



ZENITH FIBRES LIMITED

ISO 9001:2015
COMPANY

103 "Synergy House", Subhanpura Road, Vadodara - 390 023, Gujarat, (India) CIN : L17120MH1989PLC054580
Tele No. : +91-265-228-3744 Tele/Fax : +91-265-228-3743 E-mail : baroda@zenithfibres.com URL : www.zenithfibres.com

30th August, 2019

To,
The Manager,
Corporate Relations Department
BSE Limited,
Mumbai.

SCRIP CODE: 514266

Dear Sir,

Sub: Submission of the Annual Report of the Company for the financial year ended 31st March, 2019

In accordance with the provisions of Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith a copy of the Annual Report of the Company for the financial year ended 31st March, 2019

Thanking you,

Yours faithfully,
For Zenith Fibres Limited,

Siddhi Shah
Company Secretary

Encl: as above

Regd. Office : 205, Marol Co-Op. Ind. Estate Ltd., M.V. Road, Andheri (E), Mumbai - 400059, Maharashtra, (India)
Phone : +91-22-28599428, Telefax : +91-22-28599429 E-mail: mumbai@zenithfibres.com

Plant : Block 458, P.O. Tundav, Taluka : Savli, District : Vadodara - 391775, Gujarat, (India)
Mobile : +91-8780601186, +91-8780601179 E-mail : plant@zenithfibres.com



ZENITH FIBRES LIMITED

**30th ANNUAL REPORT
2018-19**

BOARD OF DIRECTORS**Executive Chairman**

SHRI SANJEEV RUNGTA

Directors

SHRI AMITABHA GHOSH

SMT. RASHMI DESAI

SHRI MUKUND BERIWALA

MANAGEMENT**Chief Executive Officer**

SHRI S. S. IYER

Chief Financial Officer

SHRI PRATIP PATEL

Company Secretary

MS. SIDDHI SHAH

REGD. OFFICE

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

WORKS

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

SHARE TRANSFER AGENT

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

AUDITORS

M/s. Surendra Modiani & Associates
Chartered Accountants

BANKERS

Standard Chartered Bank

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URL : www.zenithfibres.com

ZENITH FIBRES LIMITED NOTICE FOR THIRTIETH ANNUAL GENERAL MEETING

CIN: L17120MH1989PLC054580

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

Notice is hereby given that the Thirtieth Annual General Meeting of the members of Zenith Fibres Limited will be held on Friday, the 27th September, 2019 at 11.00 a.m. at Hotel Atithi, 77A/B Nehru Road, Ville Parle (East), Mumbai-400099, to transact the following business:

Ordinary Business:

1. To receive, consider and adopt the audited Financial Statements for the year ended on 31st March, 2019 together with the Directors' Report and Auditors' Report thereon.
2. To declare Dividend.
3. To appoint a director in place of Mr. Sanjeev Rungta (DIN: 00053602), who retires by rotation and being eligible, offers himself for re-appointment.

By order of the Board of Directors

Date: 14/08/2019
Place: Mumbai

Siddhi Shah
Company Secretary

NOTES:

- a) **A member entitled to attend and vote at the meeting is entitled to appoint one or more proxy(ies) to attend and vote instead of himself and proxy(ies) so appointed need not be a member of the company. A form of proxy is enclosed, and if intended to be used, should be returned to the company duly completed not less than 48 (forty eight) hours before the commencement of the Annual General Meeting. Proxies submitted on behalf of limited companies, societies, etc., must be supported by an appropriate resolution/authority, as applicable.**
- b) A person can act as a proxy on behalf of members not exceeding fifty and holding in aggregate not more than ten percent of the total share capital of the company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy provided such person shall not act as a proxy for any other person or shareholder.
- c) The Register of Members and Share Transfer Books of the Company will remain closed from Saturday, 21st September 2019 to Friday, 27th September 2019, (both days inclusive).
- d) The dividend on equity shares as recommended by the Board of Directors, if declared at the Annual General Meeting, will be paid to those shareholders, whose names stand on the Register of Members of the Company on 27th September, 2019 in case of physical shares and to those members as per the beneficiary position given by NSDL and CDSL.

- e) Members holding shares in demat form are hereby informed that bank particulars registered with demat accounts, will be used by the Company for the payment of dividend. Members are requested to notify any change in their registered address and/or bank details quoting the folio number of the company to registered Depository Participants. Members are requested to register their e-mail address and changes therein with Depositories.
- f) Members holding shares in physical form are requested to intimate any change of address and/or bank mandate to M/s. Universal Capital Securities Pvt. Ltd., 21 Shakil Niwas, Opp. Sai Baba Temple Mahakali, Caves Road, Andheri (East), Mumbai-400093.
- g) As part of "**Green Initiative in Corporate Governance**" and pursuant to section 101 and section 136 of the Companies Act 2013 read with relevant rules made thereunder, companies can serve Annual Reports and other communication through electronic mode to those members, who have registered their email address(es) with the Depository/Registrar & Share Transfer Agents (RTA) (and available with the Company). It is requested that the members support this green initiative and update desired email address(es). Please let us know in writing by email or letter by Speed Post/Regd. A/d. at least 15 days before the AGM in case you wish to receive the documents in paper mode. For members, who have not registered their email address with the Depository / RTA, physical copies of Notice along with Annual Report are being sent by the permitted modes. The notice of the meeting shall also be posted on the website of the Company.
- h) Voting Process and Declaration of Results :
Pursuant to Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management & Administration) Rules, 2014 and amendments thereof and Regulation 44 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide e-voting facility to the Members to cast their votes electronically for the businesses to be transacted at 30th Annual General Meeting of the Company, to be held on 27th September, 2019.
- i) **The instructions for shareholders voting electronically are as under**

Particulars	Schedules
Date & time of commencement of voting through electronic means	24th September, 2019 at 9.00 a.m
Date & time of ending of voting through electronic means	26th September, 2019 at 5.00 p.m

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

For Members holding shares in Demat and Physical Form

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

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

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

Dividend Bank Details 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.

OR Date of Birth (DOB)

- 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.
- (xix) Note for Non - Individual Shareholders and Custodians
 - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing

the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.

- After receiving the login details, a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
 - The list of accounts linked in the login should be emailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (PoA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xx) In case, you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.
- (xxi) The Scrutinizer shall within a period not exceeding 3(three) working days from the conclusion of the e-voting period unblock the votes in the presence of at least 2 (two) witnesses not in the employment of the Company and will make the Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company or any other officer authorized by Chairman.
- (xxii) The Results on resolutions shall be declared on or after the AGM of the Company and the resolutions will be deemed to be passed on the AGM date subject to receipt of the requisite number of votes in favour of the Resolutions.
- (xxiii) Mr. U. C. Shukla, Practicing Company Secretary has been appointed as the scrutiniser for conducting the E-voting process.
- (xxiv) The Results declared along with the Scrutinizer's Report(s) will be available on the website of the Company, on Service Provider's website i.e www.evotingindia.com and BSE Limited website i.e www.bseindia.com within 2 (two) days of declaration of the results.
- j) Members are requested to note that as per Section 123 of the Companies Act, 2013, dividend(s) not encashed/claimed within seven years from the date of declaration will be transferred to Investor Education and Protection Fund (IEPF) 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.
28.07.2012	2011-12	27.08.2019
29.07.2013	2012-13	28.08.2020
30.07.2014	2013-14	29.08.2021
29.09.2015	2014-15	28.10.2022
29.09.2016	2015-16	28.10.2023
29.09.2017	2016-17	28.10.2024
28.09.2018	2017-18	27.10.2025

- k) Pursuant to Section 124 of the Companies Act, 2013 read with the Investors Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, the shares in respect of which dividend is unclaimed for a period of seven consecutive years or more are required to be transferred by the company to IEPF Authority.
- l) The Company has intimated individually to all such shareholders, dividend on whose shares has remained unpaid or unclaimed for a continuous period of seven years and a notice in this regard has also been published in the news paper. Members are requested to approach the RTA of the Company to claim their unclaimed/unpaid dividend, if any.
- m) Members, who have not yet dematerialized their shares, are requested to get their shares dematerialized at the earliest.
- n) Members desiring any information, relating to the accounts are requested to write to the Company at least seven working days in advance so as to enable the management to keep the information ready.
- o) A profile of the Director, seeking appointment/re-appointment, as required under Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard-2 on General Meetings, is provided in the Corporate Governance Report.

DIRECTORS' REPORT

Dear Members,

Your Directors are pleased to present the 30th Annual Report along with the Audited Financial Statements for the year ended March 31, 2019.

(₹ in Lacs)

PARTICULARS	2018-19	2017-18
Revenue from Operations	2984.43	3698.23
Profit before Exceptional Item and Tax	258.89	477.69
Profit After Tax	218.69	319.39

DIVIDEND AND RESERVE

With a view on the performance of the Company, the Directors recommend a dividend of 10% for the fiscal year ended on 31st March, 2019. The dividend, if approved by the Members in the ensuing AGM, will absorb about ₹ 47 Lacs including dividend distribution tax of ₹ 8 Lacs out of the distributable profits available, on reduced paid up capital due to buy back of shares by the Company.

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

PERFORMANCE

The Company achieved total revenue of ₹ 3238.86 Lacs as compared to ₹3962.68 Lacs last year. Profit before tax is ₹258.89 Lacs and profit after tax stands at ₹ 218.69 Lacs during the year under review as against ₹ 477.69 Lacs and ₹319.39 Lacs respectively in the previous year.

The operations of the Company during the year declined much below expectations as compared to the previous year due to reduced off take of finished products due to various factors both domestic and international.

PLANT OPERATIONS

The Company plant located at Baroda, Gujarat is operating satisfactorily.

SHARE CAPITAL

The paid up capital as on 31st March, 2019 was ₹ 442.23 Lacs consisting of 44,22,346 numbers of Equity Shares of ₹ 10/- each. During the year under review, the Company has not issued any bonus shares, equity shares neither any right shares with differential voting rights etc., nor granted any stock options or sweat equity.

However, the Board had approved offer for partial Buyback of fully paid equity shares of the Company in its meeting held on 30th March, 2019 and after due completion of the process, the Paid Up Capital of the Company stands reduced to ₹ 394.41 Lacs comprising of 3944136 number of Equity shares of face value ₹ 10/- each.

APPOINTMENT/REAPPOINTMENT/CESSATION OF DIRECTORS/ KMP

Shri. Rajeev Rungta (DIN:00122221) Resigned w.e.f 30.03.2019 and Shri. Abhishake Rungta (DIN:00053730) Resigned w.e.f 24.05.2019

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 decide their remuneration. The Remuneration Policy is spelt out in the Corporate Governance Report.

FINANCE/ACCOUNTS

The Company continued to face strong headwinds with reduced operations. Continuous endeavor is in place by the management to evaluate and reduce expenses of the Company wherever practical for permanent long term financial benefits. The management is continuing to evaluate further prudent optimal financial deployment of funds for better contribution towards profitability of the Company. The overall generation was reduced due to decreased sales. The Company has in the past kept surplus funds invested prudently, without any undue risk so as to ensure safety and liquidity of the funds.

CORPORATE GOVERNANCE

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

CORPORATE SOCIAL RESPONSIBILITY

The Corporate Social Responsibility (CSR) Committee has formulated and recommended to the Board, a CSR Policy indicating the activities to be undertaken by the Company, which has been approved by the Board and hosted on the Company's website. However, as per the Companies (Amendment) Act, 2017 effective from 19.09.2018 CSR activity during the year is not mandatory upon the Company.

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 2018-19.
- 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 placed on Company's website.

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

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

CODE OF CONDUCT

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

WHISTLE BLOWER POLICY/VIGIL MECHANISM

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

PREVENTION OF INSIDER TRADING

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

MEETINGS OF THE BOARD

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

SECRETARIAL AUDITOR

Pursuant to provisions of Section 204 of the Companies Act, 2013

and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 the Company has appointed Dhruvalkumar D. Baladha, Company Secretary in practice to undertake the Secretarial Audit of the Company. The Secretarial Audit Report for the financial year ended 31st March, 2019 is annexed herewith marked as "Annexure B" 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 C" 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 14 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 no significant improvement in the off take of Polypropylene Fibre in the country. However, not only does the potential loom large, there is certain movement in this direction which augurs well for the future. The management hopes the same will bear fruit at the earliest.

2. Segment wise Operational Performance

The Company operates only in one segment viz manufacturing of Manmade Fibres.

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

(Quantity in MT)

	2018-19	2017-18
Production	1771.90	2693.62
Sales	1908.28	2494.59

(₹ in Lacs)

	2018-19	2017-18
Sales	2974.99	3671.09
Profit Before Tax	258.89	477.69
Profit After Tax	218.69	319.39

Exports and sales of Yarn were 383.65 (599.21MT) and 478.54 (681MT) 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 90 as on 31st March, 2019. 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-D".

MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY, IF ANY, DURING THE PERIOD FROM 31ST MARCH, 2019 TO THE

DATE OF THE REPORT

The Board had passed Resolution in its meeting held on 30th March 2019 for Buying Back of upto 5,50,000 Fully paid Equity Shares of the Company at ₹ 55/- Per Share. Based upon valid shares tendered by the members, Company's Paid up Equity share capital stands reduced to 3944136 Equity Share of ₹ 10/- each

The Company is in the process of acquiring a Wind Turbine Generator of 1.5 MW on captive consumption basis in the state of Gujarat. Accordingly, necessary amendments have been made to the Main Object clause of the Memorandum of the Company.

ACKNOWLEDGEMENTS

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

On behalf of the Board of Directors
Sanjeev Rungta

Date: 14/08/2019
Place: Mumbai

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

Date : 14/08/2019

Place: Mumbai

Sanjeev Rungta
Executive Chairman
DIN: 00053602

ANNEXURE - B
SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31st March, 2019

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

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

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

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized

representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has during the audit period covering the financial year ended on 31st March, 2019 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, 2019 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and

External Commercial borrowing - not applicable since the Company does not have any FDI, ODI or ECB;

- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') :-
- The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.
 - The Securities and Exchange Board of India (Buy-back of Securities) Regulations, 1998 [The Board of Directors of the Company had only passed the resolution on 30th March, 2019 for buy-back of shares]

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

- The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
 - The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - The Securities and Exchange Board of India (Issue and Listing of Debts Securities) Regulations, 2008;
 - The Securities and Exchange Board of India (Employees Stock Option Scheme and Employees Stock Purchase Scheme) Guidelines, 1999 and/or SEBI (Share Based Employee Benefits) Regulations, 2014.
 - The Securities and Exchange Board of India (Registrar to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with the client.
- (vi) The Acts / Guidelines specifically applicable to the Company: The management has confirmed that there is no specific law as identified and applicable to the Company.

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

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

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

- there were delays in publishing the quarterly results for quarter ended 30/06/2018 and 30/09/2018 under Regulation 33 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015; and
- inadequate notice was given for a Board Meeting under Regulation 29(2) and 29(3) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

I further report that -

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

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

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

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

(DHURVALKUMAR D. BALADHA)
COMPANY SECRETARY
FCS: 38103/CP: 14265

Place: Rajkot
Date: 14/08/2019

ANNEXURE - A

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

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

- Maintenance of secretarial record is the responsibility of the management of the Corporation. My responsibility is to express an opinion on these secretarial records based on my audit.
- I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the

- secretarial records. The verification was done on the test basis to ensure that correct facts are reflected in secretarial records. I believe that the process and practices, I followed, provide reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and books of accounts of the Corporation.
 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 Corporation nor of the efficacy or effectiveness with which the management has conducted the affairs of the Corporation
- (DHURVALKUMAR D. BALADHA)**
COMPANY SECRETARY
FCS: 38103/CP: 14265
- Place: Rajkot
Date: 14/08/2019
-

Annexure – C

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 2018 -19 and percentage increase/decrease in the remuneration of Director(s) and KMP during the financial year 2018-19. :

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 : 14/08/2019

Place: Mumbai

Sanjeev Rungta

Executive Chairman

DIN: 00053602

Annexure – D

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, 2019.

A. CONSERVATION OF ENERGY

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

FORM – A

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

	Current Year (2018-19)	Previous Year (2017-18)
A Power and Fuel Consumption		
1 Electricity		
a. Purchased Units (KWH)	1945621	2719920
Total Amount (₹)	1,43,50,412	1,94,93,366
Rate/Unit (₹)	7.38	7.57
b. Own Generation		
i Through Diesel Generator Unit (KWH)	5409	7624
Total Amount (₹)	1,61,770	2,34,177
Rate/Unit (₹)	29.91	30.72
ii Through steam turbine generator	N.A	N.A
iii Through wind farm project Units	N.A	N.A
2 Coal / Furnace Oil / Gas	N.A	N.A
B Consumption per Unit of Production	N.A	N.A
Polypropylene Staple Fibre(MT)	1771.90	2788.06
Electricity (₹/kg)	8.10	7.38
Diesel & Oil (₹/kg)	0.09	0.08

B. FOREIGN EXCHANGE EARNINGS AND OUTGO :

Particulars	₹
• Earnings in Foreign Currency	
F.O.B. Value of Exports	5,36,73,425
• Expenditure in Foreign Currency	
CIF Value of Imports	1,23,71,204
Travelling Expenses	1,053,652

Date : 14/08/2019
Place: Mumbai

Sanjeev Rungta
Executive Chairman
DIN: 00053602

CORPORATE GOVERNANCE REPORT

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

1. Company's Philosophy on Code of Governance

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

2. Board of Directors

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

iii. Independent Directors

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

- Shri Amitabha Ghosh is former Governor of Reserve Bank of India having experience for the past about 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 Beriwal 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. Shri Rajeev Rungta resigned w.e.f. 30.3.2019 and Shri Abhishake Rungta resigned w.e.f. 24.05.2019. 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.

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

Name of Director	DIN	Category of Director	No. of Directorships	No. of Membership/ Chairmanship in Committees	Attendance in Board Meetings held in 2017-18	Attendance at the last AGM	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**	4	3	5 out of 5	Present	Maharashtra Seamless Limited (L99999MH1988PL C080545) (Independent Director)	Industrialist, Business Strategy and Corporate Management & Finance
Shri Amitabha Ghosh	00055962	NE [§] & I***	7	#(2) 4	5 out of 5	Present	Kesoram Industries Ltd (L17119WB1919PL C003429) (Independent Director)	Finance, Banking and Foreign Exchange Markets
Shri Mukund Beriwal	00053669	NE & I	4	(2)	5 out of 5	Present	--	Asset Management, Capital Markets and Wealth Management, finance
Smt. Rashmi Desai	02281570	NE & I	1	2	5 out of 5	Present	--	Science & Law

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

3. Board Meeting(s) held during the year

The Board Meetings of the Company were held in Mumbai on 24th May, 2018, 15th August, 2018, 12th November, 2018, 2nd March, 2019 and 30th March, 2019.

During the year two Board meetings were held beyond stipulated required schedule and on one occasion there was short intimation of Board meeting notice. The necessary charges against these have been duly paid.

4. Profile of Directors seeking Appointment / Re-appointment in 30th AGM.

Name	Shri. Sanjeev Rungta
Father's Name	Late Shri Ajay Kumar Rungta
DIN	00053602
Qualification	Mechanical Engineer
Date of Birth	26/04/1960
Shareholding in the Company	1800
Category	Promoter & Whole Time Director
Directorships	1. Zenith Ropes Pvt. Ltd. 2. Pearl Industries Limited 3. Maharashtra Seamless Limited
Committee Membership(M) /Chairmanship(C)	Maharashtra Seamless Limited: Audit Committee (M) and Nomination & Remuneration Committee (M)

5. Composition of Committees

Category	Audit Committee*	Nomination & Remuneration Committee*	Stakeholder Relationship Committee*	Corporate Social Responsibility Committee*
Chairman	Shri Mukund Beriwala (I&NE)	Shri Mukund Beriwala (I&NE)	Shri Mukund Beriwala (I&NE)	Shri Sanjeev Rungta (ED)
Member	Shri Sanjeev Rungta (ED)	Shri Sanjeev Rungta (ED)	Shri Sanjeev Rungta (ED)	Shri Mukund Beriwala (I&NE)
Member	Smt Rashmi Desai(I&NE)	Sm tRashmi 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 29th AGM. The Audit Committee Meetings were held Mumbai on 24th May 2018, 11th August 2018, 12th November 2018 and 2nd February, 2019. All the members attended all the meetings.

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 24th May 2018 and 2nd February 2019. Chairman of the Committee attended the 29th AGM.

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 4 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, 2019.

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.

- No postal ballot was conducted during the year.
- At the forthcoming AGM, there is no item on the agenda requiring postal ballot.

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

Particulars	27th AGM	28th AGM	29th AGM
Date	29th September, 2016	29th September, 2017	28th September, 2018
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	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 - Organisational, Board and Individual Board Member. It encourages leadership, teamwork, accountability, decision making, communication and efficiency of the Board. Evaluation also ensures teamwork by creating better understating of Board dynamics, Board-Management relations and thinking as a group within the Board. For the Financial year 2018-19, 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 including Independent Directors. Board of Directors has expressed their satisfaction with the

evaluation process.

11. Independent Directors' Meeting

The Independent Directors met on 2nd February, 2019 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 the Financial year 2018-19 to the Executive Chairman and Managing Director are as follows:

		(Amt.in ₹)	
Sr no	Particulars of Remuneration	Shri Sanjeev Rungta- Executive Chairman	Shri Rajeev Rungta- Managing Director
1.	Gross salary		
	a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	35,75,000/-	22,75,000/-
	b) Value of perquisites u/s 17(2) Income-tax Act, 1961	9,00,000/-	8,43,600/-
	Total	44,75,000/-	31,18,600/-

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 2018-19 are mentioned in notes forming part of financial statements.

30th ANNUAL REPORT

Name of Directors	No of Meetings Attended		Sitting Fees paid (₹)
	Board Meetings	Audit Committee Meetings	
Shri. Amitabha Ghosh	5	4	47,500
Shri. Mukund Beriwala	5	4	47,500
Smt. Rashmi Desai	5	4	47,500

14. Disclosures

a) Directors' Shareholding in the Company

Name of Director	No. of Share held as on 31.03.2019
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 and do not attract provisions of Section 188 of the Companies Act, 2013.

15. Means of Communication

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

16. General Shareholder Information

30th AGM Date and Time	27th September, 2019 at 11.00 A.M		
Venue	Hotel Atithi, 77 A/B Nehru Road, Ville Parle (E), Mumbai		
Financial Calendar	April, 2019 to March, 2020		
First Quarter results	Second week of August, 2019		
Second Quarter results	Second week of November, 2019		
Third Quarter results	Second week of February, 2020		
Results for year ending March 2020	before end of May, 2020		
Date of Book closure	21st September, 2019 to 27th September, 2019 (both days inclusive)		
Dividend payment	shall be paid within the time limit prescribed in the Companies Act, 2013		
Listing on Stock Exchange	BSE Limited (Listing Fees for 2019-2020 has been paid)		
Stock Code	514266	Demat ISIN No. for NSDL and CDSL	INE 106C01013
Corporate Identification Number (CIN)	L17120MH1989PLC054580		
Dematerialization of shares and liquidity	4260730 (96.35%) shares of the paid-up capital have been dematerialized as on 31/3/2019. Out of the promoters' capital 100% Shares (22,23,106 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.

18. Distribution Pattern as on 31.3.2019

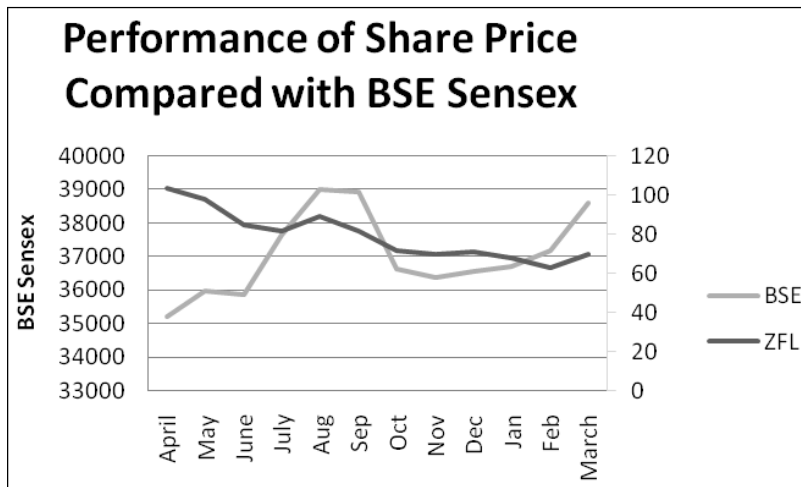
No. of Equity Shares	No. of Folios	%	No. of Shares	%
01-500	3379	87.652	464405	10.501
501-1000	223	5.785	179655	4.062
1001-2000	105	2.724	163235	3.691
2001-3000	41	1.064	102515	2.318
3001-4000	19	0.493	67131	1.518
4001-5000	11	0.285	51364	1.161
5001-10000	35	0.908	255195	5.771
10001 and above	42	1.089	3138846	70.977
TOTAL	3855	100.00	4422346	100
In Physical Mode			189696	4.29
In Electronic Mode			4260730	96.35

Shareholding Pattern as on 31.3.2019

Category	No. of Shares	%
Promoters	2223106	50.27
Mutual Funds & UTI	7600	0.17
Financial Institutions	--	--
Domestic Companies	357746	8.09
FII's and NRI's	46438	1.05
Resident Individuals/ others	1787456	40.42
TOTAL	4422346	100

Monthly High/Low in Rupees from April, 2018 to March, 2019

	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
High	103.45	98	85	81.95	88.90	81.70	71.95	69.90	71.30	68.00	62.95	69.90
Low	91.20	86	65.05	66.25	70	56.20	53.50	51.50	57.05	57.05	52.00	50.95

Performance of Share price compared with BSE Sensex

c) Disclosure of non-compliance by the Company

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

A. CEO/CFO Certificate

Certificate duly signed by Shri S. S. Iyer, CEO and Shri Pratip Patel CFO 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

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.

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

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

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

On behalf of the Board of Directors

Sanjeev Rungta

Executive Chairman

DIN:00053602

Date: 14/08/2019

Place: Mumbai

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 violative 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: 24/05/2019

S.S. IYER

Pratip Patel

Place: Vadodara

CEO

CFO

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, 2019

Date: 14/08/2019

Place: Mumbai

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, 2019. 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 2019.

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, 2019, 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.

FOR SURENDRA MODIANI & ASSOCIATES

Chartered Accountants
Firm Registration No. 126307W
SURENDRA MODIANI

Place : Vadodara
Date : 14/08/2019

Partner
M. No. 047966

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF ZENITH FIBRES LIMITED

Report on Financial Statements

Opinion

We have audited the accompanying standalone Ind AS financial statements of Zenith Fibres Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2019, 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 Ind AS 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, 2019, 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.

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</p> <p>We refer to the accounting policies and the notes given at 3.4 and 6</p> <p>Significant amount of company's resources are invested in financial assets. Development in financial markets have passed a risk to realisability of investments, both in equity and debt.</p>	<p>Our audit procedures included, among others, more detailed review of investment portfolio and discussed the investment strategy with the management.</p> <p>The procedures and the detailed review did not identify any material differences.</p>

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 the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, 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, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2019 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 30.1.1 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;

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

Date: 24/05/2019
Place: Vadodara

ANNEXURE-A TO INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1 under the heading "Report on Other Legal and Regulatory Requirements" of the Independent Auditor's Report to the members of Zenith Fibres Limited for the year ended 31st March, 2019)

- i) (a) The Company is maintaining proper records showing full particulars including quantitative details and situation of fixed assets;
- (b) These Fixed Assets have been physically verified by the management at reasonable intervals. We are informed that no material discrepancies were noticed on such verification;
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- ii) The physical verification of inventory has been conducted at reasonable intervals by the management. No material discrepancies were noticed on such physical verification.
- iii) The Company has granted unsecured loan to a company covered in the register maintained under section 189 of the Act in respect of which;
 - a) The terms and conditions of the grant of such loans are, in our opinion, prima facie, not prejudicial to the Company's interest.
 - b) 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.
 - c) 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:
- (a) The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, goods and service tax, cess and other statutory dues applicable to it.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, service tax, sales-tax, duty of custom, duty of excise, value added tax, goods and service tax, cess and other material statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.
- (c) According to the records of the Company, the particulars of dues of Duty of Excise which have not been deposited as on March 31, 2019 on account of disputes are as under

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

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

Date: 24/05/2019
Place: Vadodara

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, 2019]

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, 2019 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, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Date: 24/05/2019
Place: Vadodara

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

30th ANNUAL REPORT

BALANCE SHEET AS AT 31st MARCH, 2019

Particulars	NOTE No.	AS AT 31.03.2019 (₹)	AS AT 31.03.2018 (₹)
ASSETS			
(1) NON-CURRENT ASSETS			
(a) Property, Plant and Equipment	4	5,69,88,911	6,10,54,852
(b) Intangible Assets	5	2,43,110	3,33,750
(c) Financial Assets			
(i) Investments	6	15,06,35,230	19,55,09,289
(ii) Loans	7	-	20,000,000
(d) Other Non-Current Assets	8	26,03,434	8,22,020
TOTAL NON-CURRENT ASSETS		21,04,70,685	27,77,19,911
(2) CURRENT ASSETS			
(a) Inventories	9	3,75,51,955	5,14,08,065
(b) Financial Assets			
(i) Trade Receivables	10	79,19,393	1,24,24,865
(ii) Cash and Cash Equivalents	11	16,27,13,828	14,48,30,973
(iii) Bank Balances Other than (ii) above	12	64,71,179	64,98,454
(iv) Loans	13	8,75,00,000	75,00,000
(c) Other Current Assets	14	99,34,890	1,06,77,461
TOTAL CURRENT ASSETS		31,20,91,245	23,33,39,818
TOTAL ASSETS		52,25,61,930	51,10,59,729
EQUITY AND LIABILITIES			
EQUITY			
(a) Equity Share Capital	15	4,42,23,460	4,42,23,460
(b) Other Equity	16	45,33,67,297	43,81,06,541
TOTAL EQUITY		49,75,90,757	48,23,30,001
LIABILITIES			
(1) Non-Current Liabilities			
(a) Provisions	17	53,80,263	64,93,295
(b) Deferred Tax Liabilities (Net)	18	76,68,573	65,65,158
TOTAL NON-CURRENT LIABILITIES		1,30,48,836	1,30,58,453
(2) Current Liabilities			
(a) Financial Liabilities			
(i) Trade Payables	19		
(a) Total outstanding dues of micro enterprises and small enterprises		-	-
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises		27,90,864	13,47,313
(ii) Other Financial Liabilities	20	53,78,242	94,35,027
(b) Other Current Liabilities	21	26,05,442	28,20,326
(c) Provisions	22	11,47,789	12,59,733
(d) Current Tax Liabilities (net)	23	-	8,08,876
TOTAL CURRENT LIABILITIES		1,19,22,337	1,56,71,275
Significant Accounting Policies	2 to 3		
Other Notes to Financial Statements	31		
TOTAL EQUITY AND LIABILITIES		52,25,61,930	51,10,59,729

As per our report of even date

FOR SURENDRA MODIANI & ASSOCIATES

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

SURENDRA MODIANI

Partner (M. No. 047966)

Date: 24/05/2019

Place: Mumbai

For and on behalf of Board of Directors

SANJEEV RUNGTA

Executive Chairman

DIN: 00053602

PRATIP PATEL

Chief Financial Officer

MUKUND BERIWALA

Director

DIN: 00053669

SIDDHI SHAH

Company Secretary

Statement of Profit & Loss for the Year Ended 31st March, 2019

Particulars	NOTE No.	Year ended 31.03.2019 (₹)	Year ended 31.03.2018 (₹)
INCOME			
I Revenue from Operations	24	29,84,42,897	36,98,23,229
II Other Income	25	2,54,42,975	2,64,45,196
III Total Income (I + II)		32,38,85,872	39,62,68,425
IV EXPENSES			
Cost of raw materials consumed	26	16,85,53,364	23,13,45,323
Changes in inventories of finished goods and work-in-progress	27	1,71,79,426	(1,88,19,676)
Excise Duty		-	77,16,747
Employee benefits expense	28	4,47,04,396	4,28,31,345
Finance costs	29	5,32,228	10,44,376
Depreciation and amortisation expense	4&5	59,68,582	55,05,533
Other expenses	30	6,10,58,558	7,88,75,856
TOTAL EXPENSES (IV)		29,79,96,554	34,84,99,504
V Profit Before Tax (III-IV)		2,58,89,318	4,77,68,921
VI Tax Expenses			
Current Tax		66,00,000	1,40,81,520
Deferred Tax		5,68,200	20,76,440
Adjustment of Tax relating to earlier Periods		(31,48,062)	(3,27,970)
Total Tax Expenses		40,20,138	1,58,29,990
VII Profit for the Year (V-VI)		2,18,69,180	3,19,38,931
VIII Other Comprehensive Income			
Items that will not be reclassified to profit or loss			
(i) Re-measurement of Defined Benefit Obligation		19,23,850	(18,85,953)
(ii) Income Tax effect relating to items that will not be reclassified to profit & loss		(5,35,215)	5,24,672
IX Total Comprehensive Income for the Year (VII+VIII)		2,32,57,815	3,05,77,650
X Earning Per Equity Share F.V. of ₹ 10/- each (Basic and Diluted)		4.95	7.22
Significant Accounting Policies	2 to 3		
Other Notes to Financial Statements	31		

As per our report of even date

FOR SURENDRA MODIANI & ASSOCIATES

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

SURENDRA MODIANI

Partner (M. No. 047966)

Date: 24/05/2019

Place: Mumbai

For and on behalf of Board of Directors

SANJEEV RUNGTA

Executive Chairman

DIN: 00053602

PRATIP PATEL
Chief Financial Officer

MUKUND BERIWALA

Director

SIDDHI SHAH
Company Secretary

DIN: 00053669

30th ANNUAL REPORT

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31ST MARCH, 2019

Particulars	AS AT 31.03.2019 (₹)	AS AT 31.03.2018 (₹)
I. Cash Flow from Operating activities		
Profit before Tax	2,58,89,318	4,77,68,921
Adjustments for:		
Depreciation and amortisation expenses	59,68,582	55,05,533
(Gain) / Loss on investments measured at fair value through Profit and Loss	(26,25,942)	(1,05,94,720)
(Gain) / Loss on disposal of Property, Plant and Equipment	(30,898)	7,32,111
Remeasurement of defined benefit plans	19,23,850	(18,85,953)
Gain on Sale of Investments	(77,87,399)	(10,26,788)
Interest income	(1,49,98,736)	(1,48,23,688)
Finance cost	5,32,228	10,44,376
Operating Profit before Working Capital Changes	88,71,003	2,67,19,792
Changes in Operating Assets and Liabilities		
(Increase)/Decrease in Inventories	1,38,56,110	(1,03,70,832)
(Increase)/Decrease in Trade Receivables	45,05,472	4,26,13,467
(Increase)/Decrease in Other Assets	12,07,747	68,95,567
Increase/(Decrease) in Trade Payables	14,43,551	(1,05,07,188)
Increase/(Decrease) in Other Financial Liabilities	(40,56,785)	31,39,088
Increase/(Decrease) in Other Liabilities	(2,14,884)	(20,31,396)
Increase/(Decrease) in Provisions	(12,24,976)	3,84,171
Cash generated from Operations	2,43,87,238	5,68,42,669
Income Tax Paid	64,97,353	1,29,44,675
Net Cash Inflow from Operating Activities	1,78,89,885	4,38,97,994
II. Investing Activities		
Gain on Sale of Investments	77,87,399	10,26,788
Interest Income	1,49,98,736	1,48,23,688
Purchase of Fixed Assets	(19,87,210)	(2,18,41,478)
Sale Proceeds of Fixed Assets	1,96,056	10,11,700
(Purchase) / Sales of Investments	(1,25,00,000)	(60,26,791)
Net Cash from Investing Activities	84,94,981	(1,10,06,093)
III. Financing Activities		
Repayment of term loan	-	(1,580,693)
Finance cost	(5,32,228)	(10,44,376)
Dividend (including tax on dividend) paid	(79,97,059)	(1,06,45,263)
Net Cash from Financing Activities	(85,29,287)	(1,32,70,332)
Net change in Cash and cash equivalents	1,78,82,855	1,96,21,570
Cash and cash equivalents at the beginning of the year	14,48,30,973	12,52,09,403
Cash and cash equivalents at the end of the year	16,27,13,828	14,48,30,973

As per our report of even date

FOR SURENDRA MODIANI & ASSOCIATES

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

SURENDRA MODIANI

Partner (M. No. 047966)

Date: 24/05/2019

Place: Mumbai

For and on behalf of Board of Directors

SANJEEV RUNGTA

Executive Chairman

DIN: 00053602

PRATIP PATEL

Chief Financial Officer

MUKUND BERIWALA

Director

DIN: 00053669

SIDDHI SHAH

Company Secretary

(A) EQUITY SHARE CAPITAL

Particulars	31st March, 2019		31st March, 2018	
	No. of Shares	Amount	No. of Shares	Amount
Balance at the beginning of the year	4,422,346	44,223,460	4,422,346	44,223,460
Changes in equity share capital during the year	-	-	-	-
Balance at the end of the year	4,422,346	44,223,460	4,422,346	44,223,460

(B) OTHER EQUITY

Particulars	Capital Reserve	Share Premium Reserve	General Reserve	Retained earnings	Other Comprehensive Income	Total
Balance as at April 1, 2017	91,94,405	91,83,588	30,60,00,000	9,53,73,787	(15,77,626)	41,81,74,154
Profit for the year				3,19,38,931	-	3,19,38,931
Other Comprehensive income (net of tax)				-	(13,61,281)	(13,61,281)
Total Comprehensive Income for the year				3,19,38,931	(13,61,281)	3,05,77,650
Transferred from surplus in statement of profit & loss to General Reserve			50,00,000	(50,00,000)	-	-
Dividend Paid				(88,44,692)	-	(88,44,692)
Tax on Dividend Paid				(18,00,571)	-	(18,00,571)
Balance at the end of March, 2018	91,94,405	91,83,588	31,10,00,000	11,16,67,455	(29,38,907)	43,81,06,541
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 (Net of Tax)	-	-	-	-	-	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 and Loss to General Reserve	-	-	-	-	-	-
Dividend Paid	-	-	-	(66,33,519)	-	-
Tax on Dividend Paid	-	-	-	(13,63,540)	-	-
Balance at the end of March, 2019	91,94,405	91,83,588	31,10,00,000	12,55,39,576	(15,50,272)	45,33,67,297

Notes Forming Part of Financial Statements
1. Corporate Information

Zenith Fibres Limited ("the Company") is a public limited company incorporated in India and governed by the Companies Act, 2013 ("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

The Financial Statement of the Company have been prepared in accordance with the Indian Accounting Standard (Ind-AS) notified under the Companies (Indian Accounting Standards) Rules, as amended from time to time.

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

2.2 Significant Accounting judgments, estimates and assumptions

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

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

2.3 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.

2.4 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.

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

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

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

3.2 Depreciation and amortization

Depreciation has been provided as per straight-line method on pro rata basis from the date of such additions in the manner and at the 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.

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. For investments in debt instruments, this will depend on the business model in which the investment is held.

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

ii) Measurement

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

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

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

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

3.6 Revenue from contracts with customers:

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;
- Recognize 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 31.10 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 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 judgment, 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.

ii. Interest Income

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

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

3.7 Foreign currency transactions and translation

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

Exchange differences that arise on settlement of monetary items or on reporting at each balance sheet date of the Company's monetary items at the closing rate are recognized as income or expenses in the period which they

arise. Non-monetary assets and non-monetary liabilities denominated at a foreign currency and measured at historical cost are translated at exchange rate prevalent at the date of the transaction.

3.8 Employee Benefits:

Short-Term Employee Benefits:

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

Provident fund

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

Leave Benefits;

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

Gratuity

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

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

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

3.9 Borrowing Costs

Borrowing cost includes interest expense, amortization of discounts, ancillary costs incurred in connection with borrowing of funds and exchange difference, arising from foreign currency borrowings, to the extent they are regarded as an adjustment to the interest cost.

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

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

All other borrowing cost are recognized in the Statement of Profit and Loss in the period in which they are incurred.

3.10 Taxes

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 recognised 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 utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised 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 realised 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 recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised 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.

Sales/ value added taxes paid on acquisition of assets or on incurring expenses:

Expenses and assets are recognised net of the amount of sales/ value added taxes paid, except:

- When the tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the tax paid is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable
- When receivables and payables are stated with the amount of tax included.

The net amount of tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

3.11 Earnings per share

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

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

3.12 Cash and cash equivalents

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

3.13 Operating Leases

As a Lessee:

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

3.14 Provisions and contingent liabilities

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

the obligation.

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

3.15 Changes in accounting policies and disclosures

New and amended standards

The Company applied Ind AS 115 for the first time. The nature and effect of the changes as a result of adoption of these new accounting standards are described below. Several other amendments and interpretations apply for the first time in March 2019, but do not have an impact on the financial statements of the Company. The Company has not early adopted any standards or amendments that have been issued but are not yet effective.

Ind AS 115 Revenue from Contracts with Customers

Ind AS 115 was issued on 28 March 2018 and supersedes Ind AS 11 Construction Contracts and Ind AS 18 Revenue and it applies, with limited exceptions, to all revenue arising from contracts with its customers. Ind AS 115 establishes a five-step model to account for revenue arising from contracts with customers and requires that revenue be recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

Ind AS 115 requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers. The standard also specifies the accounting for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract. In addition, the standard requires extensive disclosures.

The Company adopted Ind AS 115 using the modified retrospective method of adoption. The change did not have a material impact on the financial statements of the Company.

Appendix B to Ind AS 21 Foreign Currency Transactions and Advance Considerations

he appendix clarifies that, in determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) and on the de-recognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which an entity initially recognises the non-monetary asset or nonmonetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, then the entity must determine the date of the transactions for each payment or receipt of advance consideration. This Interpretation does not have any impact on the Company's financial statements.

Amendments to Ind AS 12 Recognition of Deferred Tax Assets for Unrealised Losses

The amendments clarify that an entity needs to consider whether tax law restricts the sources of taxable profits against which it may make deductions on the reversal of that deductible temporary difference. Furthermore, the amendments provide guidance on how an entity should determine future taxable profits and explain the circumstances in which taxable profit may include the recovery of some assets for more than their carrying amount.

Entities are required to apply the amendments retrospectively. However, on initial application of the amendments, the change in the opening equity of the earliest comparative period may be recognised in opening retained earnings (or in another component of equity, as appropriate), without allocating the change between opening retained earnings and other components of equity. Entities applying this relief must disclose that fact.

These amendments do not have any impact on the Company as the Company has no deductible temporary differences or assets that are in the scope of the amendments.

4. PROPERTY, PLANT & EQUIPMENT

(Amt. in ₹)

Particulars	DEEMED COST				ACCUMULATED DEPRECIATION/ AMORTISATION				NET CARRYING AMOUNT As At 31.03.19
	Deemed Cost As At 01.04.18	Additions	Deductions	Deemed Cost As At 31.03.19	As At 01.04.18	Additions	Deductions	As At 31.03.19	
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	2,31,05,451
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	-	20,789	47,578
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

Particulars	DEEMED COST				ACCUMULATED DEPRECIATION/ AMORTISATION				NET CARRYING AMOUNT As At 31.03.18
	Deemed Cost As At 01.04.17	Additions	Deductions	Deemed Cost As At 31.03.18	As At 01.04.17	Additions	Deductions	As At 31.03.18	
Land	10,86,398	-	-	10,86,398	-	-	-	-	10,86,398
Building	86,73,859	1,52,91,200	-	2,39,65,059	5,25,114	6,94,408	-	12,19,522	2,27,45,537
Plant & Machinery	3,10,57,216	4,37,500	-	3,14,94,716	30,88,076	27,92,605	-	58,80,681	2,56,14,035
Furniture & Fixtures	4,72,504	24,03,012	-	28,75,516	2,27,025	90,179	-	3,17,204	25,58,312
Office Equipments	3,38,339	12,38,129	29,200	15,47,268	93,803	71,336	2,994	1,62,144	13,85,124
Electric Fittings	18,367	50,000	-	68,367	10,033	6,017	-	16,050	52,317
Vehicles	1,02,54,487	21,94,089	19,51,373	1,04,97,203	16,89,462	16,39,573	2,33,767	30,95,268	74,01,935
Computers	1,65,190	2,27,548	-	3,92,738	70,678	1,10,866	-	1,81,544	2,11,194
	5,20,66,360	2,18,41,478	19,80,573	7,19,27,265	57,04,191	54,04,983	2,36,761	1,08,72,413	6,10,54,852

5. INTANGIBLE ASSETS

(Amt. in ₹)

Particulars	DEEMED COST				ACCUMULATED DEPRECIATION/ AMORTISATION				NET CARRYING AMOUNT As At 31.03.19
	As At 01.04.18	Additions	Deductions	As At 31.03.19	As At 01.04.18	Additions	Deductions	As At 31.03.19	
Intangible Assets	534,782	-	-	534,782	2,01,032	90,639	-	2,91,671	2,43,110
Total	534,782	-	-	534,782	2,01,032	90,639	-	2,91,671	2,43,110

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

NOTES FORMING PART OF FINANCIAL STATEMENTS

Particulars	AS AT 31.03.2019 (₹)	AS AT 31.03.2018 (₹)
6 Financial Assets		
Investments - Un-Quoted - Other than Trading		
Investment measured at cost		
Shares of Associate Company		
Rainy Properties Pvt Ltd.		
10,00,000 Equity shares of ₹ 10/- each fully paid up (P. Year 10,00,000 Equity shares of ₹10/- each fully paid up)	1,00,00,000	1,00,00,000
Investments in Bonds Un-Quoted	42,15,000	42,15,000
National Highway Authority of India [3627 Bonds of ₹1000/- each]		
India Railway Finance Corpe. Ltd. [588 Bonds of ₹1000/- each]		
Investments measured at fair value through P & L A/C		
Investments in Mutual Funds	31/03/2019	31/03/2018
	(No. of Units)	(No. of Units)
Aditya Birla Sunlife Medium Term Plan	894102	894102
DHFL Pramerica Collection	407817	407817
DSPL Black Rock Credit Risk Fund	295006	295006
Franklin India Corporate Bond Fund	945412	945412
Franklin India Dynamic Fund	547755	547755
Franklin India Ultra Short Term Fund	4007	4007
HDFC Corporate Debt Opportunity Fund	-	1348013
ICICI Prudential Regular Savings Fund	-	900643
Reliance Regular Saving Fund	-	690368
Kotak Medium Term Fund	1351522	1351522
Indiabulls High Yield Fund		
	1,01,54,338	98,69,332
	<u>13,64,20,230</u>	<u>18,12,94,289</u>
Total Aggregate amount of Un-Quoted Investments	<u>15,06,35,230</u>	<u>19,55,09,289</u>
7 Loans		
Fixed Deposit with a Corporate	-	<u>20,000,000</u>
8 Other Non-Current Assets		
Unsecured, Considered Good		
Advance for Capital asset	10,00,000	-
Security Deposit	2,28,525	8,22,020
Advance income tax (net of provision)	13,74,909	-
	<u>26,03,434</u>	<u>8,22,020</u>
CURRENT ASSETS		
9 Inventories (at lower of cost and net realizable value)		
Raw Materials	1,72,70,717	1,40,11,135
Work-in-Progress	6,64,738	6,88,900
Finished Goods & Scraps	1,72,07,243	3,43,62,507
Stores and Spares	19,86,380	18,82,265
Loose Tools	74,525	24,753
Other - Packing Materials	3,48,352	4,38,505
	<u>3,75,51,955</u>	<u>5,14,08,065</u>

NOTES FORMING PART OF FINANCIAL STATEMENTS

Particulars	AS AT 31.03.2019 (₹)	AS AT 31.03.2018 (₹)
10 Trade Receivables		
Unsecured and Considered Good		
Trade Receivables outstanding for a period exceeding six months	2,897	-
Other Trade Receivables	79,16,496	1,24,24,865
	79,19,393	1,24,24,865
Break -up for security details:		
Unsecured, considered good	79,19,393	1,24,24,865
	79,19,393	1,24,24,865
No trade receivables are outstanding from Directors or related parties nor any trade or other receivables are due from firm or private companies respectively in which any director is partner, director or member other than stated above. Trade receivables are non-interest bearing and credit period ranging from 15 to 30 days		
11 Cash and Cash Equivalents		
Cash on Hand	29,905	1,30,219
Balance with Banks - (In Current Accounts)	1,41,04,231	6,97,223
Fixed Deposit with Banks with maturity from date of Balance Sheet - More than 12 months	1,50,00,000	1,08,50,000
- Less than 12 months	13,35,79,692	13,31,53,531
	16,27,13,828	14,48,30,973
12 Bank Balances other Cash and Cash equivalents		
Earmarked Balances		
In Unclaimed Dividend Accounts	23,21,179	23,48,454
Margin Money Deposit	4,150,000	4,150,000
	64,71,179	64,98,454
13 Loans		
Unsecured, considered good		
Loans to related party	2,00,27,217	-
Loans to others	6,74,72,783	75,00,000
Inter Corporate Deposit	8,75,00,000	75,00,000
Break-up of loans receivables		
Loans Receivables considered - Unsecured;	8,75,00,000	75,00,000
	8,75,00,000	75,00,000
14 Other Current Assets		
Unsecured, Considered Good		
(a) Advances recoverable in cash or kind or for value to be received	87,40,451	73,71,638
(b) VAT Input credit/refund receivables	-	24,19,458
(c) Pre-Paid Expenses	6,67,837	8,86,365
(d) Security Deposits Rent	5,26,602	-
	99,34,890	1,06,77,461
15. Equity Share Capital		
AUTHORISED		
60,00,000 Equity Shares of 10/- each	6,00,00,000	6,00,00,000
ISSUED		
44,22,346 Equity Shares of 10/- each	4,42,23,460	4,42,23,460
SUBSCRIBED AND FULLY PAID-UP		
44,22,346 Equity Shares of 10/- each	4,42,23,460	4,42,23,460

NOTES FORMING PART OF FINANCIAL STATEMENTS

a) Reconciliation of number of shares outstanding at the beginning and at the end of reporting period Particulars	31st March, 2019		31st March, 2018	
	No. of Shares	Amount in ₹	No. of Shares	Amount in ₹
At the beginning of the year	44,22,346	4,42,23,460	44,22,346	4,42,23,460
Changes during the year	-	-	-	-
At the end of the year	44,22,346	4,42,23,460	44,22,346	4,42,23,460
b) Details of shares held by each shareholder holding more than 5% of shares in the Company Particulars	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	10.89%	4,81,500	10.89%
Galaxy Dealers Pvt. Ltd	3,25,810	7.37%	3,25,810	7.37%
Rainy Fiscal Services Pvt. Ltd	5,60,100	12.67%	5,60,100	12.67%
Shark Barter Pvt. Ltd	4,50,000	10.18%	4,50,000	10.18%

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

Particulars	AS AT	AS AT
	31.03.2019 (₹)	31.03.2018 (₹)
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		
- On reissue on 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	91,83,588
This reserve is created on issue of right shares in excess of face value per share		
	1,83,77,993	1,83,77,993
b) General Reserve		
Opening Balance of General Reserve	31,10,00,000	30,60,00,000
Transfer from Profit & Loss A/c	-	50,00,000
	31,10,00,000	31,10,00,000
c) Retained earnings		
Balance Brought Forward from Last Year Profit	11,16,67,455	9,53,73,787
Transfer from Profit & Loss A/c	2,18,69,180	3,19,38,931
	13,35,36,635	12,73,12,718
Less : Appropriations		
a) Dividend paid	66,33,519	88,44,692
b) Tax on Dividend paid	13,63,540	18,00,571
c) Transfer to General Reserve	-	5,00,000
	12,55,39,576	11,16,67,455

NOTES FORMING PART OF FINANCIAL STATEMENTS

Particulars	AS AT 31.03.2019 (₹)	AS AT 31.03.2018 (₹)
d) Other Comprehensive Income	(15,50,272)	(29,38,907)
The Company has recognised the gain or loss on re-measurement of defined benefit obligation through Other Comprehensive (OCI) reserve		
Total Reserve and Surplus (a)+(b)+(c)+(d)	45,33,67,297	43,81,06,541
Non-Current Liabilities		
17. Provisions		
Provision for Compensated absence	7,52,902	7,23,704
Provision for Gratuity	46,27,361	57,69,591
	53,80,263	64,93,295
18. Deferred Tax Liabilities (Net)		
The movement of deferred tax account is as follows :		
Deferred Tax Assets	21,29,531	25,24,687
Deferred Tax Liabilities	97,98,104	90,89,845
	76,68,573	65,65,158

Analysis of deferred tax assets / liabilities

Year ended 31st March, 2019	Opening Balance	Recognised in Profit & Loss A/c	Recognised in Other Comprehensive Income	Closing Balance
Deferred Tax Assets / (Liabilities) in relation to :				
Deferred Tax Assets				
Expenses Allowable on Payments	25,24,687	1,40,059	(5,35,215)	21,29,531
Total Deferred Tax Assets	25,24,687	1,40,059	(5,35,215)	21,29,531
Deferred Tax Liabilities				
Depreciation and Amortisation	41,34,923	(23,116)	-	41,11,807
Income recognized in Profit and Loss Account	49,54,922	7,31,375	-	56,86,297
Total Deferred Tax Liabilities	90,89,845	7,08,259	-	97,98,104
NET DEFERRED TAX ASSETS / (LIABILITIES)	(65,65,158)	(5,68,200)	(5,35,215)	(76,68,573)

Year ended 31st March, 2018	Opening Balance	Recognised in Profit & Loss A/c	Recognised in Other Comprehensive Income	Closing Balance
Deferred Tax Assets / (Liabilities) in relation to :				
Deferred Tax Assets				
Expenses Allowable on Payments	29,39,509	(9,39,494)	5,24,672	25,24,687
Total Deferred Tax Assets	29,39,509	(9,39,494)	5,24,672	25,24,687
Deferred Tax Liabilities				
Depreciation and Amortisation	55,72,352	(14,37,429)	-	41,34,923
Income Recognized in Profit & Loss A/c	23,80,547	25,74,375	-	49,54,922
Total Deferred Tax Liabilities	79,52,899	11,36,946	-	90,89,845
NET DEFERRED TAX ASSETS / (LIABILITIES)	(50,13,390)	20,76,440	5,24,672	(65,65,158)

NOTES FORMING PART OF FINANCIAL STATEMENTS

Particulars	AS AT 31.03.2019 (₹)	AS AT 31.03.2018 (₹)
FINANCIAL LIABILITIES		
19. Trade Payables		
Total outstanding dues of micro enterprises and small enterprises	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	27,90,864	13,47,313
	27,90,864	13,47,313
Trade payables are non-interest bearing and normally settled in 30 days. There are no dues to related parties.		
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:		
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 acrued and remaining unpaid at the end of each accounting year	-	-
e) The amount of furhter 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	-	-
20. Other Financial Liabilities		
Unclaimed Dividend	23,21,179	23,48,454
Employee Benefits	30,57,063	39,39,363
Creditor for purchase of capital goods	-	3,147,210
	53,78,242	94,35,027
21. Other Current Liabilities		
Statutory Tax Payables	8,92,362	7,24,343
Advance from Customers	2,66,322	3,73,136
Others	14,46,758	17,22,847
	26,05,442	28,20,326
22. Provisions		
Provision for Gratuity	9,98,242	11,01,341
Provision for Compensated absence	1,49,547	1,58,392
	11,47,789	12,59,733
23. Current Tax Liabilities		
Provision for Income tax (Net of Advance Tax & TDS)	-	808,876
	-	808,876

NOTES FORMING PART OF FINANCIAL STATEMENTS

Particulars	AS AT 31.03.2019 (₹)	AS AT 31.03.2018 (₹)
24. REVENUE FROM OPERATIONS		
Sale of Products (Including excise duty)	29,74,99,012	36,71,08,962
	29,74,99,012	36,71,08,962
OTHER OPERATING REVENUE		
Scrap Sales	1,04,970	1,46,579
Cash Discount	-	12,92,160
Net gain on foreign currency transaction and translation	8,05,660	11,75,094
Liabilities/Provisions no longer required written back	33,255	1,00,434
	9,43,885	27,14,267
Total Revenue From Operations	29,84,42,897	36,98,23,229
25. OTHER INCOME		
Interest	1,49,98,736	1,48,23,688
Gain on sale of Investment	77,87,399	10,26,788
Profit on sale of assets	30,898	-
Fair Value changes in Investments	26,25,942	1,05,94,720
	2,54,42,975	2,64,45,196
26. Cost of Raw Materials and Components Consumed		
Opening Stock	1,40,11,135	2,21,69,043
Add : Purchases	17,18,12,946	22,92,80,897
	18,58,24,081	25,14,49,940
Less : Cenvat	-	60,93,482
Less : Closing Stock	1,72,70,717	1,40,11,135
	16,85,53,364	23,13,45,323
27. Changes in Stock of Finished Goods and Work-in-Progress		
Opening Stock		
Finished Goods	3,43,62,507	1,55,36,332
Work-in-Progress and Scrap	6,88,900	6,95,399
	3,50,51,407	1,62,31,731
Closing 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
	1,71,79,426	(1,88,19,676)
28. Employee Benefit Expenses		
Salaries and Wages	4,08,17,237	3,88,83,555
Contribution to Provident Fund and other Funds	34,04,732	35,00,798
Staff Welfare Expenses	4,82,427	4,46,992
	4,47,04,396	4,28,31,345
29. Financial Costs		
(a) Interest expenses on		
(i) Borrowings	3,927	1,11,302
(ii) Others		
Interest on duties and taxes	43,746	4,670
(b) Other borrowing cost	4,84,555	9,28,404
	5,32,228	10,44,376

NOTES FORMING PART OF FINANCIAL STATEMENTS

Particulars	AS AT 31.03.2019 (₹)	AS AT 31.03.2018 (₹)
30. Other Expenses		
Consumption of stores & spares	4,45,786	9,13,265
Packing Consumed	16,41,185	23,40,568
Power and Fuel	1,45,12,182	2,06,45,408
Rent	23,58,970	29,54,888
Repairs to building	17,93,965	-
Repairs other	8,07,708	5,84,265
Repairs to Machinery	26,45,346	26,36,249
Rates and taxes	1,74,556	1,52,192
Insurance	4,55,162	7,31,096
Legal and Professional Charges	8,75,846	16,98,832
Loss on Fixed Assets Discarded	-	7,32,111
Processing Charges	1,89,40,081	2,43,25,227
Security Service Charges	16,06,090	16,15,685
Transportation charges on Job work	8,08,443	11,35,972
Commission	16,27,483	2,44,557
Donations	1,58,501	11,18,667
Corporate Social Responsibility (CSR) Expenditure	-	20,11,000
Travelling and Conveyance	59,27,163	55,31,652
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	1,25,000
Freight & Forwarding Charges - Export	9,48,054	34,70,765
Miscellaneous Expenses	49,82,038	56,58,457
	6,10,58,558	78,875,856

31 OTHER NOTES:

31.1.1 CONTINGENT LIABILITIES

Amount in ₹

Particulars	As at 31.03.2019	As at 31.03.2018
Bank Guarantee	43,10,000	43,10,000

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.

Capital Commitments:

Estimated amount of contracts remaining to be executed and not provided for in respect of Capital purchases (Net of Advances): ₹ 8,15,00,000/-. Last year (₹ Nil).

31.1.2 Proposed Dividend:

The Directors have recommended a dividend of ₹1/- (10%) per equity share of ₹10/- each for the financial year ended 31st March, 2019. Total Amount of dividend, if approve would be about ₹44,22,346/- and Dividend distribution tax of ₹9,09,026/-. (As at 31.03.2018: ₹1.5/-per fully paid equity share amounting to ₹66,33,519/- and ₹13,63,540/- Dividend Distribution tax thereon).

31.1.3 Segment Reporting:

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

31.1.4 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, 2019.
31.2 Related Party Disclosures:
a) Names of related parties and nature of relationships:

Names	Nature of Relationship
Sanjeev Rungta	Executive Chairman
Rajeev Rungta	Managing Director
Abhishake Rungta	Director
S.S. Iyer	Key Management Personnel
Pratip Patel	Key Management Personnel
Siddhi Shah	Key Management Personnel
Rainy Properties Private Limited	Associate Company
Alpha Stitch Art Private Limited	Relative of Director is Director in Company

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

Name of related parties	Nature of Transactions	Transaction during the year ended		Amount outstanding as at	
		31.03.2019	31.03.2018	31.03.2019	31.03.2018
Rainy Properties Private Limited	Investment in equity shares	-	-	1,00,00,000	1,00,00,000
Alpha Stitch Art Pvt Ltd	ICD	2,00,00,000	-	2,00,00,000	-
Alpha Stitch Art Pvt Ltd	Interest on ICD	30,285	-	30,285	-
Sanjeev Rungta	Remuneration	44,75,000	38,50,000	5,50,000	5,00,000
Rajeev Rungta	Remuneration	31,18,600	25,44,360	3,50,000	3,00,000
Abhishake Rungta	Sitting Fees	22,500	15,000	-	-
S.S. Iyer	Remuneration	22,84,500	22,08,000	1,92,500	1,84,000
Pratip Patel	Remuneration	9,02,000	-	88,200	-

31.3 The Company has taken premises under operating lease. Rental expenses towards cancellable operating leases charged to profit and loss account amount to ₹ 23,58,970/- (previous year ₹ 29,54,888/-).

31.4 Foreign Currency Risk

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

31.5 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, 2019
Amount in ₹

Particulars	Carrying value March 31, 2019	Fair value March 31, 2019	Carrying value March 31, 2018	Fair Value March 31, 2018
Financial assets measured at fair value				
Non-current investments	13,02,41,788	15,06,35,231	17,77,41,788	19,55,09,290
Loan	8,75,00,000	8,75,00,000	2,75,00,000	2,75,00,000
Financial Liabilities carried at amortized cost				
Other financial liabilities	23,21,179	23,21,179	23,48,454	23,48,454

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:

Particulars	31st March, 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	-	-
Total	13,64,20,230	-	-

Particulars	31st March, 2018		
	Level 1	Level 2	Level 3
Financial instruments designated at fair value through profit and loss			
Mutual Funds			
Date of Valuation 31.03.2018	181,294,289	-	-
Total	181,294,289	-	-

31.6 Component of Other Comprehensive Income (OCI)

Amount in ₹

Particulars	For the year ended March 31, 2019	For the year ended March, 2018
Re-measurement loss (gain) on defined benefit plan	(19,23,850)	18,85,953

31.7 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 criterion.

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 is to the Company. The Company do 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 in ₹
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
As at 31st March, 2018						
Trade Payables	-	13,47,313	-	-	-	13,47,313
Other Financial Liabilities	23,48,454	99,06,899	-	-	-	1,22,55,353

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.

Amount in ₹

Particulars	As at 31st March, 2019	As at 31st March, 2018
Debt	-	-
Trade payables	27,90,864	13,47,313
Other Financial liabilities	53,78,242	94,35,027
Other Current liabilities	26,05,442	28,20,326
Less : Cash and Cash Equivalents	16,27,13,828	14,48,30,973
Other Bank Balances	64,71,179	64,98,454
Net debt	-	-
Total Equity	49,75,90,757	48,25,55,426
Total Equity net of debt	49,75,90,757	48,25,55,426
Gearing Ratio	0 %	0 %

31.8 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

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₹ 16,67,384/- (₹ 16,42,533/-) 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, 2019

The principal assumptions used for actuarial assumptions were as follows:

Gratuity	Amount in ₹	
	As at 31.03.2019	As at 31.03.2018
Discount Rate	7.50%	7.55%
Salary Growth Rate	7.00%	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:

Gratuity (Funded)	Amount in ₹	
	As at 31.03.2019	As at 31.03.2018
Present Value of defined benefit obligation	1,42,32,569	1,64,16,774
Fair value of plan assets	86,06,966	95,45,842
Net Liability	56,25,603	68,70,932

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

Gratuity	Amount in ₹	
	As at 31.03.2019	As at 31.03.2018
Opening defined benefit obligation	1,64,16,774	1,34,97,744
Current service cost	11,01,341	9,59,240
Interest cost	10,28,857	7,91,042
Actuarial (gain) loss on:		
(a) Change in financial assumption	48,963	(5,48,012)
(b) Experience adjustment and past service cost	(18,99,333)	25,35,178
(c) Past Service cost	-	6,85,492
Benefit paid	(24,64,033)	(15,03,910)
Closing defined benefit obligation	1,42,32,569	1,64,16,774

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

Gratuity	Amount in ₹	
	As at 31.03.2019	As at 31.03.2018
Opening fair value of plan assets	95,45,842	94,46,817
Interest Income	5,51,677	5,41,051
Return on plan asset	73,480	1,01,213
Contribution paid	9,00,000	9,60,671
Benefit paid	(24,64,033)	(15,03,910)
Closing fair value of plan asset	86,06,966	95,45,842

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 ₹6,25,157/-

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 31.03.2019	As at 31.03.2018
if the Discount rate is 50 basis points higher / lower, the defined benefit obligation would:		
decrease to	1,37,56,080	1,59,49,615
increase to	1,47,39,092	1,69,13,396
if the expected salary increases / decreases by 50 basis points, the defined benefit obligation would:		
decrease to	1,47,01,208	1,68,76,892
increase to	1,37,88,082	1,59,78,933

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 31.03.2019	As at 31.03.2018
Gratuity		
Service Cost:		
Current service cost	11,01,341	9,59,240
Past service cost	-	6,85,492
Net interests cost	4,77,180	2,49,991
Total Charged to Statement of Profit & Loss under the head 'Employee Benefit Expense'	15,78,521	18,94,723
Expenses recognized in Other Comprehensive Income		
Actuarial (gain) loss on Obligation:		
Due to change in financial assumption	48,963	(5,48,012)
Due to experience adjustment	(18,99,333)	25,35,178
Return on plan assets	(73,480)	(1,01,213)
Amount recognized in other comprehensive income	(19,23,850)	18,85,953

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 then Gratuity benefit will be paid earlier than expected.
Investment Risk	For funded plans that rely on insurer for managing assets, the value of assets certified by the insurer may not be the fair value of investment backing the liability.
Liquidity Risk	Employees with high salaries and long duration or those higher in hierarchy, accumulate significant level of benefits. If some of such employees resign or retire then there can be strain on the cash flow.
Market Risk	Market risk is the collective term for risk that are related to the changes and fluctuations in the financial market. Discount rate used for the valuation reflects time value of money. Increase in discount rate leads to decrease in defined benefit obligation of the plan benefit & vice-versa. The assumption of discount rate depends on the yields on the Corporate/ Government bond and hence the valuation liability exposes to the fluctuations in the yields as at the valuation date.

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Legislative Risk	Legislative risk is the risk of increase in the plan liability or reduction in the plan assets due to change in regulation. The Government may amend the Payment of Gratuity Act requiring Company to pay higher benefit.
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31.9 Earnings Per Share

Earnings Per Share		Current Year	Previous Year
(i)	Profit after tax (₹ in Lacs)	218.69	319.38
(ii)	Weighted average number of shares (Nos.)	44,22,346	44,22,346
(iii)	Earnings Per Share (Basic and Diluted) (₹)	4.95	7.22
(iv)	Face value per share (₹)	10.00	10.00

31.10 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, 2019	For the year ended March 31, 2018
Type of Goods		
Plypropylene staple Fibres	20,17,66,767	23,58,14,758
Yarn	9,57,32,245	13,12,94,204
Total revenue from contracts with customers	29,74,99,012	36,71,08,962
India	24,41,86,698	29,54,87,246
Outside India	5,32,64,074	7,16,21,716
Total revenue from contracts with customers	29,74,99,012	36,71,08,962
Timing of revenue recognition		
Goods transferred at a point in time	29,74,99,012	36,71,08,962
Total revenue from contracts with customers	29,74,99,012	36,71,08,962
Type of Customers	Non-Government	Non-Government
Contract Duration	Short term	Short term

Note: From 1st July 2017 onwards the excise duty and most indirect taxes in India have been replaced with Goods and Service Tax (GST). The Company collects GST on behalf of the Government. Hence, GST is not included in revenue from operations. In view of the aforesaid changes in indirect taxes, revenue from operations year ended March 31, 2019 is not comparable with March 31, 2018.

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, 2019	As at March 31, 2018
Trade receivables	79,19,393	1,24,24,865
Contract liabilities		
Advance from customers	2,66,322	3,73,136

* 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, 2019	For the year ended March 31, 2018
Revenue as per contracted price	29,81,78,333	36,74,40,462
Less: Adjustments		
Sales Return	3,73,524	3,31,500
Rebate	-	-
Discount	3,05,797	-
Revenue from contracts with customers	29,74,99,012	36,71,08,962

The transaction price allocated to the remaining performance obligation (unsatisfied or partially unsatisfied) as at March 31, 2019 are, as follows:

Amount in ₹

Particulars	As at March 31, 2019	As at March 31, 2018
Advance from customers	2,66,322	3,73,136

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.

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

Amount in ₹

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Opening stock		
Finished goods	3,43,62,507	1,55,36,332
Stock in process	6,88,900	6,95,399
Stock in trade	-	-
Closing stock		
Finished goods	1,72,07,243	34362507
Stock in process	644738	6,88,900
Stock in trade	-	-
(Increase)/decrease in inventories of finished goods, stock in process and stock in trade	1,71,79,426	(1,88,19,676)

Details of Percentage Wise Raw material consumption

Amount in ₹

	VALUE OF RAW MATERIAL CONSUMPTION	Current Year (In ₹)	%	Previous Year (In ₹)	%
(i)	IMPORTED				
	- Spin Finish	15,53,709	0.92	30,84,561	1.33
	- Resin	1,21,64,772	7.22	1,97,65,195	8.54
(ii)	INDIGENOUS				
	- Polypropylene Resin	14,71,20,605	87.28	20,07,59,117	86.79
	- Master Batch	54,29,591	3.22	53,74,390	2.32
	- Spin Finish	22,84,687	1.36	23,62,060	1.02
	Total	16,85,53,364	100.00	23,13,45,323	100.00

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VALUE OF IMPORTS ON CIF BASIS		Current Year (In ₹)	Previous Year (In ₹)
(i)	Raw Materials	1,23,71,204	2,05,06,215
(ii)	Spares	-	-

Expenditure in Foreign Currency		Current Year (In ₹)	Previous Year (In ₹)
(i)	Travelling	10,53,652	3,95,179

Expenditure in Foreign Currency		Current Year (In ₹)	Previous Year (In ₹)
(i)	F.O.B. Value of Exports	5,36,73,425	7,01,42,110

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

Amount in ₹

Particulars	year ended March 31, 2019	year ended March 31, 2018
Net profit before taxation	2,58,89,318	4,77,68,921
Tax effect of profit @ 27.82%/33.063%	72,01,736	1,57,93,776
Tax effect of disallowances / additions	24,92,061	47,79,178
Tax effect of allowances / deductions	(30,93,797)	(64,91,466)
Effect of deferred tax	5,67,476	20,76,440
Tax effect of earlier year provision written back	(31,48,062)	(327,970)
Total tax	40,20,138	1,58,29,990

31.13 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

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

SURENDRA MODIANI

Partner (M. No. 047966)

Date: 24/05/2019

Place: Mumbai

For and on behalf of Board of Directors

SANJEEV RUNGTA

Executive Chairman

DIN: 00053602

PRATIP PATEL

Chief Financial Officer

SIDDHI SHAH

Company Secretary

MUKUND BERIWALA

Director

DIN: 00053669

ZENITH FIBRES LIMITED
CIN : L17120MH1989PLC054580

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

Form No. MGT-11 Proxy form

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

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

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

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

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 30th Annual General Meeting of the company, to be held on the 27th of September, 2019 at 11.00 a.m. at Hotel Atithi, 77A/B Nehru Road, Ville Parle(East), Mumbai- 400099 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No:

- Adoption of accounts
- Confirmation of dividend
- Re-appointment of Shri Sanjeev Rungta as Director

Affix ₹ 1/- Revenue Stamp

Place: _____

Date: _____

Signature of shareholder

Signature of Proxy holder(s)

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

ZENITH FIBRES LIMITED
CIN : L17120MH1989PLC054580

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

30TH ANNUAL GENERAL MEETING
ATTENDANCE SLIP

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

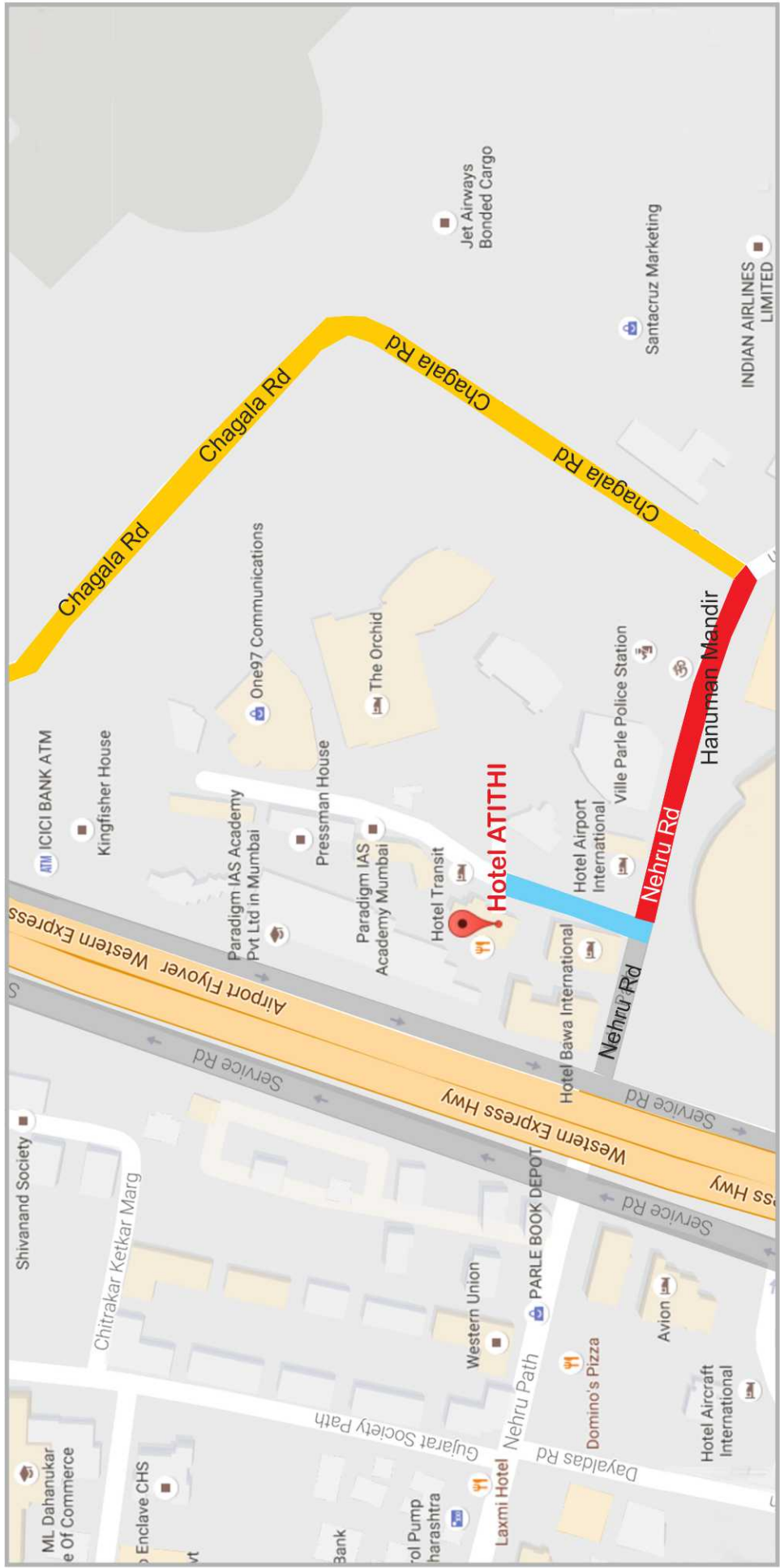
I/We hereby record my/our presence at the 30th Annual General Meeting of the company, to be held on the 27th of September, 2019 at 11.00.a.m. at Hotel Atithi, 77A/B Nehru Road, Ville Parle(East), Mumbai- 400099

Member's /Proxy Name in Block Letters

Member's/ Proxy signature

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

Venue of AGM : Route Map



To,



If undelivered please return to:

ZENITH FIBRES LIMITED

Registered Office:

205, Marol Bhavan, Marol Co-op. Industrial Estate Ltd.
M.V. Road, J.B. Nagar Post, Andheri East, Mumbai - 400 059.

ISO 9001:2015
Certified Company