chairman shall not be paid any sitting fees for attending the meeting(s) of the Board of Directors or Committees thereof.
- II. He will be entitled to reimbursement of entertainment, traveling and all other expenses incurred in the course of the Company's business.

“RESOLVED FURTHER THAT in case of loss or inadequacy of profit in any financial year of the Company, the payment of salary, perquisites and other allowance shall be governed by the limits prescribed under Schedule V of the Act.”

“RESOLVED FURTHER THAT Mr. Sanjeev Rungta, Chairman and Ms. Siddhi Shah, Company Secretary and Compliance Officer, be and are hereby severally authorized to do all such acts, deeds, matters and things including signing and filing forms/returns with the Registrar of Companies to give effect to the aforesaid resolution.”

4. Appointment of Shri Aman Rungta (DIN: 03585306) as a Director

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

“RESOLVED THAT pursuant to the provisions of Section 152 and other application provisions, if any, of the Companies Act, 2013 (‘Act’) read with the Rules made thereunder (including any statutory modifications(s), amendment(s) or re-enactment(s) thereof for the time being in force) and Articles of Association of the Company, Shri Aman Rungta [DIN: 03585036], who was appointed by the Board of Directors as an Additional Director of the Company with effect from 1st April, 2020 and who holds the office upto the date of this Annual General Meeting in term of Section 161 of the Act and in respect of whom the Company has received a notice in writing from a Member under Section 160 of the Act proposing his candidature for the office of the Director of the Company, be and is hereby appointed as a Director of the Company, liable to retire by rotation.”

5. Appointment of Shri. Aman Rungta (DIN: 03585306) as a Whole time Director

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

“RESOLVED THAT pursuant to the provisions of Sections 196, 197 and 203 and other applicable provisions, if any, of the Companies Act, 2013 (‘Act’) and the Rules made thereunder, read with Schedule V to the Act, Shri Aman Rungta (DIN: 03585306) be and is hereby appointed as a Whole-time Director, designated as Executive Director (Finance) of the Company for a term of three years with effect from 1st April, 2020 to 31st March, 2023 on such remuneration and term as set out below:

Salary: Rs. 2,00,000/- per month (subject to revision at the Board discretion).

PERQUISITES The Executive Director shall be entitled to perquisites & benefits like, medical reimbursement, and leave travel concession for self & family, club fees, medical and personal accident insurance for self and family, bonus/ ex-gratia, loans, etc. as per rules of the Company. The value of perquisites shall be evaluated as per Income Tax Rules wherever applicable. He will be entitled to Company’s contribution to Provident Fund, Superannuation Fund, Pension Fund, Gratuity, encashment of earned leave. Reimbursement of Mobile and telephone expenses at residence, free furnished accommodation, gas, electricity, water etc. as per actual to be borne by the Company, use of Company’s car for official purposes and for to and fro from residence etc. and these shall not be included in the computation of perquisites.

OTHER TERMS:

I. The Executive Director shall not be paid any sitting fees for attending the meeting(s) of the Board of Directors or Committees thereof.

II. He will be entitled to reimbursement of entertainment, traveling and all other expenses incurred in the course of the Company’s business.

“RESOLVED FURTHER THAT in case of loss or inadequacy of profit in any financial year of the Company, the payment of salary, perquisites and other allowance shall be governed by the limits prescribed under Schedule V of the Act.”

“RESOLVED FURTHER THAT Mr. Sanjeev Rungta, Chairman and Ms. Siddhi Shah, Company Secretary and Compliance Officer, be and are hereby severally authorized to sign and file Form and such other

forms/returns with the Registrar of Companies and to do all such acts, deeds, matters and things as may be required to give effect to the aforesaid resolution.”

Date : 29/8/2020

Place : Vadodara

By Order of the Board

Siddhi Shah

Company Secretary

Notes :

1. In view of the COVID-19 pandemic and the need for ensuring social distancing, the Government of India, Ministry of Corporate Affairs (“MCA”) allowed conducting Annual General Meeting through video conferencing (VC) or other audio-visual means (OAVM) without the physical presence of Members at a common venue. Accordingly, in accordance to MCA and Securities and Exchange Board of India (“SEBI”) Circulars in this regard, the 31st Annual General Meeting (AGM) of the Members will be held through VC. Hence, Members can attend and participate in the AGM through VC only. The venue of the Meeting shall be deemed to be the registered office of the Company.
2. Since this General Meeting is held through VC the physical attendance of members is dispensed with and no proxies would be accepted by the Company pursuant to the relevant MCA Circulars. No attendance slip/route map has been sent along with this Notice of the Meeting as the meeting is held through Audio Visual means
3. Members who are shareholders as on, September 22, 2020 can join the AGM 15 minutes before the commencement of the AGM i.e. at 10.45 A.M and till the time of the conclusion of the Meeting by following the procedure mentioned in this Notice.
4. The attendance through VC is restricted and hence members will be allowed on first come first serve basis. However, attendance of Members holding more than 2% of the shares of the Company, Institutional Investors as on September 22, 2020 and Directors and Key Managerial Personnel and Auditors will not be restricted on first come first serve basis.
5. Members attending the Meeting through VC will be counted for the purposes of reckoning of Quorum under Section 103 of the Companies Act, 2013.
6. In line with the MCA and SEBI Circulars, the Notice calling the AGM has been uploaded on the website of the Company at www.zenithfibres.com The Notice can also be accessed from the website of the Stock Exchanges i.e. BSE Limited at www.bseindia.com
7. The information required to be provided under the SEBI (Listing Obligations and Disclosure Requirement Regulations), 2015 and the Secretarial Standards on General Meetings, regarding the Directors, who are proposed to be appointed/re-appointed are provided in Corporate Governance Report.
8. An explanatory statement pursuant to Section 102 of the Companies Act,2013 in respect of the items 3 to 5 of the notice, convening the AGM, is annexed.
9. The Register of Members and Transfer Books of the Company will be closed from, September 23, 2020 to September 29, 2020 (both days inclusive).
10. Members holding shares in physical form are requested to furnish bank details, email address, change of address etc. to M/s. Universal Capital Securities Pvt. Ltd., C 101, 247 Park, LBS Road, Vikhroli West, Mumbai – 400083 who are the Company’s Registrar and Share Transfer Agents so as to reach them latest by September 18, 2020, in order to take note of the same. In respect of members holding shares in electronic mode, the details as would be furnished by the Depositories as at the close of the aforesaid date will be considered by the Company. Hence, members holding shares in demat mode should update their records at the earliest.
11. Considering the difficulties caused due to the Covid-19 pandemic, MCA and SEBI have dispensed with the requirement of printing and sending physical copies of the Annual Report and the Notice of this Meeting and the Annual Reports have been sent via email to all those members who have registered their email ids with the Company or the Registrar and Transfer Agent or the Depositories

or the Depository Participants. Those Members who have not yet registered their email address are requested to get their email addresses registered by following the procedure given below:

- a) Those Members who have registered/not registered their mail address and mobile nos. including address and bank details may please contact and validate/update their details with the Depository Participant in case of shares held in electronic form and with Registrar and Transfer Agents in case the shares are held in physical form.
 - b) Members may also visit the website of the Company www.zenithfibreslimited.com for downloading the Annual Report and Notice of the AGM.
 - c) Alternatively, Members may send an e-mail request to the email id khade@unisec.in along with scanned copy of the signed request letter providing the email address, mobile number, self-attested PAN copy and Client Master copy in case of electronic folio and copy of share certificate in case of physical folio.
12. The Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013, the Register of Contracts or Arrangements in which the directors are interested, maintained under Section 189 of the Act, and the relevant documents referred to in the Notice will be available at registered office for inspection by the members during the AGM.
13. 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) constituted by the Central Government. After transfer of said amount to IEPF, any person claiming to be entitled to the amount will have to apply to IEPF authority for refund of dividend. The following are the details of dividend paid by the Company, which has remained unclaimed/unpaid and their respective due dates of transfer to IEPF:

Date of declaration of Dividend	Dividend for the year	Due date of transfer to the Govt.
29.07.2013	2012-13	28.08.2020
30.07.2014	2013-14	30.08.2021
29.09.2015	2014-15	28.10.2022
29.09.2016	2015-16	28.10.2023
29.09.2017	2016-17	28.10.2024
28.09.2018	2017-18	27.10.2025
27.09.2019	2018-19	26.10.2026

Members who have not encashed their dividend warrants pertaining to the aforesaid years may approach the Company/its Registrar, for obtaining payments thereof atleast 20 days before they are due for transfer to the said fund.

14. SEBI has decided that securities of listed companies can be transferred only in dematerialized form with effect from April 1, 2019. In view of the above and to avail various benefits of dematerialisation, members are advised to dematerialize shares held by them in physical form.
15. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and MCA Circulars dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting's agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by CDSL.
16. **Instruction for attending the meeting through VC:**
- a) Shareholder will be provided with a facility to attend the AGM through VC through the CDSL e-Voting system. Shareholders may access the same at <https://www.evotingindia.com> under

- shareholders/members login by using the remote e-voting credentials. The link for VC will be available in shareholder/members login where the EVSN of Company will be displayed
- b) Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
 - c) Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
 - d) Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
 - e) The shareholders who have queries may send their queries in 2 days advance prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at baroda@zenithfibres.com. These queries will be replied to by the company suitably by email.

INSTRUCTIONS FOR SHAREHOLDERS FOR E-VOTING DURING THE AGM ARE AS UNDER:-

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for Remote e-voting.
2. Only those shareholders, who are present in the AGM through VC facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.
3. If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC facility , then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

Shareholders who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM

If you have any queries or issues regarding attending AGM & e-Voting from the e-Voting System, 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 or contact Mr. Nitin Kunder (022- 23058738) or Mr. Mehboob Lakhani (022-23058543) or Mr. Rakesh Dalvi (022-23058542).

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Manager, (CDSL,) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call on 022-23058542/43

17. Instruction for E Voting Process:

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 31st Annual General Meeting of the Company, to be held on 29th September, 2020.

a) The instructions for shareholders voting electronically are as under

Particulars	Schedules
Date & time of commencement of voting through electronic means	26th September, 2020 at 9.00 a.m
Date & time of ending of voting through electronic means	28th September, 2020 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” module..
- (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. OR
- Alternatively, if you are registered for CDSL’s **EASI/EASIEST** e-services, you can log-in at <https://www.cdslindia.com> from **Login - Myeasi** using your login credentials. Once you successfully log-in to CDSL’s **EASI/EASIEST** e-services, click on **e-Voting** option and proceed directly to cast your vote electronically
- (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 Form and Physical Form	
PAN	Enter your 10 digit alpha-numeric IT PAN (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> • Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.
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. <ul style="list-style-type: none"> • 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. Please follow the instructions as prompted by the mobile app while voting on your mobile.

PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL ADDRESSES ARE NOT REGISTERED WITH THE DEPOSITORIES FOR OBTAINING LOGIN CREDENTIALS FOR E-VOTING FOR THE RESOLUTIONS PROPOSED IN THIS NOTICE:

1. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to **RTA on khade@unisec.in** .
2. For Demat shareholders -, please provide Demat account details (CDSL-16 digit beneficiary ID or NSDL-16 digit DPID + CLID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to **RTA on khade@unisec.in** .

(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 in the “Corporates” module.
 - 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. U. C. Shukla, Practicing Company Secretary 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.

EXPLANATORY STATEMENT

As required by Section 102 of the Companies Act, 2013, the following Explanatory Statement sets out material facts relating to the business under items 3 and 4 of the accompanying Notice.

Item 3

The Board of Directors of the Company on recommendation of the Nomination and Remuneration Committee has subject to approval of the Members of the Company, re-appointed Shri Sanjeev Rungta as Whole time Director, designated as Executive Chairman of the Company, for a period of 5 years w.e.f. 1st April, 2020 on broadly the terms and conditions, set out in the resolution.

Given his expertise, qualification, knowledge and experience, the Board considers the re-appointment of Mr. Sanjeev Rungta as the Whole-time Director, designated as Executive Chairman, is in the best interest of the Company and in view of the provisions of Section 196, 197, 203 and any other applicable provisions of the Act recommends the resolution as set out at item no. 3 of the notice convening AGM, for approval of members.

The details of Mr. Sanjeev Rungta 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.

Shri Sanjeev Rungta and Shri Aman Rungta, being relatives, may be deemed to be interested in the resolution. None of the other Directors, Key Managerial Personnel and their relatives are interested or concerned in the proposed resolution financially or otherwise.

Item 4 and 5

On recommendation of the Nomination and Remuneration Committee, Shri Aman Rungta was appointed as an Additional Director by the Board of Directors of the Company with effect from 01st April, 2020. Pursuant to provisions of Section 161 of the Companies Act, 2013, Shri Aman Rungta holds office upto the date of this Annual General Meeting. The Company has received a notice under Section 160 of the Act proposing his candidature for the office of Director of the Company.

Further, at the same meeting, the Board of Directors on recommendation of the Nomination and Remuneration Committee, subject to approval of the Members of the Company appointed Shri Aman Rungta as a Whole-time Director, designated as Executive Director (Finance), for a period of three years, effective 1st April, 2020, on such terms and remuneration as stated in the resolution proposed to be passed in the AGM.

Given his knowledge and experience, the Board considers the appointment of Shri Aman Rungta as a Whole-time Director, designated as Executive Director (Finance) would be of great advantage. Your Directors, therefore, recommend his appointment to the office of Director of the Company as set-out in item nos.4 and 5 of the notice convening the AGM.

The details of Shri Aman Rungta 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

Shri Sanjeev Rungta and Shri Aman Rungta, being relatives, may be deemed to be interested in the resolution. None of the other Directors, Key Managerial Personnel and their relatives are interested or concerned in the proposed resolution financially or otherwise.

DIRECTORS' REPORT

Dear Members,

Your Directors are pleased to present the 31st Annual Report along with the Audited Financial Statements for the year ended March 31, 2020.

FINANCIAL SUMMARY AND HIGHLIGHTS

A summary of the Company's financial results for the Financial Year 2019-20 is as under: (₹in lacs)

PARTICULARS	2019-20	2018-19
Revenue	3037.32	3238.86
Profit before Exceptional Item and Tax	260.98	258.89
Profit After Tax	197.83	218.69

DIVIDEND AND RESERVE

With a view to current situation due to COVID pandemic and Company's performance your Directors have not recommend a dividend for the fiscal year ended on 31st March, 2020.

During the year under review, your Company has not transferred any sum to the General Reserve.

PERFORMANCE

The Company achieved operating revenue of ₹ 2837.01 Lacs and total revenue of ₹3037.32 Lacs as compared to ₹ 2984.43 Lacs and ₹3238.86 Lacs last year. Profit before tax is ₹ 260.98 Lacs and profit after tax stands at ₹ 197.83 Lacs during the year under review as against ₹ 258.89 Lacs and ₹ 218.69 Lacs respectively in the previous year.

The operations of the Company during the year was below expectations on the domestic front whereas it was much better in the international market as compared to the previous year.

PLANT OPERATIONS

The Company's PPSF plant and WTG located in Gujarat are operating satisfactorily.

SHARE CAPITAL

The paid up capital in the previous year was ₹ 442.23 lacs which was reduced as a result of buy back during the year to ₹ 394.41 Lacs as on 31/3/2020 consisting of 39,44,136 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:

Shri Pratip Patel (PAN AWOPP1911H) resigned w.e.f 30th November, 2019

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 and KMP and also decides their remuneration. The Remuneration Policy is spelt out in the Corporate Governance Report.

FINANCE/ACCOUNTS

The Company continued to face strong headwinds in the domestic market whereas there was certain improvement on the exports front. Continuous endeavor is in place by the management to evaluate and reduce expenses of the Company wherever practical for permanent long term financial benefits. This has helped the Company vastly in fighting the current uncertain situation. 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 continues to be 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.

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. However, detailed transactions are disclosed under notes of financial statements.

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) Independent Auditor

The Independent Auditor M/s.Surendra Modiani & Associates, Chartered Accountant having F.R.N.126307W were appointed as Independent Auditors of the Company in the 28th Annual General Meeting of the Company for a period of five consecutive years, based upon the declaration of their eligibility, consent and terms of engagement.

The Independent Auditors have not reported any incident of fraud to the Audit Committee of the Company for Financial Year 2019-20.

b) Internal Auditor

The Board of Directors has appointed M/s. Keyur Patel & Company, as Internal Auditors of the Company.

EXTRACT OF ANNUAL RETURN

The extract of the Annual Return in form MGT-9 is as Annexure B.

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

Four 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 had appointed 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, 2020 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 Workplace (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 from 7 days before 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, there was somewhat contraction in the off take of Polypropylene Fibre in the country from domestic sources. However, in the long run 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 bear fruit at the earliest. The export market holds larger potential and all efforts are afoot to increase sales on this front.

2. Segment wise Operational Performance

The Company operates manufacturing of Manmade Fibres and power generation through Wind Turbine. Performances in terms of profits are commensurate to the production and sales and routine increase in costs:

	(Quantity in MT)		(₹ in Lacs)	
	2019-20	2018-19	2019-20	2018-19
Production	2036.14	1771.90		
Sales	1949.872	1909.93		
			Sales	2837.01
			Profit Before Tax	260.98
			Profit After Tax	197.83
				2984.43
				258.89
				218.69

Exports and sales of Yarn were 816.61MT (383.65MT) and 469.22MT (480.20MT) respectively.

3. Quality & Future Outlook

The outlook for the Polypropylene Staple Fibre is encouraging overall. Efforts are continually 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 77 as on 31st March, 2020. 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".

The Company had completed all formalities regarding acquisition of Wind Turbine Generator and the financial benefits from the same will start accruing from the first quarter of FY 20-21.

MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY, IF ANY, DURING THE PERIOD FROM 31ST MARCH, 2020 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, 2020 to the date of the Report

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.

Date: 29/08/2020

Place: Vadodara

On behalf of the Board of Directors

Sanjeev Rungta

Executive Chairman

DIN: 00053602

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. 2019
2. No. of Shares of Associate held by the company as on the year ended on 31st March 2019	10,00,000 Equity Shares
Amount of Investment in Associates	₹1,00,00,000
Extent 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	₹. 26,841,417
5. Profit/Loss for the year	Loss of ₹ 17,313
i. Considered in Consolidation	Not Consolidated
ii. Not Considered in Consolidation	Not Applicable

Date: 29/08/2020
Place:Vadodara

Sanjeev Rungta
Executive Chairman
DIN: 00053602

ANNEXURE – B
FORM NO. MGT.9

EXTRACT OF ANNUAL RETURN AS ON FY ENDED ON 31ST MARCH, 2020

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

- i) **CIN:** L40100MH1989PLC054580
- ii) **Registration Date:** 12/12/1989
- iii) **Name of the Company:** ZENITH FIBRES LIMITED
- iv) **Category / Sub-category of the Company:** Public Company Limited by shares
- v) **Address of the registered office and contact details:** 205, Marol Bhavan,
Marol Co-op Ind. Estate Ltd., M.V. Road,
J.B Nagar Post, Andheri(E), Mumbai-400059,
Ph# 022-28599428 Fax# 022-28599429
- vi) **Whether listed Company Yes / No** Yes
- vii) **Name, Address and Contact details of Registrar and Transfer Agent, if any:** **M/S Universal Capital Securities Pvt. Ltd.**
21, Shakil Niwas, Opp. Satya Saibaba Temple,
Mahakali Caves Road, Andheri (E), Mumbai -
400093
Ph# 022-28207203-05 Fax# 022-28207207

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sr. No.	Name and Description of main products / services	NIC Code of the Product / Service	% to total turnover of the company
1	Manufacturing of manmade fibres	24302	99.27%
2	Electric Power Generation	35106	0.73%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANY/COMPANIES

Sr. No	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/Associate	% of shares held	Applicable Section
1	RAINY PROPERTIES PVT. LTD. 225D, A.J.C. Bose Road, 4th Floor, Kolkata 700020	U70200WB1995PTC072904	ASSOCIATE	30.93%	2(6)

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Shareholding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
1). Indian									
g) Individual/ HUF	79330	--	79330	1.79	22412	--	22412	0.57	1.22
h) Central Govt	--	--	--	--	--	--	--	--	--

i) State Govt (s)	--	--	--	--	--	--	--	--	--
j) Bodies Corp.	2143776	--	2143776	48.48	1796466	--	1796466	45.55	2.93
k) Banks/FI	--	--	--	--	--	--	--	--	--
l) Any Other	--	--	--	--	--	--	--	--	--
Sub-total (A) (1):-	2223106	--	2223106	50.27	1818878	--	1818878	46.12	4.15
2) Foreign									
a) NRIs – Individuals	--	--	--	--	--	--	--	--	--
b) Other – Individuals	--	--	--	--	--	--	--	--	--
c) Bodies Corp.	--	--	--	--	--	--	--	--	--
d) Banks / FI	--	--	--	--	--	--	--	--	--
e) Any Other...	--	--	--	--	--	--	--	--	--
Sub-total (A) (2):-	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	--
Total shareholding of Promoter (A) = (A)(1)+(A) (2)	2223106	--	2223106	50.27	1818878	--	1818878	46.12	4.15
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	--	7600	7600	0.17	--	4600	4600	0.12	0.05
b) Banks/FI	--	--	--	--	--	--	--	--	--
c) Central Govt	--	--	--	--	--	--	--	--	--
d) State Govt(s)	--	--	--	--	--	--	--	--	--
e) Venture Capital Funds	--	--	--	--	--	--	--	--	--
f) Insurance Companies	--	--	--	--	--	--	--	--	--
g) FIs	--	--	--	--	--	--	--	--	--
h) Foreign Venture Capital Funds	--	--	--	--	--	--	--	--	--
i) Others (specify)	--	--	--	--	--	--	--	--	--
Sub-total (B)(1):-	--	7600	7600	0.17	--	4600	4600	0.12	0.05
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	227911	--	227911	5.15	215016	300	215316	5.46	-0.31
ii) Overseas	46438	--	46438	1.13	36262	--	36262	0.19	-0.94
b) Individuals									
i) Individual shareholders holding nominal share capital up to Rs. 1 lacs	921358	164896	1086254	24.56	929169	148016	1077185	27.31	-2.75
Individual shareholders holding nominal share capital in excess of Rs 1 lacs	728385	5000	733385	16.58	691235	--	691235	17.53	0.95

C. Others (specify)	--	--	--	--	--	--	--	--	--
Clearing Members	21195	--	21195	0.48	11348	--	11348	0.29	0.19
IEPF Suspense A/c	76457	--	76457	1.73	89312	--	89312	2.26	0.53
Sub-total (B)(2):-	2021744	169896	2191640	49.56	1972342	148316	2120658	53.76	--
Total Public Shareholding (B) = (B)(1) + (B)(2)	2021744	177496	2199240	49.73	1972342	152916	2125258	53.88	--
C. Shares held by Custodian for GDRs & ADRs	--	--	--	--	--	--	--	--	--
Grand Total (A+B+C)	4244850	177496	4422346	100	3791220	152916	3944136	100	--

ii) Shareholding of Promoters

Sr. No	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged/encumbered	No. of Shares	% of total Shares of the company	% of Shares Pledged/encumbered to total shares	
1.	Smt. Aarti B Aggarwal	2000	0.05	0	2000	0.05	0	--
2.	Shri. Abhishake Rungta	10530	0.24	0	0	0	0	-0.24
3.	Shri. Aman Rungta	9100	0.21	0	12812	0.32	0	0.11
4.	Shri. Ashok Rungta	4900	0.11	0	0	0	0	-0.11
5.	Shri. Ashok kumar Rungta HUF	2400	0.05	0	0	0	0	-0.05
6.	Smt. Madhuridevi Rungta	31200	0.71	0	0	0	0	-0.71
7.	Smt. Pinky Rungta	5800	0.13	0	5800	0.13	0	--
8.	Smt. Purvi Rungta	3000	0.07	0	0	0	0	-0.07
9.	Shri. Rajeev Rungta	6000	0.14	0	0	0	0	-0.14
10.	Shri. Rajeev Rungta (HUF)	1000	0.02	0	0	0	0	-0.02
11.	Shri. Sanjeev Rungta	1800	0.04	0	1800	0.04	0	--
12.	Smt. Vinita Rungta	1600	0.04	0	0	0	0	-0.04
13.	Alpha Overseas International Pvt. Ltd.	166700	3.77	0	166700	4.23	0	0.46
14.	Classic Steels Pvt. Ltd.	3000	0.07	0	0	0	0	-0.07
15.	Demris Finvest Pvt. Ltd.	481500	10.89	0	481500	12.21	0	1.32
16.	Galaxy Dealers Pvt. Ltd.	325810	7.37	0	0	0	0	-7.37
17.	Rainy Fiscal Services (P) Ltd.	560100	12.67	0	560100	14.20	0	--
18.	Shark Barter Pvt. Ltd.	450000	10.18	0	450000	11.41	0	--
19.	South Park Promoters Pvt. Ltd.	138166	3.12	0	138166	3.50	0	--
20.	Vinita Investment Ltd.	18500	0.42	0	0	0	0	-0.42

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

Sr No	Name of Promoter	No. of share at the beginning of the year		Increase/Decrease	Reason for Increase/decrease	No. of Shares at the end of the year	
		No. of Shares	%			No. of Shares	%
1.	Shri. Abhishake Rungta	10530	0.24	-10530	Offered in Buy Back	0	0
2.	Shri. Ashok Rungta	4900	0.11	-4900	Offered in Buy Back	0	0
3.	Shri. Ashok kumar Rungta HUF	2400	0.05	-2400	Offered in Buy Back	0	0
4.	Smt. Madhuridevi Rungta	31200	0.71	-31200	Offered in Buy Back	0	0
5.	Smt. Purvi Rungta	3000	0.07	-3000	Offered in Buy Back	0	0
6.	Shri. Rajeev Rungta	6000	0.14	-6000	Offered in Buy Back	0	0
7.	Shri. Rajeev Rungta (HUF)	1000	0.02	-1000	Offered in Buy Back	0	0
8.	Smt. Vinita Rungta	1600	0.04	-1600	Offered in Buy Back	0	0
9.	Classic Steels Pvt. Ltd.	3000	0.07	-3000	Offered in Buy Back	0	0
10.	Vinita Investment Ltd.	18500	0.42	-18500	Offered in Buy Back	0	0
11.	Galaxy Dealers Pvt. Ltd.	325810	7.37	-325810	Offered in Buy Back	0	0
12.	Shri. Aman Rungta	9100	0.21	3712	Open Market purchase	12812	0.32

iv) Shareholding Pattern of Top Ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):-

Sr No	Name of Shareholder	No of Share at the beginning		Increase/Decrease	Reason for Increase/Decrease	No of Share at the end of the years	
		No of Shares	% of total capital			No of Shares	% of total capital
1.	Dheeraj Kumar Lohia	110044	2.49	28160	Increase	138204	3.50
2.	Raj Kumar Lohia	28654	0.65	71739	Increase	100393	2.55
3.	Sujata .	64742	1.46	723	Increase	65465	1.66
4.	Vinay Rungta	49581	1.12	2720	Increase	52301	1.33
5.	Ashok Maganlal Shah	29701	0.67	18746	Increase	48447	1.23
6.	Integrated Financial Services Ltd	44500	1.01	--	--	44500	1.13
7.	Meenum Mohan	32802	0.74	--	--	32802	0.83
8.	Dheeraj Kumar Lohia Huf	24718	0.56	7880	Increase	32598	0.83
9.	Rajaram Sathish	22774	0.51	3483	Increase	26257	0.67
10.	Abhishek Singhvi	22000	0.49	--	--	22000	0.56

v) Shareholding of Directors and Key Managerial Personnel:

Sr No	Name of Director/KMP	No. of Shares at the beginning		Increase/Decrease	Reason for Increase/Decrease	No. of Shares at the end	
		No. of shares	%			No. of Shares	%
1.	Shri. Sanjeev Rungta	1800	0.04	--	--	1800	0.04
	Total	1800	0.04	--	--	1800	0.04

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment (Amount in ₹)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	Nil	Nil	Nil	Nil
ii) Interest due but not paid	Nil	Nil	Nil	Nil
iii) Interest accrued but not due	Nil	Nil	Nil	Nil
Total (i+ii+iii)	Nil	Nil	Nil	Nil
Change in Indebtedness during the financial year				
• Addition	Nil	Nil	Nil	Nil
• Reduction	Nil	Nil	Nil	Nil
Net Change	Nil	Nil	Nil	Nil
Indebtedness at the end of the financial year				
i) Principal Amount	Nil	Nil	Nil	Nil
ii) Interest due but not paid	Nil	Nil	Nil	Nil
iii) Interest accrued but not due	Nil	Nil	Nil	Nil
Total (i+ii+iii)	Nil	Nil	Nil	Nil

VI. REMUNERATION OF DIRECTORS' AND KEY MANAGERIAL PERSONNEL**A. Remuneration to Managing Director, Whole-time Directors and/or Manager:**

Sl. no.	Particulars of Remuneration	Shri. Sanjeev Rungta- Whole time Director	Total Amount
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	33,00,000/- 6,00,000/- --	33,00,000/- 6,00,000/- --
2.	Stock Option	N.A	N.A
3.	Sweat Equity	N.A	N.A
4.	Commission	N.A	N.A
5.	Other	2,75,000/-	2,75,000/-
	Total (A)	4175000/-	4175000/-
	Ceiling as per schedule V of Companies Act, 2013 in case of inadequate profit	60,00,000/-	60,00,000/-

B. Remuneration to other directors:

(Amount in ₹)

Particulars of Remuneration	Name of Directors			Total Amount
	Shri. Mukund Beriwal	Shri. Amitabha Ghosh	Smt. Rashmi Desai	
1. Independent Directors				
• Fee for attending board/committee meetings	40,000/-	30,000/-	40,000/-	1,10,000/-
• Commission	N.A	N.A	N.A	N.A
• Others	N.A	N.A	N.A	N.A
Total (1)	40,000/-	30,000/-	40,000/-	1,10,000/-
2. Other Non-Executive Directors				
• Fee for attending board/committee meetings	N.A	N.A	N.A	N.A

•Commission	N.A	N.A	N.A	N.A
•Others	N.A	N.A	N.A	N.A
Total (2)	N.A	N.A	N.A	N.A
Total (B) = (1+2)	40,000/-	30,000/-	40,000/-	1,10,000/-

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD

Sr. no.	Particulars of Remuneration of	Shri. S.S. lyer - CEO	Shri Pratip Patel -CFO	Ms. Siddhi Shah-CS	Shri Aman Rungta-CSO	Amount in ₹
1	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	20,78,742/-	6,52,400/-	3,76,800/-	7,50,000/-	31,07,942/-
2	Stock Option	N.A	N.A	N.A	N.A	N.A
3	Sweat Equity	N.A	N.A	N.A	N.A	N.A
4	Commission - as % of profit - Others, specify...	N.A	N.A	N.A	N.A	N.A
5	Others, please specify	N.A	N.A	N.A	N.A	N.A
	Total	20,78,742/-	6,52,400/-	3,76,800/-	7,50,000/-	31,07,942/-

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:

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

Date:29/08/2020
Place:Vadodara

Sanjeev Rungta
Executive Chairman
DIN:00053602

ANNEXURE - C
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31st March, 2020

[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 400 059.

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, 2020 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, 2020 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') :-
 - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.
 - c) The Securities and Exchange Board of India (Buy-back of Securities) Regulations, 1998

I report that during the year under review there was no action/event in pursuance of –

- a) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
- b) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
- c) The Securities and Exchange Board of India (Issue and Listing of Debts Securities) Regulations, 2008;

- d) 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.
 - e) 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:

- a) 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
- b) 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, the Company bought back 4,78,210 Equity Shares of Rs.10/- each at Rs.55/- per share under the provisions of SEBI ((Buy-back of Securities) Regulations, 1998 and the Companies Act,2013 read with the Companies (Share Capital and Debentures) Rules, 2014. Except this corporate action, 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.

UDIN: F002727B000631289

Place: Mumbai

Date:29/08/2020

(U.C. SHUKLA)
COMPANY SECRETARY
FCS: 2727/CP: 1654

Note: This report is to be read with my letter of even date which is annexed as 'ANNEXURE A' and forms an integral part of this report.

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.

1. Maintenance of secretarial record is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. 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.
3. I have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
4. Wherever required, I have obtained the management representation about the compliance of the laws, rules and regulations and happening of events etc.
5. 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.
6. The secretarial audit report is neither an assurance as to future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Place: Mumbai
Date:29/08/2020

(U.C. SHUKLA)
COMPANY SECRETARY
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 2019 -20 and percentage increase/decrease in the remuneration of Director(s) and KMP during the financial year 2019-20. :

DUE TO REDUCED OPERATIONS THE COMPANY DID NOT MAKE ANY CHANGES IN THE EMOLUMENTS TO ANY OF THE EMPLOYEES DURING THE YEAR.

1. 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.

2. 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: 29/08/2020

Place: Vadodara

**Sanjeev Rungta
Executive Chairman
DIN: 00053602**

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, 2020

A. CONSERVATION OF ENERGY

<p>i. Steps taken and impact on conservation of energy</p> <p>ii. Steps taken by the Company for utilizing alternate sources of energy</p> <p>iii. Capital investment on energy conservation equipments:</p>	<p>Energy conservation continues to receive highest 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.</p> <p>Company has acquired wind turbine of 1.5 MW and the same has started to generate power and the benefits from the same shall start accruing from first quarter of next financial year.</p>
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iv. Total energy consumption and energy consumption per unit of production is as under.

FORM - A

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

		Current Year(2019-20)	Previous Year(2018-19)
a	Power and Fuel Consumption		
1	Electricity		
	a. Purchased Units (KWH)	1864170	1945621
	Total Amount (₹)	13,247,616/-	14,350,412
	Rate / Unit (₹)	7.11/-	7.38
	b. Own Generation		
	i Through Diesel Generator Unit (KWH)	3501	5409
	Total Amount (₹)	2,20,061/-	1,61,770
	Rate/ Unit (₹)	62.86/-	29.91
	ii Through steam turbine generator	N.A	N.A
	iii Through wind farm project Units	488309	N.A
2	Coal /Furnace Oil/ Gas	N.A	N.A
b	Consumption per Unit of Production		
	Polypropylene Staple Fibre (MT)	2036.14	1771.90
	Electricity (₹/kg)	6.51	8.10
	Diesel & Oil (₹/kg)	0.11	0.09

B FOREIGN EXCHANGE EARNINGS AND OUTGO**(₹. In Lacs)**

Earnings in Foreign Currency		
	F.O.B. Value of Exports	1022.65
Expenditure in Foreign Currency		
	CIF Value of Imports	--
	Travelling Expenses	15.11

Date: 29/08/2020

Place: Vadodara

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 SEBI (LODR) Regulations and the Companies Act. 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 over six 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. 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.

iv. Non-independent Directors

Shri Sanjeev Rungta functioned as Non Independent Director of the Company during the year. None of the continuing Directors of the Company are inter-se-related to each other.

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

v. Composition, Status, Directorship in other Companies , skills, Attendance at the Board Meetings & last AGM

Name of Director	DIN	Category of Director	No. of Directorships	No. of Membership/ Chairmanship in Committee	Attendance in Board Meetings held in 2019-20	Attendance at the last AGM	Names of the listed entities where the person is a director and Category of directorship	Director Expertise in specific functional area
Shri Sanjeev Rungta	00053602	E & P**	2	3	4 out of 4	Present	Maharashtra Seamless Limited (L99999MH1988PLC080545) (Independent Director)	Industrialist, Business Strategy and Corporate Management & Finance

Shri Amitabha Ghosh	00055962	NE&I**	5	1(1)#	3 out of 4	Present	Kesoram Industries Ltd (L17119WB1919PLC003429) (Independent Director)	Finance, Banking and Foreign Exchange Markets
Shri Mukund Beriwal	00053669	NE&I	5	(2)	4 out of 4	Present	--	Asset Management, Capital Markets and Wealth Management, finance
Smt. Rashmi Desai	02281570	NE&I	1	2	4 out of 4	Present	--	Science & Law

*NE- Non-executive **P- Promoter ***I- Independent E- executive #() indicates chairmanship

3. Board Meeting(s) held during the year

The Board Meetings of the Company were held on 24th May 2019 and 14th August 2019 at Mumbai, and 11th November 2019 and 13th February 2020 at Vadodara.

4. Profile of Directors seeking Appointment / Re-appointment in 31st AGM.

Name	Shri. Sanjeev Rungta	Shri Aman Rungta
Father's Name	Late Shri Ajay Kumar Rungta	Shri. Sanjeev Rungta
DIN	00053602	03585306
Qualification	Mechanical Engineer	BLS LLB
Date of Birth	26/04/1960	12/02/1993
Shareholding in the Company	1800	12812
Category	Promoter & Whole Time Director	Promoter
Directorships	1. Maharashtra Seamless Limited	1. Essare Enterprise Private Limited
Committee Membership(M) /Chairmanship(C)	Maharashtra Seamless Limited > Audit Committee(M) > Nomination & Remuneration Committee(M)	-

5. Composition of Committees

Category	Audit Committee	Nomination & Remuneration Committee	Stakeholder Relationship Committee	Corporate Social Responsibility Committee
Chairman	Shri Mukund Beriwal (I&NE)	Shri Mukund Beriwal (I&NE)	Shri Mukund Beriwal (I&NE)	Shri Sanjeev Rungta (ED)
Member	Shri Sanjeev Rungta (ED)	Shri Sanjeev Rungta (ED)	Shri Sanjeev Rungta (ED)	Shri Mukund Beriwal (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)			

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. The Committee has access to all information and 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 30th AGM held on,

September 27, 2019. The Audit Committee Meetings were held on 24th May 2019 and 14th August 2019 at Mumbai, and 11th November 2019 and 13th February 2020 at Vadodara.

All the members attended all the meetings except Shri Amitabha Ghosh who was absent in meeting held on 11th November, 2019

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 14th August, 2019 and 13th February 2020. Chairman of the Committee attended the 30th AGM held on, September 27, 2019.

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 1 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, 2020.

9. Corporate Social Responsibility Committee

As per the Companies (Amendment) Act, 2017 effective from 19.09.2018 the mandatory CSR contribution is not applicable to the company.

General Body Meetings

- No Extraordinary General Meeting was held during the last three years.
- Postal ballot was conducted during the year for following business
 1. Re-appoint Mr. Amitabha J. Ghosh as an Independent Non-Executive Director
 2. Re-appoint Mr. Mukund B. Beriwalla as an Independent Non-Executive Director
 3. To amend the Main Object Clause of the Memorandum of Association of the Company
 4. To alter/substitute the Article of Association of the Company
- 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	28th AGM	29th AGM	30th AGM
Date	29th September, 2017	28th September, 2018	27th September, 2019
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	Reimbursement of Medical expenses to Shri. Sanjeev Rungta. Appointment of Shri. Sanjeev Rungta as Whole Time Director for 3 years and Appointment of Shri. Rajeev Rungta as Managing Director for 3 years	Appointment of Smt. Rashmi Desai as independent director for five consecutive years	--

10. Annual Evaluation

The Company believes that systematic evaluation contributes significantly to improved performance at three levels - Organizational, 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 2019-20, 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 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 has expressed their satisfaction with the evaluation process.

11. Independent Directors' Meeting

The Independent Directors met on 13th February, 2020 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.

12. 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 2019-20 to the Executive Chairman is as follows:

Sr no	Particulars of Remuneration	Shri Sanjeev Rungta- Executive Chairman
1.	Gross salary	
	a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	33,00,000/-
	b) Value of perquisites u/s 17(2) Income-tax Act, 1961	6,00,000/-
	c) Other benefits	2,75,000/-
	Total	41,75,000/-

b) Remuneration to the Non- Executive Directors:

All Non Executive Directors are 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 2019-20 are mentioned in notes forming part of financial statements.

Name of Directors	No of Meetings Attended		Sitting Fees paid (Rs.)
	Board Meetings	Audit Committee Meetings	
Shri. Amitabha Ghosh	3	3	30,000
Shri. Mukund Beriwal	4	4	40,000
Smt. Rashmi Desai	4	4	40,000

13. Disclosures**a) Directors' Shareholding in the Company**

Name of Director	No. of Shares held as on 31.03.2020
Shri. Sanjeev Rungta	1800

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.

15. Means of Communication

Newspapers in which Quarterly Results are normally published	Financial Express – Mumbai edition Mumbai Lakshdeep – 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

31st AGM Date and Time	29th September, 2020 at 11.00 A.M		
Venue	Through video conferencing		
Financial Calendar	April, 2020 to March, 2021		
First Quarter results	Second week of August, 2020		
Second Quarter results	Second week of November, 2020		
Third Quarter results	Second week of February, 2021		
Results for year ending March 2021	before end of May, 2021		
Date of Book closure	23rd September, 2020 to 29th September, 2020 (both days)		
Listing on Stock Exchange	BSE Limited (Listing Fees for 2020-2021 has been paid)		
Stock Code	514266	Demat ISIN No. for NSDL and CDSL	INE 106C01013
Corporate Identification Number (CIN)	L40100MH1989PLC054580		
Dematerialization of shares and liquidity	3791220 (96.12%) shares of the paid-up capital have been dematerialized as on 31/3/2020. Out of the promoters' capital 100% Shares (18,18,878 shares) has 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.

Distribution and Shareholding Pattern as on 31st March, 2020

No. of Equity Shares	No. of Folios	%	No. of Shares	%
01-500	3157	87.500	437011	11.080
501-1000	217	6.014	178663	4.530
1001-2000	107	2.966	161464	4.094
2001-3000	31	0.859	78358	1.987
3001-4000	14	0.388	49559	1.257
4001-5000	11	0.305	50306	1.275
5001-10000	35	0.970	253278	6.422
10001 and above	36	0.998	2735497	69.356
TOTAL	3608	100.00	3944136	100
In Physical Mode			152916	3.88
In Electronic Mode			3791220	96.12

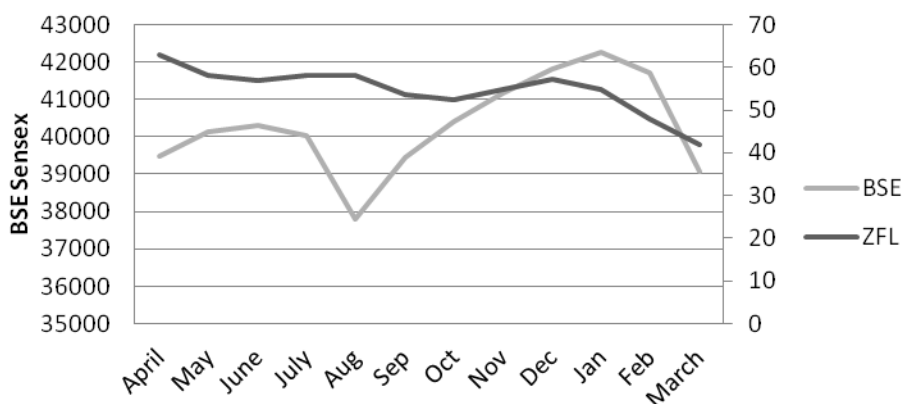
Shareholding Pattern as on 31st March, 2020

Category	No. of Shares	%
Promoters	1818878	46.12
Mutual Funds & UTI	4600	0.12
Financial Institutions	--	--
Domestic Companies	66095	1.68
FII's and NRI's	36262	0.92
Resident Individuals/ others	2018301	51.17
TOTAL	3944136	100

Monthly High/Low in Rupees from April 2019 to March 2020

	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
High	63	58	57	58	58	53.65	52.45	54.95	57.35	54.80	48	42
Low	50.3	50.50	48.10	43.65	41.10	41.20	43.40	43.55	43.10	42	35	23.15

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.

d) Certificates from Practicing Company Secretary as required under Regulation 34(3) read with Schedule V Para-C Sub-clause 10(i) confirming that none of the Directors of the Company have been debarred or disqualified from being appointed or continuing as director of companies by the SEBI/Ministry of Corporate of Affairs or any such authority attached herewith

A. CEO/CFO Certificate

Certificate duly signed by Shri Sanjeev Rungta, Chairman 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: Four Resolutions has been passed through postal ballot during the year.

Date: 29/08/2020

Place: Vadodara

On behalf of the Board of Directors

Sanjeev Rungta

Executive Chairman

DIN:00053602

CEO/CFO COMPLIANCE CERTIFICATE

To,
The Board of Directors,
Zenith Fibres Limited

Dear Sir/madam,

Pursuant to provisions of Regulation 17(8) of the Listing Regulations, we hereby certify that;

- A. We have reviewed financial statements and the cash flow statement for the year and that to the best of our knowledge and belief:
 - i. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading
 - ii. these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. There are, to the best of their knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or volatile of the Company's code of conduct.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting and evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps taken or propose to be taken for rectifying these deficiencies.
- D. We have indicated to the Auditors and the Audit Committee:
 1. significant changes in internal control over financial reporting during the year;
 2. significant changes if any, in accounting policies made during the year and that the same have been disclosed in the notes to the financial statements; and
 3. instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the listed entity's internal control system over financial reporting.

Date: 27/06/2020

Place: Vadodara

Sanjeev Rungta
Executive Chairman
DIN:00053602

Code of Conduct Compliance Certificate

I hereby declare that all members of the Board of Directors and Senior Management Personnel have affirmed compliance with the Code of Conduct of the Company for the financial year ended on 31st March, 2020

Date: 29/08/2020

Place: Vadodara

Sanjeev Rungta
Executive Chairman
DIN: 00053602

Auditors' certificate on compliance with the conditions of corporate governance

Independent Auditor's report on compliance with the conditions of corporate Governance as per provisions of Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

TO THE MEMBERS OF ZENITH FIBRES LIMITED

1. The Corporate Governance Report prepared by Zenith Fibres Limited ("the Company"), contains details as required by the provisions of Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the Listing Regulations") ('Applicable criteria') with respect to Corporate Governance for the year ended March 31, 2020. This report is required by the Company for annual submission to the Stock exchange and to be sent to the Shareholders of the Company.

Management's Responsibility

2. The preparation of the Corporate Governance Report is the responsibility of the Management of the Company including the preparation and maintenance of all relevant supporting records and documents. This responsibility also includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Corporate Governance Report.
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. Our examination was limited to procedures and implementation thereof adopted by the Company for ensuring the compliance of the conditions of corporate governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
5. Pursuant to the requirements of the Listing Regulations, it is our responsibility to provide a reasonable assurance whether the Company has complied with the conditions of corporate governance as stipulated in Listing Regulations for the year ended 31 March 2020.
6. We conducted our examination in accordance with the Guidance Note on Reports or Certificates for Special Purposes (Revised 2016) (the 'Guidance Note') issued by the Institute of Chartered Accountants of India ('ICAI'). The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by ICAI.
7. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audit

Opinion

8. Based on the procedures performed by us as referred in paragraph 7 above, and according to the information and explanations given to us, we are of the opinion that the Company has complied with the conditions of Corporate Governance as stipulated in the Listing Regulations, as applicable for the year ended March 31, 2020, referred to in paragraph 1 above.

Other matters and restriction on use

9. This report 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.
10. This report is addressed to and provided to the members of the Company solely for the purpose of enabling it to comply with its obligations under the Listing Regulations with reference to compliance with the relevant regulations of Corporate Governance and should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care or for any other purpose or to any other party to whom it is shown or into

whose hands it may come without our prior consent in writing. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

Place: VADODARA
Date: August 29,2020
UDIN 20047966AAAABL4227

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

Certificate pursuant to Regulation 34(3) read with Schedule V Para-C Sub-clause 10(i) of the Securities Exchange Board of India (LODR) Regulations, 2015

To

The Board of Directors
Zenith Fibres Limited
205, Marol Bhavan,
Marol Co-op Ind. Estate Ltd. M.V. Road,
J.B Nagar Post, Andheri(East),
Mumbai-400 059

I have examined the registers, records, books, form, returns and disclosures received from the Directors of Zenith Fibres Limited, (CIN L40100MH1989PLC054580), having Registered Office at 205, Marol Bhavan, Sir M. V. Road, J. B. Nagar Post, Andheri (East), Mumbai- 400059, produced before me by the Company for the purpose of issuing this Certificate in pursuance to Regulation 34(3) read with Schedule V Para-C Sub-clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verification (including Director Identification Number (DIN) status on MCA website) as considered necessary and explanation furnished to me by the Company and its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the financial year ended on 31st March, 2020 has been debarred or disqualified from being appointed or continuing as Directors of the companies by the Securities and Exchange Board of India and/or Ministry of Corporate Affairs:

Sr. No	Name of the Director & DIN	Designation	Date of Appointment in the Company
1)	Mr. Sanjeev Rungta (DIN: 00053602)	Whole time Director	05/10/1991
2)	Mr. Mukund B. Beriwalla (DIN: 00053669)	Independent Director	15/04/2002
3)	Mr. Amitabha J. Ghosh (DIN: 00055962)	Independent Director	18/10/1999
4)	Ms. Rashmiben S. Desai (DIN: 02281570)	Independent Director	11/11/2017

Note: Ensuring the eligibility for appointment/continuing as Director on the Board is the responsibility of the management of the Company. My responsibility is to express an opinion based on verification of documents/information available to me. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

UDIN: F002727B000647998
Place: MUMBAI
Date: 02/09/2020

(UPENDRA C. SHUKLA)
COMPANY SECRETARY
FCS: 2727/CP No: 1654

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF ZENITH FIBRES LIMITED

Report on the Audit of the Standalone Ind AS Financial Statements

Opinion

We have audited the accompanying standalone financial statements of Zenith Fibres Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2020, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Statement of Changes in Equity and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, its profit including other comprehensive income and its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Standalone Ind AS Financial Statements' section of our report. We are independent of the Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Standalone Ind AS financial statements.

Emphasis of Matter

We draw attention to Note. 2.3 of the accompanying financial statements, which describes the management's evaluation of impact of uncertainties related to COVID-19 and its consequential effects on the operations of the Company. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matter	How our audit addressed the Key Audit Matter
<p>Valuation of Investments We refer to the accounting policies and the notes given at 3.4 and 7. Significant amount of company's resources are invested in financial assets. Development in</p>	<p>Our audit procedures included, among others, more detailed review of investment portfolio, subsequent changes in the Net Asset values, use of data from external sources, and also discussed the key assumptions used by management in</p>

financial markets have posed a risk to realisability of investments, both in equity and debt.	impairment testing to understand the impact on the recoverable amounts. The procedures and the detailed review did not identify any material differences.
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Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in company's Annual Report, but does not include the Standalone Ind AS financial statements and our auditor's report thereon.

Our opinion on the Standalone Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the standalone Ind AS financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

In preparing the Standalone Ind AS financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

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.
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, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company 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 the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 read with Schedule V to the Act;

- (h) 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;

Place: VADODARA
Date : June 27,2020
UDIN: 20047966AAAAAW9637

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

ANNEXURE-A TO INDEPENDENT AUDITOR'S REPORT

Annexure 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, 2020

- 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 granted unsecured loan to a company covered in the register maintained under section 189 of the Act in respect of which;
- The terms and conditions of the grant of such loans are, in our opinion, prima facie, not prejudicial to the Company's interest.
 - The schedule of repayment of principal and payment of interest has been stipulated and repayments or receipts of principal amounts and interest have been regular as per stipulations.
 - There is no overdue amount remaining outstanding as at the year-end.
- iv) In our opinion, the Company has complied with the provisions of Sections 185 and 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 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:
- 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.
 - 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.
 - According to the records of the Company, the particulars of dues of Duty of Excise which have not been deposited as on March 31, 2020 on account of disputes are as under

Name of the statute	Amount involved (Rs.)	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.
- xvii)

Place: VADODARA

Date : June 27,2020

UDIN: 20047966AAAAAW9637

FOR SURENDRA MODIANI & ASSOCIATES

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

SURENDRA MODIANI

Partner (M No. 047966)

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, 2020]

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, 2020 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 with reference to these standalone financial statements 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 with reference to these standalone

financial statements 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 with reference to these standalone financial statements.

Meaning of Internal Financial Controls Over Financial Reporting with reference to Standalone Financial Statements

A company's internal financial control over financial reporting with reference to these standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting with reference to these standalone financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could 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 with reference to these standalone financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting with reference to these standalone financial statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to these standalone financial statements 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 with reference to these standalone financial statements and such internal financial controls over financial reporting with reference to these standalone financial statements were operating effectively as at March 31, 2020, 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.

Place: VADODARA

Date : June 27,2020

UDIN: 20047966AAAAAW9637

FOR SURENDRA MODIANI & ASSOCIATES

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

SURENDRA MODIANI

Partner (M No. 047966)

Balance Sheet as at 31st March, 2020

(Figures in ₹)

Particulars		Note No.	As At 31-Mar-2020	As At 31-Mar-2019
ASSETS				
(1)	NON-CURRENT ASSETS			
	(a) Property, Plant and Equipments	4	13,19,88,238	5,69,88,911
	(b) Intangible Assets	5	1,55,784	2,43,110
	(c) Right of Use Assets	6	57,92,422	-
	(d) Financial Assets			
	(i) Investments	7	3,82,61,485	15,06,35,230
	(e) Other Non-Current Assets	8	12,32,544	26,03,434
	TOTAL NON-CURRENT ASSETS		17,74,30,473	21,04,70,685
(2)	CURRENT ASSETS			
	(a) Inventories	9	3,93,83,937	3,75,51,955
	(b) Financial Assets			
	(i) Trade Receivables	10	2,77,07,292	79,19,393
	(ii) Cash and Cash Equivalents	11	12,42,83,174	16,27,13,828
	(iii) Bank Balances Other than (ii) above	12	62,80,845	64,71,179
	(iv) Loans	13	13,02,00,000	8,75,00,000
	(c) Other Current Assets	14	1,36,55,431	99,34,890
	TOTAL CURRENT ASSETS		34,15,10,679	31,20,91,245
TOTAL ASSETS			51,89,41,152	52,25,61,930
EQUITY AND LIABILITIES				
(1)	EQUITY			
	(a) Equity Share Capital	15	3,94,41,360	4,42,23,460
	(b) Other Equity	16	44,62,27,144	45,33,67,297
	TOTAL EQUITY		48,56,68,504	49,75,90,757
(2)	LIABILITIES			
	(I) NON-CURRENT LIABILITIES			
	(a) Financial Liabilities			
	- Lease Liabilities	17	52,05,333	-
	(b) Provisions	18	74,45,797	53,80,263
	(b) Deferred Tax Liabilities (Net)	19	90,42,572	76,68,573
	TOTAL NON-CURRENT LIABILITIES		2,16,93,702	1,30,48,836
	(II) CURRENT LIABILITIES			
	(a) Financial Liabilities			
	(i) Lease Liabilities	20	9,69,330	-
	(ii) Trade Payables	21		
	- Total outstanding dues of Micro and Small Enterprises		29,58,721	27,90,864
	- Total outstanding dues of Creditors other than Micro and Small Enterprises		44,59,180	53,78,242
	(iii) Other Financial Liabilities	22	20,33,844	26,05,442
	(b) Other Current Liabilities	23	11,57,871	11,47,789
	(c) Provisions	24		
	TOTAL CURRENT LIABILITIES		1,15,78,946	1,19,22,337
	Significant Accounting Policies	2&3		
	Other Notes to the Financial Statements	32		
TOTAL EQUITY AND LIABILITIES			51,89,41,152	52,25,61,930

As per our report of even date

FOR SURENDRA MODIANI & ASSOCIATES

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

SURENDRA MODIANI (PARTNER)

(Membership No. 047966)

Date : 27-06-2020

Place : Vadodara

AMAN RUNGTA (Director)

(DIN : 03585306)

SIDDHI SHAH
Company Secretary

For and on behalf of Board of Directors

SANJEEV RUNGTA (Executive Chairman)

(DIN : 00053602)

MUKUND BERIWALA (Director)

(DIN : 00053699)

Statement of Profit and Loss for the Year Ended 31st March, 2020

		(Figures in ₹)		
Particulars		Note No.	As At 31-Mar-2020	As At 31-Mar-2019
	INCOME			
I	Revenue from Operations	25	28,37,01,024	29,84,42,897
II	Other Income	26	2,00,31,429	2,54,42,975
III	Total Income (I + II)		30,37,32,453	32,38,85,872
	EXPENSES			
IV	Cost of raw material and components consumed	27	17,41,26,742	16,85,53,364
	Changes in inventories of finished goods, stock-in-trade & work-in-progress	28	(55,62,532)	1,71,79,426
	Employee benefits expense	29	3,61,07,576	4,47,04,396
	Finance costs	30	12,44,512	5,32,228
	Depreciation and amortisation expense	4 to 6	89,00,627	59,68,582
	Other expenses	31	6,28,17,237	6,10,58,558
	TOTAL EXPENSES (IV)		27,76,34,162	29,79,96,554
V	Profit Before Exceptional Items and Tax (III - IV)		2,60,98,292	2,58,89,318
VI	Exceptional and Extraordinary Items		-	-
VII	Profit Before Tax (V-VI)		2,60,98,292	2,58,89,318
VIII	Tax Expenses			
	Current Tax		25,25,000	66,00,000
	Deferred Tax		15,92,241	5,68,200
	Adjustment of Tax relating to earlier Periods		21,97,988	(31,48,062)
	Total Tax Expenses		63,15,229	40,20,138
IX	Profit for the Year (V-VI)		1,97,83,062	2,18,69,180
X	Other Comprehensive Income			
	Items that will not be reclassified to Statement of Profit & Loss			
	(i) Re-measurement of Defined Benefit Obligation		(8,67,141)	19,23,850
	(ii) Income Tax effect relating to items that will not be reclassified to profit & loss		2,18,242	(5,35,215)
XI	Total Comprehensive Income for the Year (IX + X)		1,91,34,163	2,32,57,815
XII	Earning Per Equity Share (Basic and Diluted)		4.89	4.95
	Significant Accounting Policies	2 & 3		
	Other Notes to the Financial Statements	32		

As per our report of even date

For and on behalf of Board of Directors

FOR SURENDRA MODIANI & ASSOCIATES

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

SURENDRA MODIANI (PARTNER)

(Membership No. 047966)

Date : 27-06-2020

Place : Vadodara

AMAN RUNGTA (Director)

(DIN : 03585306)

SIDDHI SHAH
Company Secretary**SANJEEV RUNGTA (Executive Chairman)**

(DIN : 00053602)

MUKUND BERIWALA (Director)

(DIN : 00053699)

Statement of Cash Flows for the Year Ended 31st March, 2020

(Figures in ₹)

	As At 31-Mar-20	As At 31-Mar-19
I. CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	2,60,98,292	2,58,89,318
Adjustments for :		
Depreciation and Amortisation	89,00,627	59,68,582
(Gain) / Loss on investments measured at fair value through Profit and Loss	8,18,438	(26,25,942)
(Gain) / Loss on disposal of Property, Plant and Equipment	(2,35,377)	(30,898)
Unrealized foreign exchange gain / (loss)	(1,78,825)	(1,96,817)
Gain on Sale of Investments	(25,17,081)	(77,87,399)
Interest income	(1,80,97,409)	(1,49,98,736)
Finance cost	12,44,512	5,32,228
Changes in Operating Assets and Liabilities	1,60,33,177	67,50,336
(Increase)/Decrease in Inventories	(18,31,982)	1,38,56,110
(Increase)/Decrease in Trade Receivables	(1,96,09,074)	47,02,289
(Increase)/Decrease in Other Assets	(35,11,791)	12,35,023
Increase/(Decrease) in Trade Payables	1,67,857	14,43,551
Increase/(Decrease) in Other Financial Liabilities	(9,19,062)	(40,56,785)
Increase/(Decrease) in Other Liabilities	(5,71,598)	(2,14,884)
Increase/(Decrease) in Provisions	12,08,475	6,98,874
Cash generated from Operations	(90,33,998)	2,44,14,514
Income Tax Paid	43,70,515	64,97,353
NET CASH FLOW FROM OPERATING ACTIVITIES	(1,34,04,513)	1,79,17,161
II. INVESTING ACTIVITIES		
Gain on Sale of Investments	25,17,081	77,87,399
Interest Income	1,80,97,409	1,49,98,736
Purchase of Fixed Assets	(8,26,45,334)	(19,87,210)
Sale Proceeds of Fixed Assets	13,45,000	1,96,056
Loans and deposits given to companies	(9,60,00,000)	-
Loans and deposits repaid by the companies	5,33,00,000	-
(Purchase) / Sales of Investments	11,15,55,310	(1,25,00,000)
NET CASH FLOW FROM INVESTING ACTIVITIES	81,69,466	84,94,981
III. FINANCING ACTIVITIES		
Buyback of equity share capital	(2,63,01,550)	-
Payment of lease liabilities	(8,94,680)	-
Finance cost	(12,44,512)	(5,32,228)
Dividend (including tax on dividend) paid	(47,54,865)	(79,97,059)
NET CASH FLOW FROM FINANCING ACTIVITIES	(3,31,95,607)	(85,29,287)
Net change in Cash and cash equivalents	(3,84,30,654)	1,78,82,855
Cash and cash equivalents at the beginning of the year	16,27,13,828	14,48,30,973
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	12,42,83,174	16,27,13,828

As per our report of even date
FOR SURENDRA MODIANI & ASSOCIATES
Chartered Accountants (F.R.N. 126307W)

For and on behalf of Board of Directors

SURENDRA MODIANI
(Membership No. 047966)

AMAN RUNGTA (Director)
(DIN : 03585306)

SANJEEV RUNGTA (Executive Chairman)
(DIN : 00053602)

Date : 27-06-2020
Place : Vadodara

SIDDHI SHAH
Company Secretary

MUKUND BERIWALA (Director)
(DIN : 00053699)

(A) EQUITY SHARE CAPITAL

Particulars	31st March, 2020		31st March, 2019	
	No. of Shares	Amount ₹	No. of Shares	Amount ₹
Balance at the beginning of the year	44,22,346	4,42,23,460	44,22,346	4,42,23,460
Less : Buy-back of Equity Shares (Refer Note No. 15 (2))	(4,78,210)	(47,82,100)	-	-
Balance at the end of the year	39,44,136	3,94,41,360	44,22,346	4,42,23,460

(B) OTHER EQUITY

Particulars	Capital Reserve	Share Premium Reserve	Capital Redemption Reserve	General Reserve	Retained Earnings	Other Comprehensive Income	Total
Balance as at April 1, 2018	91,94,405	91,83,588	-	31,10,00,000	11,16,67,455	(29,38,907)	43,81,06,541
Profit for the year	-	-	-	-	2,18,69,180	-	2,18,69,180
Other Comprehensive Income	-	-	-	-	-	13,88,635	13,88,635
Total Comprehensive Income for the year	-	-	-	-	2,18,69,180	13,88,635	2,32,57,815
Transferred from surplus in statement of profit & loss to general reserve	-	-	-	-	-	-	-
Dividend Paid	-	-	-	-	(66,33,519)	-	(66,33,519)
Tax on Dividend Paid	-	-	-	-	(13,63,540)	-	(13,63,540)
Balance as at March 31, 2019	91,94,405	91,83,588	-	31,10,00,000	12,55,39,576	(15,50,272)	45,33,67,297
Profit for the year	-	-	-	-	1,97,83,062	-	1,97,83,062
Paid for Share Buy-back	-	(91,83,588)	-	(1,23,35,862)	-	-	(2,15,19,450)
Other Comprehensive Income	-	-	-	-	-	(6,48,899)	(6,48,899)
Total Comprehensive Income for the year	-	-	-	-	1,97,83,062	(6,48,899)	1,91,34,163
Dividend Paid	-	-	-	-	(39,44,136)	-	(39,44,136)
Tax on Dividend Paid	-	-	-	-	(8,10,729)	-	(8,10,729)
Created / (Utilised) during the year	-	-	47,82,100	(47,82,100)	-	-	-
Balance as at March 31, 2020	91,94,405	-	47,82,100	29,38,82,038	14,05,67,773	(21,99,171)	44,62,27,145

1. Corporate Information

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

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 Basis of preparation**

These financial statements have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified by Ministry of Corporate Affairs pursuant to Section

133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time.

These financial statements have been prepared on going concern basis, under historical cost convention and on accrual basis except for certain financial instruments which are measured at fair values as required by relevant Ind AS

Accounting policies have been consistently applied except where a newly-issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

2.2 Significant Accounting judgements, estimates and assumptions

The preparation of the financial statements in conformity with Ind AS requires the Management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period.

Accounting estimates may change from period to period. Actual results may differ from those estimates. Appropriate changes in estimates are made as the Management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which the changes are made and, if material, their effects are disclosed in the notes to the financial statements.

Information about critical judgements in applying accounting policies, as well as estimates and assumptions that have the most significant effect to the carrying amounts of assets and liabilities within the next financial year, are included in the following notes:

- (a) Fair Value Measurement – Note No. 2.6
- (b) Useful life of property plant and equipment -Note No. 3.2
- (c) Measurement and impairment of Investment and Financial assets – Note No.3.4
- (d) Measurement of Employee benefits – Note No. 32.9
- (e) Provision for Income tax and recognition of deferred tax – Note No. 3.12
- (f) Measurement and likelihood of occurrence of provisions and contingencies – Notes No. 3.17
- (g) Measurement of Lease liabilities and Right of Use Asset (ROUA) – Notes No. 3.10

2.3 Estimation of uncertainties relating to the global health pandemic from COVID-19:

Pursuant to outbreak of Coronavirus Disease (Covid 19) worldwide and its declaration as global pandemic, the Government of India declared lockdown on March 24, 2020 which led the temporary suspension of operations of the Company and has impacted the overall business activities of the Company. On account of this, management has considered future cash flow projections and also assessed the recoverability of its assets and factored assumptions used in the annual impairment assessment of its cash generating units, using various internal and external information up-to the date of approval of these financial results/statements.

On the basis of this evaluation and current indicators of future economic conditions, the Company expects to recover the remaining carrying amounts of these assets and does not anticipate any reduction of its financial and non-financial assets. The situation is changing rapidly giving rise to inherent uncertainty around the extent and timing of the potential future spread of the COVID-19. The impact of COVID-19 on the Company's financial statements may differ from that estimated as at the date of approval of these financial statements and the Company will continue to closely monitor any material changes to future economic conditions.

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 when 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.

Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realized within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current 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 sale of 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 both 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.

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 the bringing the assets to its working condition for its intended use.

The cost of an item of Property Plant and Equipment 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 property plant and equipment 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 Property Plant and Equipment 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 property plant and equipment 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 property plant and equipment, 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 rates 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.

The Company reviews the useful life of property, plant and equipment at the end of each reporting period. This reassessment may result in change in depreciation expense in future periods.

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

Equity investment in Associate is recognized at cost less impairment loss if any.

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 profit or loss or other comprehensive income, as elected.

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 profit or loss' are expensed in profit or loss.

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 profit or loss 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 profit or loss: Assets that do not meet the criteria for amortized cost, are measured at fair value through profit or 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.

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 measured at the lower of cost and net realisable value.

Cost is computed on FIFO (First in, First Out) basis.

Cost of finished goods and work-in-progress include all costs of purchases, conversion costs and other costs incurred in bringing the inventories to their present location and condition.

The net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and estimated costs necessary to make the sale.

3.6 Revenue Recognition:

Revenue from Operations:

The Company derives revenues primarily from sale of Polypropylene Staple Fibre and P.P. Yarn. Ind AS 115 "Revenue from Contracts with Customers" provides a control-based revenue recognition model and provides a five step application approach to be followed for revenue recognition.

- Identify the contract(s) with a customer;
- Identify the performance obligations;
- Determine the transaction price;
- Allocate the transaction price to the performance obligations;
- Recognise revenue when or as an entity satisfies performance obligation.

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The Company has generally concluded that it is the principal in its revenue arrangements, except for the agency services below, because it typically controls the goods or services before transferring them to the customer.

Revenue excludes amounts collected on behalf of third parties.

The disclosures of significant accounting judgements, estimates and assumptions relating to revenue from contracts with customers are provided in Note 32.11 and disclosures of transition approach along with impact of adoption of Ind AS 115 on financial statements are provided in Note 3.15.

i. Sale of Goods

Revenue from the sale of goods is recognized when control of the goods is transferred to the buyer, usually on delivery of the goods. On delivery of the goods, the customer has full discretion over the responsibility, manner of distribution, price to sell the goods and bears the risks of obsolescence and loss in relation to the goods. A receivable is recognised by the Company when the goods are delivered as this represents the point in time at which the right to consideration becomes unconditional, as only the passage of time is required before payment is due. Payment is normally due within 30-60 days. The Company considers the effects of variable consideration, the existence of significant financing components, noncash consideration, and consideration payable to the customer (if any).

Variable consideration

If the consideration in a contract includes a variable amount, estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognized will not occur when the associated uncertainty with the variable consideration is subsequently resolved. The Company recognizes changes in the estimated amount of variable consideration in the period in which the change occurs. Some contracts for the sale of goods provide customers with rebates and pricing incentives, which give rise to variable consideration.

Rebates are offset against amounts payable by the customer. To estimate the variable consideration for the expected future rebates, the Company applies the most likely amount method for contracts with a single-volume threshold and the expected value method for contracts with more than one volume threshold. The selected method that best predicts the amount of variable consideration is primarily driven by the number of volume thresholds contained in the contract. The Company then applies the

requirements on constraining estimates of variable consideration and recognises a refund liability for the expected future rebates.

Contract balances

Trade receivables A receivable represents the Company's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due).

Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company performs under the contract.

Cost to obtain a contract

The Company pays sales commission to its selling agents for each contract that they obtain for the Company. The Company has elected to apply the optional practical expedient for costs to obtain a contract which allows the Company to immediately expense sales commissions (included in advertisement and sales promotion expense under other expenses) because the amortization period of the asset that the Company otherwise would have used is one year or less.

Costs to fulfill a contract i.e. freight, insurance and other selling expenses are recognized as an expense in the period in which related revenue is recognised.

Critical judgments

The Company's contracts with customers include promises to transfer goods to the customers. Judgement is required to determine the transaction price for the contract. The transaction price could be either a fixed amount of customer consideration or variable consideration with elements such as schemes, incentives, cash discounts, etc. The estimated amount of variable consideration is adjusted in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur and is reassessed at the end of each reporting period.

Estimates of rebates and discounts are sensitive to changes in circumstances and the Company's past experience regarding returns and rebate entitlements may not be representative of customers' actual returns and rebate entitlements in the future.

Costs to obtain a contract are generally expensed as incurred. The assessment of this criteria requires the application of judgement, in particular when considering if costs generate or enhance resources to be used to satisfy future performance obligations and whether costs are expected to be recovered.

Revenue from sale of goods is net of Goods and Service Tax, returns, discounts, rebates and incentives.

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.

3.7 Non-current assets held for sale

The Company classifies non-current assets as held for sale if their carrying amounts will be recovered principally through a sale rather than through continuing use. This condition is regarded as met only when the asset is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such asset and its sale is highly probable. Also, such assets are classified as held for sale only if the management expects to complete the sale within one year from the date of classification.

3.8 Foreign currency transactions and translation

Transactions in currencies other than Company's functional currency (foreign currencies) are recorded at the rates of exchange prevailing on the date of transaction. At the end of the reporting period, monetary items denominated in foreign currencies are reported using the exchange rate prevailing as at reporting date. Non-monetary items denominated in foreign currencies which are carried in terms of historical cost are reported using the exchange rate at the date of the transaction.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the exchange rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognised as income or expenses in the year in which they arise.

3.9 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 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.

3.10 Borrowing Costs

Borrowing cost directly attributable to acquisition and construction of assets that necessarily takes substantial period of time are capitalised as part of the cost of such assets up to the date when such assets are ready for intended use or sale.

All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

3.11 Taxation

Income tax expense comprises current and deferred income tax.

Current income tax Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current income tax relating to items recognised outside Statement of profit or loss is recognised outside Statement of profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in Other comprehensive income (OCI) or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- In respect of taxable temporary differences associated with investments in subsidiaries when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- In respect of deductible temporary differences associated with investments in subsidiaries and associates, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognized outside profit or loss is recognized outside statement of profit or loss. Deferred tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

3.12 Earnings per share

Basic earnings per share are calculated by dividing the net profit for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

Diluted earnings per share are computed by dividing the profit after tax as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on conversion of all dilutive potential equity shares.

3.13 Cash and cash equivalents

Cash and cash equivalents consist of cash and cheques on hand, cash at banks, demand deposits from banks and short-term, highly liquid instruments that are readily convertible into cash and which are subject to an insignificant risk of changes in value.

3.14 Segment Reporting

Identification of segments

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, whose operating results are regularly reviewed by the Company's Chief Operating Decision Maker ("CODM") to make decisions for which discrete financial information is available.

The Company's operating businesses are organized and managed separately according to the nature of products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets.

Allocation of common costs

Common allocable costs are not significant and hence not allocated to each segment.

Inter-segment transfers

Inter-segment revenue has been accounted for based on the transaction price agreed to between segments which is based on current market prices.

Unallocated items

Revenue, expenses, assets and liabilities which relate to the Company as a whole and not allocable to segments on reasonable basis have been included under 'unallocated revenue / expenses / assets / liabilities'.

Segment Policies:

The Company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Company as a whole.

3.15 Changes in accounting policies and disclosures

New and amended standards

Leases:

The Company has adopted Ind AS 116-Leases effective 1st April, 2019, using the modified retrospective method. The nature and effect of the changes as a result of adoption of this new accounting standard is described below.

The Company's lease asset classes primarily consist of leases for Land and Buildings. The Company assesses whether a contract is or contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in

exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

- i) the contract involves the use of an identified asset,
- ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and
- iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognises a right-of-use asset (“ROU”) and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short term leases) and leases of low value assets. For these short term and leases of low value assets, the Company recognises the lease payments as an operating expense on a straight line basis over the term of the lease.

The right-of-use assets are initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses, if any. Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

The lease liability is initially measured at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates.

The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made. A lease liability is remeasured upon the occurrence of certain events such as a change in the lease term or a change in an index or rate used to determine lease payments. The remeasurement normally also adjusts the leased assets.

On adoption of this amended Ind AS 116-Leases, using modified retrospective approach, Right-To-Use Asset and corresponding Lease Liability have been recognised at Rs. 70.69 lakhs using weighted average incremental borrowing rate of 8.5% as at April 1, 2019. Accordingly the comparatives for the year ended March 31, 2019 have not been retrospectively adjusted and there is no impact on opening reserves. The effect of this adoption is not material to the current financial statements and earnings per share for the year ending for the year ended March 31, 2020. Due to application of IND AS 116 for the year ended March 31, 2020, Depreciation has increased by INR 12.77 lakhs, Finance cost is increased by Rs.5.29 lakhs and other expenses have decreased by Rs.14.24 lakhs. Total net expenses have increased by Rs.3.75 lakhs.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

3.16 Provisions and contingent liabilities

Provisions:

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance Sheet date.

Contingencies

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

4. PROPERTY, PLANT & EQUIPMENT :

Particulars	DEEMED COST				ACCUMULATED DEPRECIATION				NET CARRYING AMOUNT As At 31-03-2020
	Deemed Cost As At 01-04-2019	Additions	Deductions	Deemed Cost As At 31-03-2020	As At 01-04-2019	Additions	Deductions	As At 31-03-2020	
Land	10,86,398	53,00,000	-	63,86,398	-	-	-	-	63,86,398
Building	2,53,80,099	-	-	2,53,80,099	22,74,647	11,19,865	-	33,94,512	2,19,85,587
Plant & Machinery	3,15,54,016	7,78,60,536	23,19,921	10,70,94,631	85,08,556	44,43,328	23,19,921	1,06,31,963	9,64,62,668
Furniture & Fixtures	29,21,546	2,11,140	-	31,32,686	3,06,435	2,92,164	-	5,98,599	25,34,087
Office Equipments	11,45,766	1,94,624	1,04,672	12,35,718	42,667	2,87,791	40,665	2,89,793	9,45,925
Electric Fittings	68,367	-	-	68,367	20,789	4,753	-	25,542	42,825
Vehicles	1,04,97,203	-	56,62,761	48,34,442	46,50,976	12,89,774	46,17,138	13,23,612	35,10,830
Computers	2,87,779	79,034	-	3,66,813	1,48,192	98,703	-	2,46,895	1,19,918
	7,29,41,174	8,36,45,334	80,87,354	14,84,99,154	1,59,52,262	75,36,378	69,77,724	1,65,10,916	13,19,88,238

Particulars	DEEMED COST				ACCUMULATED DEPRECIATION				NET CARRYING AMOUNT As At 31-03-2019
	Deemed Cost As At 01-04-2018	Additions	Deductions	Deemed Cost As At 31-03-2019	As At 01-04-2018	Additions	Deductions	As At 31-03-2019	
Land	10,86,398	-	-	10,86,398	-	-	-	-	10,86,398
Building	2,39,65,059	14,15,040	-	2,53,80,099	12,19,522	10,55,125	-	22,74,647	2,31,05,452
Plant & Machinery	3,14,94,716	59,300	-	3,15,54,016	58,80,681	26,27,875	-	85,08,556	2,30,45,460
Furniture & Fixtures	28,75,516	4,86,709	4,40,679	29,21,546	3,17,204	2,54,703	2,65,472	3,06,435	26,15,111
Office Equipments	15,47,268	-	4,01,502	11,45,766	1,62,144	2,82,025	4,01,502	42,667	11,03,099
Electric Fittings	68,367	-	-	68,367	16,050	4,738	-	20,788	47,579
Vehicles	1,04,97,203	-	-	1,04,97,203	30,95,268	15,55,708	-	46,50,976	58,46,227
Computers	3,92,738	26,161	1,31,120	2,87,779	1,81,544	97,769	1,31,121	1,48,192	1,39,587
	7,19,27,265	19,87,210	9,73,301	7,29,41,174	1,08,72,413	58,77,943	7,98,094	1,59,52,262	5,69,88,911

5. INTANGIBLE ASSETS :

Particulars	DEEMED COST				ACCUMULATED DEPRECIATION				NET CARRYING AMOUNT As At 31-03-2020
	Deemed Cost As At 01-04-2019	Additions	Deductions	Deemed Cost As At 31-03-2020	As At 01-04-2019	Additions	Deductions	As At 31-03-2020	
Intangible Assets	5,34,782	-	-	5,34,782	2,91,671	87,328	-	3,78,998	1,55,784
	5,34,782	-	-	5,34,782	2,91,671	87,328	-	3,78,998	1,55,784

Particulars	DEEMED COST				ACCUMULATED DEPRECIATION				NET CARRYING AMOUNT As At 31-03-2019
	Deemed Cost As At 01-04-2018	Additions	Deductions	Deemed Cost As At 31-03-2019	As At 01-04-2018	Additions	Deductions	As At 31-03-2019	
Intangible Assets	5,34,782	-	-	5,34,782	2,01,032	90,639	-	2,91,671	2,43,110
	5,34,782	-	-	5,34,782	2,01,032	90,639	-	2,91,671	2,43,110

6. RIGHT OF USE ASSETS :

Particulars	DEEMED COST				ACCUMULATED DEPRECIATION				NET CARRYING AMOUNT As At 31-03-2020
	Deemed Cost As At 01-04-2019	Additions	Deductions	Deemed Cost As At 31-03-2020	As At 01-04-2019	Additions	Deductions	As At 31-03-2020	
Intangible Assets	70,69,344	-	-	70,69,344	-	12,76,922	-	12,76,922	57,92,422
	70,69,344	-	-	70,69,344	-	12,76,922	-	12,76,922	57,92,422

Particulars	DEEMED COST				ACCUMULATED DEPRECIATION				NET CARRYING AMOUNT As At 31-03-2019
	Deemed Cost As At 01-04-2018	Additions	Deductions	Deemed Cost As At 31-03-2019	As At 01-04-2018	Additions	Deductions	As At 31-03-2019	
Intangible Assets	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-

NOTES FORMING PART OF FINANCIAL STATEMENTS

Particulars	As At 31-Mar-2020 (in ₹)	As At 31-Mar-2019 (in ₹)																								
7 FINANCIAL ASSETS																										
[Investments - Other than Trading measured at cost]																										
Shares of Associate Company	1,00,00,000	1,00,00,000																								
Rainy Properties Pvt Ltd (10,00,000 Equity shares of ₹ 10 each fully paid up) (Previous Year 10,00,000 Equity shares of ₹10 each fully paid up)																										
Investments in Bonds Un-Quoted	29,07,000	42,15,000																								
National Highway Authority of India (2600 Bonds of ₹1000/- each) Indian Railway Finance Corporation of India Limited (307 Bonds of ₹1000/- each)																										
Investments measured at fair value through profit & loss account																										
Investments in Mutual Funds	1,53,54,485	13,64,20,230																								
<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: center;">Mutual Funds - Un-Quoted</th> <th style="text-align: center;">31-03-2020 (No. of Units)</th> <th style="text-align: center;">31-03-2019 (No. of Units)</th> </tr> </thead> <tbody> <tr> <td>Franklin - India ST Income Plan Ret (G)</td> <td style="text-align: right;">4007</td> <td style="text-align: right;">4007</td> </tr> <tr> <td>Aitya Birla Sunlife Medium Term Plan</td> <td style="text-align: right;">0</td> <td style="text-align: right;">894102</td> </tr> <tr> <td>DHFL Pramerica Collection</td> <td style="text-align: right;">0</td> <td style="text-align: right;">407817</td> </tr> <tr> <td>DSPL Black Rock Credit Risk Fund</td> <td style="text-align: right;">0</td> <td style="text-align: right;">295006</td> </tr> <tr> <td>Franklin India Corporate Bond Fund</td> <td style="text-align: right;">0</td> <td style="text-align: right;">945412</td> </tr> <tr> <td>Franklin India Dynamic Fund</td> <td style="text-align: right;">0</td> <td style="text-align: right;">547755</td> </tr> <tr> <td>Kotak Medium Term Fund</td> <td style="text-align: right;">0</td> <td style="text-align: right;">1351522</td> </tr> </tbody> </table>	Mutual Funds - Un-Quoted	31-03-2020 (No. of Units)	31-03-2019 (No. of Units)	Franklin - India ST Income Plan Ret (G)	4007	4007	Aitya Birla Sunlife Medium Term Plan	0	894102	DHFL Pramerica Collection	0	407817	DSPL Black Rock Credit Risk Fund	0	295006	Franklin India Corporate Bond Fund	0	945412	Franklin India Dynamic Fund	0	547755	Kotak Medium Term Fund	0	1351522		
Mutual Funds - Un-Quoted	31-03-2020 (No. of Units)	31-03-2019 (No. of Units)																								
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Franklin India Corporate Bond Fund	0	945412																								
Franklin India Dynamic Fund	0	547755																								
Kotak Medium Term Fund	0	1351522																								
<p>The company has invested an amount of ₹ 1,38,26,788/- in 4007.382 units of Franklin India Mutual Fund in short term income plan. These investments in Mutual Fund are valued at ₹ 1,53,54,485/- considering the Net Asset Value as on 31st March,2020. Franklin Templeton Mutual Fund has wound up this scheme with effect from 23rd April, 2020 and it is in the process of realizing its assets. The company will be able to realise the value of this investment only as and when the values of the assets of the Scheme are realized by Mutual Fund.</p>																										
Alternate Investments Fund (Indiabulls High Yield Fund)	1,00,00,000	-																								
	3,82,61,485	15,06,35,230																								
8 OTHER NON-CURRENT ASSETS																										
Unsecured, Considered Good																										
Advance for Capital Assets	-	10,00,000																								
Security Deposit	2,10,109	2,28,525																								
Advance Income Tax (Net of Tax Liability)	10,22,435	13,74,909																								
	12,32,544	26,03,434																								
CURRENT ASSETS																										
9 INVENTORIES (at lower of cost and net realisable value)																										
Raw Materials	1,35,98,598	1,72,70,717																								
Work-in-Progress	7,48,072	6,64,738																								
Finished Goods	2,26,86,441	1,72,07,243																								
Stores and Spares	20,48,162	19,86,380																								
Loose Tools	62,645	74,525																								
Other - Packing Materials	2,40,019	3,48,352																								
	3,93,83,937	3,75,51,955																								
10 TRADE RECEIVABLES																										
Unsecured and Considered Good																										
Trade Receivables outstanding for a period exceeding six months	2,897	2,897																								
Other Trade Receivables	2,77,04,395	79,16,496																								
	2,77,07,292	79,19,393																								

NOTES FORMING PART OF FINANCIAL STATEMENTS

Particulars		As At 31-Mar-2020 (in ₹)	As At 31-Mar-2019 (in ₹)		
11 CASH AND CASH EQUIVELENTS					
	Cash on Hand	6,51,969	29,905		
	Balance with Banks - (In Current Accounts)	2,46,78,849	1,41,04,231		
	Fixed Deposit with Banks with maturity from date of Balance Sheet				
	- More than 12 months	3,56,02,355	1,50,00,000		
	- Less than 12 months	6,33,50,001	13,35,79,692		
		12,42,83,174	16,27,13,828		
12 BANK BALANCES OTHER THAN CASH AND CASH EQUIVELENTS					
	Earmarked Balances				
	In Unclaimed Dividend Accounts	21,30,845	23,21,179		
	Margin Money Deposit	41,50,000	41,50,000		
		62,80,845	64,71,179		
13 LOANS					
	Unsecured, considered good				
	Loans to related party	22,00,000	2,00,27,217		
	Loans to others	12,80,00,000	6,74,72,783		
		13,02,00,000	8,75,00,000		
14 OTHER CURRENT ASSETS					
	Unsecured, considered good				
	(a) Advances recoverable in cash or kind or for value to be received	1,28,60,882	87,40,451		
	(b) Pre-Paid Expenses	2,67,947	6,67,837		
	(c) Security Deposits Rent	5,26,602	5,26,602		
		1,36,55,431	99,34,890		
15 EQUITY SHARE CAPITAL					
	AUTHORISED				
	6000000 Equity Shares of ₹ 10/- each	6,00,00,000	6,00,00,000		
	ISSUED				
	3944136 Equity Shares of ₹ 10/- each	3,94,41,360	5,75,45,270		
	SUBSCRIBED AND PAID-UP				
	3944136 Equity Shares of ₹ 10/- each	3,94,41,360	4,42,23,460		
(a)	Reconciliation of number of shares outstanding at the beginning and at the end of reporting period	31st March, 2020		31st March, 2019	
		No. of Shares	Amount ₹	No. of Shares	Amount ₹
	At the beginning of the year	44,22,346	4,42,23,460	44,22,346	4,42,23,460
	Changes during the year	(4,78,210)	(47,82,100)	-	-
	At the end of the year	39,44,136	3,94,41,360	44,22,346	4,42,23,460
(b)	Details of shares held by each shareholder holding more than 5% of shares in the Company	No. of shares at the end of the year	% Holding	No. of shares at the beginning of the year	% Holding
	Demris Finvest Pvt. Ltd.	4,81,500	12.21%	4,81,500	10.89%
	Rainy Fiscal Services Pvt. Ltd.	5,60,100	14.20%	5,60,100	12.67%
	Shark Barter Pvt. Ltd.	4,50,000	11.41%	4,50,000	10.18%
1. The Company has one class of equity shares having a par value of ₹ 10 per share. Each shareholder is entitled to one vote per equity share held. In the event of liquidation of the Company, the equity shareholders are eligible to receive remaining assets of the Company					
2. Pursuant to the approval of Board as its meeting held on 30th March, 2019, the Company bought back 4,78,210 equity shares of ₹ 10/- each at a price of ₹ 55/- per equity share for an aggregate consideration of ₹ 3,02,50,000/- (Rupees Three crores two lakhs fifty thousand only) and completed the extinguishment of the equity shares bought back. Capital redemption reserve has been created to the extent of nominal value of share capital extinguished amounting to ₹ 47,82,100/- (Rupees Forty seven lakhs eighty two thousand one hundred only). The buyback and creation of capital redemption reserve was effected by utilizing the securities premium and free reserves.					

NOTES FORMING PART OF FINANCIAL STATEMENTS

Particulars	As At 31-Mar-2020 (in ₹)	As At 31-Mar-2019 (in ₹)
16 OTHER EQUITY		
(a) Capital Reserve		
- Subsidy	25,00,000	25,00,000
The Company has recognised subsidy in earlier years towards new project capital investment from Government of Gujarat		
- Cancellation of Forfeited Shares	66,60,905	66,60,905
The Company has recognised this reserve out of money received on cancellation of forfeited shares against unpaid balance from right issues		
- Capital Redemption Reserve	47,82,100	-
- On reissue of forfeited shares	33,500	33,500
The Company has recognised this reserve on forfeiting the application money received on re-issue of originally forfeited shares		
- Share Premium	-	91,83,588
This reserve is created on issue of right shares in excess of face value per share		
	1,39,76,505	1,83,77,993
(b) General Reserve		
- Opening Balance of General Reserve	31,10,00,000	31,10,00,000
- Transfer from Profit & Loss A/c	-	-
Less : Paid for Equity Shares buy-back	(1,71,17,963)	-
	29,38,82,037	31,10,00,000
(c) Retained earnings		
- Balance Brought Forward from Last Year Profit	12,55,39,576	11,16,67,455
- Amount of past re-measurement cost	-	-
- Adjustment due to Change in Accounting Policy	-	-
- Transfer from Current Year Profit	1,97,83,062	2,18,69,180
	14,53,22,638	13,35,36,635
Less : Appropriations		
(a) Dividend paid	39,44,136	66,33,519
(b) Tax on Dividend paid	8,10,729	13,63,540
(c) Transfer to General Reserve	-	-
	14,05,67,773	12,55,39,576
(d) Other Comprehensive Income		
The Company has recognised the gain or loss on re-measurement of defined benefit obligation through Other Comprehensive (OCI) reserve	(21,99,171)	(15,50,272)
Total Reserve and Surplus (a)+(b)+(c)+(d)	44,62,27,144	45,33,67,297
NON-CURRENT LIABILITIES		
17 LEASE LIABILITIES		
Lease Liabilities	52,05,333	-
	52,05,333	-
18 PROVISIONS		
Provision for Compensated absence	6,31,280	7,52,902
Provision for Gratuity	68,14,517	46,27,361
	74,45,797	53,80,263
19 DEFERRED TAX LIABILITIES (NET)		
Details of Net Deferred Tax (Assets) / Liabilities as under ;		
Deferred Tax Liabilities	1,14,06,525	97,98,104
Deferred Tax Assets	23,63,953	21,29,531
	90,42,572	76,68,573

NOTES FORMING PART OF FINANCIAL STATEMENTS

Particulars		As At 31-Mar-2020 (in ₹)	As At 31-Mar-2019 (in ₹)	
The movement of deferred tax account is as follows :				
Year Ended 31st March, 2020	Opening Balance	Recognized in Profit & Loss A/c	Recognized in Other Comprehensive Income	Closing Balance
Deferred Tax Assets				
Expenses Allowable on Payments	5,52,220	(2,66,568)	-	2,85,652
Provision for Employee Benefits	15,65,043	4,17,056	-	19,82,099
Other Temporary Differences	12,268	83,934	-	96,202
Total Deferred Tax Assets	21,29,531	2,34,422	-	23,63,953
Deferred Tax Liabilities				
Depreciation and Amortisation	41,11,807	68,34,723	-	1,09,46,530
- Fair Valuation of Mutual Fund	56,73,456	(52,13,461)	-	4,59,995
- Other Temporary Differences	12,841	(12,841)	-	-
Income recognized in Profit and Loss Account	56,86,297	(52,26,302)	-	4,59,995
Total Deferred Tax Liabilities	97,98,104	16,08,421	-	1,14,06,525
NET DEFERRED TAX ASSETS / (LIABILITIES)	(76,68,573)	(13,73,999)	-	(90,42,572)

Year Ended 31st March, 2019	Opening Balance	Recognized in Profit & Loss A/c	Recognized in Other Comprehensive Income	Closing Balance
Deferred Tax Assets				
Expenses Allowable on Payments	6,00,976	(48,756)	-	5,52,220
Provision for Employee Benefits	19,11,493	(3,46,450)	-	15,65,043
Other Temporary Differences	12,218	-	-	12,268
Total Deferred Tax Assets	25,24,687	(3,95,206)	-	21,29,531
Deferred Tax Liabilities				
Depreciation and Amortisation	41,34,923	(23,116)	-	41,11,807
- Fair Valuation of Mutual Fund	49,42,919	7,30,537	-	56,73,456
- Other Temporary Differences	12,003	-	-	12,841
Income recognized in Profit and Loss Account	49,54,922	7,30,537	-	56,86,297
Total Deferred Tax Liabilities	90,89,845	7,07,421	-	97,98,104
NET DEFERRED TAX ASSETS / (LIABILITIES)	(65,65,158)	(11,02,627)	-	(76,68,573)

FINANCIAL LIABILITIES			
20 LEASE LIABILITIES			
Lease Liabilities		9,69,330	-
		9,69,330	-
21 TRADE PAYABLES			
- Total outstanding dues of micro enterprises and small enterprises		-	-
- Total outstanding dues of creditors other than micro enterprises and small enterprises		29,58,721	27,90,864
		29,58,721	27,90,864
<i>Trade payables are non-interest bearing and normally settled in 30 days. There are no dues to related parties.</i>			
<i>Information as required to be furnished as per section 22 of the Micro, Small and Medium Enterprises development Act, 2006 (MSMED Act) for the year ended March 31, 2019 is given below. This information is given based on declaration received from the parties:</i>			
a) Principal and interest dues thereon remainig unpaid to any supplier covered under the MSMED Act:			
Principal		-	-
Interest		-	-
b) The amount of interest paid by the buyer in terms of section 16, of the MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year		-	-
c) The amount of interest due and payable for the period of delay in making payment (Which have been paid but beyond appointed day during the year) but without adding the interest specified under MSMED Act.		-	-
d) The amount of interest accrued and remaining unpaid at the end of each accounting year		-	-
e) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006		-	-

NOTES FORMING PART OF FINANCIAL STATEMENTS

Particulars	As At 31-Mar-2020 (in ₹)	As At 31-Mar-2019 (in ₹)
22 OTHER FINANCIAL LIABILITIES		
Unclaimed Dividend	21,30,845	23,21,179
Employee Benefits	23,28,335	30,57,063
	44,59,180	53,78,242
23 OTHER CURRENT LIABILITIES		
Statutory Tax Payables	5,00,573	8,92,362
Advance from Customers	3,40,471	2,66,322
Others	11,92,800	14,46,758
	20,33,844	26,05,442
24 PROVISIONS		
Provisions for Gratuity	10,60,955	9,98,242
Provisions for Compensated Absence	96,916	1,49,547
	11,57,871	11,47,789
25 REVENUE FROM OPERATIONS		
Sale of Products	28,25,34,305	29,74,99,012
	28,25,34,305	29,74,99,012
OTHER OPERATING REVENUE		
Scrap Sales	1,00,685	1,04,970
Net gain on foreign currency transaction and translation	4,37,861	8,05,660
Liabilities/Provisions no longer required written back	6,28,174	33,255
	11,66,719	9,43,885
TOTAL REVENUE FROM OPERATIONS	28,37,01,024	29,84,42,897
26 OTHER INCOME		
Interest	1,80,97,409	1,49,98,736
Gain on sale of Investments measured at FVTPL	25,17,081	24,29,249
Profit on sale of assets	2,35,377	30,898
Net gain / (loss) on fair value of investments measured at FVTPL	(8,18,438)	79,84,092
	2,00,31,429	2,54,42,975
27 COST OF RAW MATERIALS AND COMPONENTS CONSUMED		
Opening Stock	1,72,70,717	1,40,11,135
Add : Purchases	17,04,54,623	17,18,12,946
	18,77,25,340	18,58,24,081
Less : Closing Stock	1,35,98,598	1,72,70,717
	17,41,26,742	16,85,53,364
28 CHANGES IN STOCK OF FINISHED GOODS AND WORK-IN-PROGRESS		
Opening Stock		
Finished Goods	1,72,07,243	3,43,62,507
Work-in-Progress and Scrap	6,64,738	6,88,900
	1,78,71,981	3,50,51,407
Closing Stock		
Finished Goods	2,26,86,441	1,72,07,243
Work-in-Progress and Scrap	7,48,072	6,64,738
	2,34,34,513	1,78,71,981
	(55,62,532)	1,71,79,426
29 EMPLOYEE BENEFIT EXPENSES		
Salaries and Wages	3,26,29,112	4,08,17,237
Contribution to Provident Fund and other Funds	31,29,694	34,04,732
Staff Welfare Expenses	3,48,770	4,82,427
	3,61,07,576	4,47,04,396
30 FINANCIAL COSTS		
(a) Interest expenses on		
(i) Borrowings	3,940	3,927
(ii) Others	-	-
Interest on delayed payment of income tax	90	43,746
(b) Interest expense on Lease Liability	5,29,618	-
(c) Other borrowing cost	6,65,636	4,84,555
(d) Other Financial Costs	45,228	-
	12,44,512	5,32,228

NOTES FORMING PART OF FINANCIAL STATEMENTS

Particulars	As At 31-Mar-2020 (in ₹)	As At 31-Mar-2019 (in ₹)
31 OTHER EXPENSES		
Consumption of stores & spares	3,28,437	4,45,786
Packing Consumed	15,95,948	16,41,185
Power and Fuel	1,34,67,677	1,45,12,182
Rent	2,32,091	23,58,970
Repairs to building	6,09,532	17,93,965
Repairs other	11,98,950	8,07,708
Repairs to Machinery	14,61,329	26,45,346
Rates and taxes	3,91,834	1,74,556
Insurance	4,16,777	4,55,162
Legal and Professional Charges	20,04,053	8,75,846
Processing Charges	1,76,11,837	1,89,40,081
Security Service Charges	15,97,042	16,06,090
Transportation charges on Job work	8,34,261	8,08,443
Commission	13,97,466	16,27,483
Donations	10,66,001	1,58,501
Travelling and Conveyance	63,24,096	59,27,163
Auditors' Remuneration		
Audit Fees (Including Quarterly review)	2,00,000	2,00,000
Taxation matter	50,000	50,000
Other Services (Certification, Compliance with Laws etc.,)	1,00,000	1,00,000
Freight & Forwarding cha.-Export	48,57,908	9,48,054
Wheeling & Banking Charges	9,60,351	-
Operation & Maintenance Expense (WF)	3,12,500	-
Shares Buy-back expenses	22,04,366	-
Miscellaneous Expenses	35,94,780	49,82,038
	6,28,17,237	6,10,58,558

32. OTHER NOTES:**32.1.1 Contingent Liabilities:**

Amount in ₹

Particulars	As at 31-03-2020	As at 31-03-2019
Bank Guarantee	43,10,000	43,10,000
Letter of Credit	23,10,744	Nil

Claims against the Company not acknowledged as debts:

Excise, Custom and Service tax

Excise and Service Tax department has raised demands aggregating sum of ₹ 90,48,505 (including penalty of ₹ 59,74,353) pertaining to the period from 01-04-2010 to 31-03-2011 vide order of Commissioner, Central Excise and Customs dated 28-08-2014.

Considering the current status of the case and the legal advice taken, the company is of the view that such demands will be deleted by the Appellate Authorities and hence no provision is required for the same.

32.1.2 Proposed Dividend:

The Directors have not recommended any dividend for the financial year ended 31st March, 2020 to conserve funds in view of the virus pandemic.

32.1.3 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, 2020.

32.2 Related Party Disclosures:

a) Names of related parties and nature of relationships:

Names	Nature of Relationship
Sanjeev Rungta	Executive Chairman
Aman Rungta	Director
S.S. Iyer	Key Management Personnel
Siddhi Shah	Key Management Personnel
Rainy Properties Pvt. Ltd.	Associate Company

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

Amount in ₹

Name or related parties	Nature of Transactions	Transactions during the year ended		Amount outstanding as at	
		31-03-2020	31-03-2019	31-03-2020	31-03-2019
Rainy Properties Pvt. Ltd.	Investment in Equity Shares	-	-	1,00,00,000	1,00,00,000
Alpha Stitch Art Pvt. Ltd.	I.C.D.	-	2,00,00,000	-	2,00,00,000
Alpha Stitch Art Pvt. Ltd.	Interest on ICD	-	30,285	-	30,285
Sanjeev Rungta	Remuneration	41,75,000	44,75,000	5,50,000	5,50,000
Aman Rungta	Remuneration	7,50,000	-	1,25,000	-
S.S. Iyer	Remuneration	20,78,742	22,84,500	1,92,500	1,92,500
Siddhi Shah	Remuneration	3,76,800	3,66,300	31,400	31,400

32. OTHER NOTES:**32.1.1 Contingent Liabilities:**

Amount in ₹

Particulars	As at 31-03-2020	As at 31-03-2019
Bank Guarantee	43,10,000	43,10,000
Letter of Credit	23,10,744	Nil

Claims against the Company not acknowledged as debts:

Excise, Custom and Service tax

Excise and Service Tax department has raised demands aggregating sum of ₹ 90,48,505 (including penalty of ₹ 59,74,353) pertaining to the period from 01-04-2010 to 31-03-2011 vide order of Commissioner, Central Excise and Customs dated 28-08-2014.

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Siddhi Shah	Key Management Personnel
Rainy Properties Pvt. Ltd.	Associate Company

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

Amount in ₹

Name or related parties	Nature of Transactions	Transactions during the year ended		Amount outstanding as at	
		31.03.2020	31.03.2019	31.03.2020	31.03.2019
Rainy Properties Pvt. Ltd.	Investment in Equity Shares	-	-	1,00,00,000	1,00,00,000
Alpha Stitch Art Pvt. Ltd.	I.C.D.	-	2,00,00,000	-	2,00,00,000
Alpha Stitch Art Pvt. Ltd.	Interest on ICD	-	30,285	-	30,285
Sanjeev Rungta	Remuneration	41,75,000	44,75,000	5,50,000	5,50,000
Aman Rungta	Remuneration	7,50,000	-	1,25,000	-
S.S. Iyer	Remuneration	20,78,742	22,84,500	1,92,500	1,92,500
Siddhi Shah	Remuneration	3,76,800	3,66,300	31,400	31,400

32.3 Leases

The Company incurred expenditure of ₹ 2.32 lakhs short-term leases and leases of low-value assets for the year ended 31st March, 2020 which is charged to profit and loss Account. Commitments relating to short-term leases and low value assets were ` Nil as on 31st March, 2020.

32.4 Foreign Currency Risk

The carrying amount of foreign currency denominated monetary assets are ₹ 2,43,63,177/- (Previous Year ₹ Nil) and monetarily liabilities are ₹ Nil (Previous Year ₹ Nil) at the end of the reporting period.

32.5 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, 2020				Amount in ₹	
Particulars	Carrying value March 31, 2020	Fair value March 31, 2020	Carrying value March 31, 2019	Fair Value March 31, 2019	
Financial assets measured at fair value					
Non-current investments	3,82,61,485	3,82,61,485	15,06,35,230	15,06,35,230	
Loan	13,02,00,000	13,02,00,000	8,75,00,000	8,75,00,000	
Financial Liabilities carried at amortized cost					
Other financial liabilities	21,30,845	21,30,845	23,21,179	23,21,179	

The management assessed that cash and cash equivalents, trade receivables, trade payables and other current liabilities approximate their carrying amounts largely due to the short term maturities of these instruments.

Fair valuation techniques used to determine fair value

The following assumptions were used to estimate the fair values:

1. The fair value of the financial assets and liabilities is included at the amount at which the instrument is exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.
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 amortized 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 in active markets / published NAV for financial instruments like mutual funds for which net assets value (NAV) is published by mutual fund operator at the balance sheet date.
2. Company has financial instruments that falls in the category of Level 1 and hence categorization for Level 2 and Level 3 is not applicable.

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:

Amount ₹

Particulars	31-Mar-2020		
	Level-1	Level-2	Level-3
Financial instruments designated at fair value through profit and loss			
Mutual Funds			
Date of Valuation 31.03.2020	2,53,54,485	-	-

Particulars	31-Mar-2019		
	Level-1	Level-2	Level-3
Financial instruments designated at fair value through profit and loss			
Mutual Funds			
Date of Valuation 31.03.2019	13,64,20,230	-	-

32.6 Component of Other Comprehensive Income (OCI)

Amount ₹

Particulars	For the year ended	For the year ended
	March 31, 2020	March, 2019
Re-measurement loss (gain) on defined benefit plan	8,67,141	(19,23,850)

32.7 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 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 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 generally to offered to vary old customers only and that too ranges from 15-30 days. Company has negligible credit risk.

Market Risk

PP (Polypropylene) 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 by any other synthetic fibre. In so far as there will be consumption of pharmaceutical liquids, juices, drinking water, etc. this market will always remain.

As long as automotive vehicles will be produced and as long as marriages and exhibitions will take place, there will always be the requirement of carpets. Quantity requirement will always fluctuate depending upon various market criterions.

There is varied demand for PP Fibre in the construction and geo-textile sector. Depending upon technical requirements, PP Fibre is applied but wherever the specifications are not very stringent, some other synthetic fibres are also used. Similar is the case in the geo-textile sector.

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.

Financial Instrument and Cash Deposit

Credit risk from balances with bank is managed by Company's Key Managerial Personnel in accordance with Company's Policy and Guidelines of Board. Investment of surplus funds are made with approval of Board of Directors. The limits are set to minimize the concentration of risks and thereby mitigate financial loss through potential failure of investee party.

Liquidity Risk

There is no apparent Liquidity risk to the Company. 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 risk of liquidity. The Company has enough liquidity to meet its financial obligation in 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.

Particulars	On Demand	0-3 Months	3-6 Months	6-12 Months	More than 1 Year	Total
As at 31st March, 2020						
Trade Payables	-	29,58,721	-	-	-	29,58,721
Other Financial Liabilities	21,30,845	43,62,179	-	-	-	64,93,024
As at 31st March, 2019						
Trade Payables	-	27,90,864	-	-	-	27,90,864
Other Financial Liabilities	23,21,179	56,62,505	-	-	-	79,83,684

Capital Management

For the purpose of the Company's capital management, capital includes issued equity capital, security premium and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to maximize the shareholder value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares.

Particulars	As at 31 st March, 2020	As at 31 st March, 2019
Debt	-	-
Trade payables	29,58,721	27,90,864
Other Financial liabilities	44,59,180	53,78,242
Less : Cash and Cash Equivalents	12,42,83,174	16,27,13,828
Other Bank Balances	62,80,845	64,71,179
Net debt	-	-
Total Equity	48,56,68,504	49,75,90,757
Total Equity net of debt	48,56,68,504	49,75,90,757
Gearing Ratio	0 %	0 %

32.8 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 During the year, the company has recognized the Company's Contribution to Employees Provident Fund amounting to ₹ 14,49,109/- (₹ 16,67,384/-) as part of Remuneration and other benefits to the employees.

(b) Defined Benefit Plan

The benefit of gratuity is Funded Defined Benefit Plan. For this purpose, the company has obtained qualifying Insurance policy from Life Insurance Corporation of India.

The company provides leave availed benefit of accumulated leave to the credit of the employees.

The following table sets out the funded status of the gratuity plan. The amount recognized in the company's financial statement as at **31st March, 2020**.

The principal assumptions used for actuarial assumptions were as follows:

Gratuity	As at 31.03.2020	As at 31.03.2019
Discount Rate	6.60%	7.50%
Salary Growth Rate	0.00%	7.00%
Withdrawal Rate	5% at younger ages to reducing to 1% at older ages	5% at younger ages to reducing to 1% at older ages

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)	As at 31.03.2020	As at 31.03.2019
Present Value of defined benefit obligation	1,59,44,887	1,42,32,569
Fair value of plan assets	(80,69,415)	(86,06,966)
Net Liability	78,75,472	56,25,603

Movement in the present value of defined benefit obligation in the current year were as Follows:

Amount in ₹

Gratuity	As at 31.03.2020	As at 31.03.2019
Opening defined benefit obligation	1,42,32,569	1,64,16,774
Current service cost	9,98,242	11,01,341
Interest cost	9,46,492	10,28,857
Actuarial (gain) loss on:		
(a) Change in financial assumption	5,84,255	48,963
(b) Change in demographic assumption	(4,470)	-
(c) Experience adjustment and past service cost	3,28,110	(18,99,333)
(d) Past Service cost	-	-
Benefit paid	(11,40,311)	(24,64,033)
Closing defined benefit obligation	1,59,44,887	1,42,32,569

Movement in the fair value of plan asset in the current year were as follows:

Amount in ₹

Gratuity	As at 31.03.2020	As at 31.03.2019
Opening fair value of plan assets	86,06,966	95,45,842
Interest Income	5,62,006	5,51,677
Return on plan asset	40,754	73,480

Contribution paid	-	9,00,000
Benefit paid	(11,40,311)	(24,64,033)
Closing fair value of plan asset	80,69,415	86,06,966

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 ₹ 6,02,761/- 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	As at 31.03.2020	As at 31.03.2019
if the Discount rate is 50 basis points higher / lower, the defined benefit obligation would:		
decrease to	1,57,92,299	1,37,56,080
increase to	1,69,68,766	1,47,39,092
if the expected salary increases / decreases by 50 basis points, the defined benefit obligation would:		
decrease to	1,69,20,582	1,47,01,208
increase to	1,58,28,453	1,37,88,082

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 & Loss:	As at 31.03.2020	As at 31.03.2019
Gratuity		
Service Cost:		
Current service cost	9,98,242	11,01,341
Past service cost	-	-
Net interests cost	3,84,486	4,77,180
Total Charged to Statement of Profit & Loss under the head 'Employee Benefit Expense'	13,82,728	15,78,521
Expenses recognized in Other Comprehensive Income		
Actuarial (gain) loss on Obligation:		
Due to change in financial assumption	5,84,255	48,963
Due to experience adjustment	3,28,110	(18,99,333)
Return on plan assets	(40,754)	(73,480)
Amount recognized in other comprehensive income	8,67,141	(19,23,850)

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 in 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 insurers for managing the assets, the value of assets certified by the insurer may not be the fair value of instruments backing the liability.
Liquidity Risk	Employees with high salaries and long durations or those higher in hierarchy, accumulate significant level of benefits. If some of such employees resign/retire from the company there can be strain on the cash flows.
Market Risk	Market risk is a collective term for risks that are related to the changes and fluctuations of the financial markets. One actuarial assumption that has a material effect is the discount rate. The discount rate reflects the time value of money. An increase in discount rate leads to decrease in Defined Benefit Obligation of the plan benefits & vice versa. This assumption depends on the yields on the corporate/government bonds and hence the valuation of liability is exposed to 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 thus requiring the companies to pay higher benefits.

32.9 Earnings per Share

	Earnings Per Share	Current Year	Previous Year
(i)	Profit after tax (₹ in Lacs)	197.83	218.69
(ii)	Weighted average number of shares (Nos.)	40,42,130	44,22,346
(iii)	Earnings Per Share (Basic and Diluted) (₹)	4.89	4.95
(iv)	Face value per share (₹)	10.00	10.00

32.10 Revenue from operations:

Revenue from contracts with customers Disaggregated revenue information Set out below is the disaggregation of the Company's revenue from contracts with customers:

Amount in ₹

Segment	For the year ended March 31, 2020	For the year ended March 31, 2019
Type of Goods		
Polypropylene staple Fibres	19,47,15,037	20,17,66,767
Yarn	8,78,19,268	9,57,32,245
Total revenue from contracts with customers	28,25,34,305	29,74,99,012
India	17,91,53,281	24,41,86,698
Outside India	10,33,81,024	5,32,64,074
Total revenue from contracts with customers	28,25,34,305	29,74,99,012
Timing of revenue recognition		
Goods transferred at a point in time	28,25,34,305	29,74,99,012
Total revenue from contracts with customers	28,25,34,305	29,74,99,012
Type of Customers	Non-Government	Non-Government
Contract Duration	Short term	Short term

The Company collects GST on behalf of the Government. Hence, GST is not included in revenue from operations.

Contract Balances

The following table provides information about receivables, contract assets and contract liabilities from contracts with customers

Amount in ₹

Particulars	As at March 31, 2020	As at March 31, 2019
Trade receivables	2,77,07,292	79,19,393
Contract liabilities		
Advance from customers	3,40,471	2,66,322

* Trade receivables are non-interest bearing and are generally on terms of 15 to 30 days.

Reconciliation of amount of revenue recognized in the statement of profit and loss with contracted price.

Amount in ₹

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Revenue as per contracted price	28,27,89,947	29,81,78,333
Less: Adjustments		
Sales Return	73,390	3,73,524
Rebate	-	-
Discount	1,82,252	3,05,797
Revenue from contracts with customers	28,25,34,305	29,74,99,012

The transaction price allocated to the remaining performance obligation (unsatisfied or partially unsatisfied) as at March 31, 2020 are, as follows:

Amount in ₹

Particulars	As at March 31, 2020	As at March 31, 2019
Advance from customers	3,40,471	2,66,322

Management expects that the entire transaction price allotted to the unsatisfied contract as at the end of the reporting period will be recognized as revenue during the next financial year.

32.11 (Increase)/Decrease in inventories of finished goods, stock in trade and work-in-progress

Amount in ₹

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Opening stock		
Finished goods	1,72,07,243	3,43,62,507
Stock in process	6,64,738	6,88,900
Stock in trade	-	-
Closing stock		
Finished goods	2,26,86,441	1,72,07,243
Stock in process	7,48,072	644738
Stock in trade	-	-
(Increase)/decrease in inventories of finished goods, stock in process and stock in trade	(55,62,532)	1,71,79,426

Details of Percentage Wise Raw material consumption

	Value of Raw Material Consumptions	Current Year (In ₹)	%	Previous Year (In ₹)	%
(i)	IMPORTED				
	- Spin Finish	5,03,821	0.29	15,53,709	0.92
	- Polypropylene Resin	-		1,21,64,772	7.22
(ii)	INDIGENOUS				
	- Polypropylene Resin	16,49,82,848	94.74	14,71,20,605	87.28
	- Master Batch	41,73,434	2.40	54,29,591	3.22
	- Spin Finish	44,66,639	2.57	22,84,687	1.36
	Total	17,41,26,742	100.00	16,85,53,364	100.00

Value of Imports on CIF Basis	Current Year (In ₹)	Previous Year (In ₹)
(i) Raw Materials	-	1,23,71,204

Expenditure in Foreign Currency	Current Year (In ₹)	Previous Year (In ₹)
(i) Travelling	15,10,834	10,53,652

F.O.B. Value	Current Year (In ₹)	Previous Year (In ₹)
(i) F.O.B. Value of Exports	10,22,64,845	5,36,73,425

32.12 Reconciliation of tax expenses and the accounting profit multiplied by tax rate:

Particulars	As at March 31, 2020	As at March 31, 2019
Net profit before taxation	2,60,98,292	2,58,89,318
Tax effect of profit @ 25.168% (27.820%)	65,68,418	72,02,460
Tax effect of disallowances / additions	31,19,951	24,92,061
Tax effect of allowances / deductions	(71,63,369)	(30,93,797)
Effect of deferred tax	15,92,241	5,67,476
Tax effect of earlier year provision written back	21,97,988	(31,48,062)
Total tax	63,15,229	40,20,138

The Company elected to exercise the option permitted under Section 115BAA of the Income-tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019. Accordingly, the Company has re-measured its Deferred Tax Assets basis the rate prescribed in the said section. The full impact of this change has been recognized in the statement of Profit & Loss for the year.

32.13 Segment Reporting:

The Company has identified the following business segments as reportable segments based on nature of products, risks, returns and the internal business reporting system.

- 1) Manufacturing of 'Manmade Fibre'
- 2) Power Generation - Wind Mill

Revenue and expenses directly attributable to segments are reported under each reportable segment. Exceptional items and other expenses which are not attributable or allocable to segments are separately disclosed. Assets and liabilities that are directly attributable or allocable to segments are disclosed under each reportable segment. All other assets and liabilities are disclosed as unallocable assets and liabilities. Common costs attributable to Wind Mill are insignificant and hence not allocated to this unit.

Information about Business Segments:

Sr. No.	Particulars	Year Ended 31/03/2020
1.	Segment Revenues and Profit and Loss	
	Segment revenues	
	(a) Manmade Fibre	2,837.01
	(b) Wind Mill	21.11
		2,858.12
	Less: Inter Segment Revenue	21.11
	Revenue from operations	2,837.01
2.	Segment Results	
	(a) Manmade Fibre	83.75
	(b) Wind Mill	(10.63)
		73.12
	Less: Finance Cost	12.45
	Add: Other unallocable Income	200.31
	Profit before Tax	260.98
3.	Segments Assets	
	(a) Manmade Fibre	2,613.14
	(b) Wind Mill	810.27
	Unallocable	1,766.00
	Total	5,189.41
4.	Segments Liabilities	
	(a) Manmade Fibre	237.20
	(b) Wind Mill	5.10
	Unallocable	90.43
	Total	332.73
5.	Depreciation and amortization	
	(a) Manmade Fibre	70.09
	(b) Wind Mill	18.91
	Total	89.00

During the previous year, the company operation fell under single segment namely 'Manmade Fibres'. Hence, previous year figures are not given for comparison in above segment information.

Power generated through the Wind Mill is transferred to the Madhya Gujarat Vij Company Limited which sells the power units and gives credit for such units either in the power bills for units consumed by the Manmade Fibre Unit or make the payment for unutilized units sold in the market.

32.14 Figures of the previous year have been regrouped and/or reclassified wherever considered necessary to confirm to the grouping of the current year.

As per our report of even date

FOR SURENDRA MODIANI & ASSOCIATES

Accountants (F.R.N. 126307W)

For and on behalf of Board of Directors Chartered

SURENDRA MODIANI(Partner)
(Membership No. 047966)

AMAN RUNGTA (Director)
(DIN : 03585306)

SANJEEV RUNGTA(Executive Chairman)
(DIN : 00053602)

Date : 27-06-2020
Place : Vadodara

SIDDHI SHAH
(Company Secretary)

MUKUND BERIWALA
(DIN : 00053699)