



ZENTITH FIBRES LIMITED

32ND ANNUAL REPORT

2020-21

BOARD OF DIRECTORS

| | |
|---------------------------|-----------------------|
| Executive Chairman | SHRI. SANJEEV RUNGTA |
| Directors | SHRI. MUKUND BERIWALA |
| | SMT. RASHMI DESAI |
| | SHRI.AMAN RUNGTA |

Registered Office

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

Works

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

Share Transfer Agent

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

AUDITORS

M/s. Surendra Modiani & Associates
Chartered Accountants

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ZENITH FIBRES LIMITED

NOTICE FOR THIRTY SECOND ANNUAL GENERAL MEETING

CIN: L40100MH1989PLC054580

Regd. Office: 205, Marol Bhavan, Marol Co-op. Ind. Estate, M. V. Road, J. B. Nagar Post, Andheri(E), Mumbai-400059

Tele/Fax No. : 022-28599428

E-Mail: mumbai@zenithfibres.com

Notice is hereby given that the Thirty-Second Annual General Meeting of the members of Zenith Fibres Limited will be held on Wednesday, the 29th of September, 2021 at 11.00 a.m. through Video Conferencing /other Audio Visual Means, to transact the following business:

Ordinary Business:

1. To receive, consider and adopt the audited Financial Statements for the year ended on 31st March, 2021 together with the Directors' Report and Auditors' Report thereon.
2. To appoint a director in place of Mr. Aman Rungta (DIN: 03585306), who retires by rotation and being eligible, offers himself for re-appointment.

Special Business:

3. To consider and if thought fit, to pass, the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 196, 197, 198, 203 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and Schedule V thereto read with the Rules made thereunder and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any amendment(s), statutory modification(s) or re-enactment(s) thereof for the time being in force) and upon the recommendations of Nomination and Remuneration Committee and the Board of Directors of the Company, the fresh approval of the members of the Company be and is hereby accorded for the payment of remuneration to Shri Sanjeev Rungta (DIN: 00053602), Executive Chairman & CEO of the Company, who was re-appointed at the Annual General Meeting of the Company held on September 29, 2020 for a period of 5 years w.e.f. 1st April 2020, upto 31st March, 2025, in case the Company has no profits or the profits of the Company are inadequate during the period commencing from 1st April, 2022 to 31st March, 2025, notwithstanding that such remuneration may exceed the limits specified under Section 197 and Schedule V of the Act;

1. Basic Salary ₹ 400,000/- per month with an annual increase of upto 10% Per annum and will be entitled to 1 Month leave for every 11 months of service or encashment in lieu thereof.
2. Commission: not more than 3% of the net profits of the Company as computed in the manner laid down in Section 198 of the Companies Act, 2013.
3. Perquisites: In addition to the salary and commission he is entitled to the following perquisites:

PERQUISITES : The Executive Chairman shall be entitled to perquisites & benefits like, medical reimbursement, leave travel concession for self & family, club fees, medical and personal accident insurance for self and family, etc. The value of perquisites shall be evaluated as per Income Tax Rules wherever applicable Provided that such expenses shall not exceed 40% of Basic salary in a year.

Further, He will also be entitled to Company's contribution to Provident Fund, Superannuation Fund, Pension Fund, Gratuity, bonus/ ex-gratia, loans, etc. as per rules/policy of the Company.

Further, Reimbursement of Mobile and telephone expenses at residence, Free fully furnished accommodation whereby rent (if any), electricity, gas, water charges, etc. as per actual to be borne by the Company, use of Company's car for official purposes and for to and fro from residence etc. and these shall not be included in the computation of perquisites.

4. OTHER TERMS :

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

RESOLVED FURTHER THAT approval of members be and is hereby also accorded for payment of above remuneration in terms of Regulation 17(6)(e) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

Date: 7/8/2021
Place: Vadodara

By Order of the Board
Siddhi Shah
Company Secretary

Notes :

1. In view of the COVID-19 pandemic and the need for ensuring social distancing, the Government of India, Ministry of Corporate Affairs (“MCA”) allowed conducting Annual General Meeting through video conferencing (VC) or other audio-visual means (OAVM) without the physical presence of Members at a common venue. Accordingly, in accordance to MCA and Securities and Exchange Board of India (“SEBI”) Circulars in this regard, the 32nd Annual General Meeting (AGM) of the Members will be held through VC. Hence, Members can attend and participate in the AGM through VC only. The venue of the Meeting shall be deemed to be the registered office of the Company.
2. Since this General Meeting is held through VC the physical attendance of members is dispensed with and no proxies would be accepted by the Company pursuant to the relevant MCA Circulars. No attendance slip/route map has been sent along with this Notice of the Meeting as the meeting is held through Audio Visual means
3. Members who are shareholders as on, September 22 , 2021 can join the AGM 15 minutes before the commencement of the AGM i.e. at 10.45 A.M and till the time of the conclusion of the Meeting by following the procedure mentioned in this Notice.
4. The attendance through VC is restricted and hence members will be allowed on first come first serve basis. However, attendance of Members holding more than 2% of the shares of the Company, Institutional Investors as on 22nd September, 2021 and Directors and Key Managerial Personnel and Auditors will not be restricted on first come first serve basis.
5. Members attending the Meeting through VC will be counted for the purposes of reckoning of Quorum under Section 103 of the Companies Act, 2013.
6. In line with the MCA and SEBI Circulars, the Notice calling the AGM has been uploaded on the website of the Company at www.zenithfibres.com The Notice can also be accessed from the website of the Stock Exchanges i.e. BSE Limited at www.bseindia.com The AGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the AGM) i.e. www.evotingindia.com.
7. The information required to be provided under the SEBI (Listing Obligations and Disclosure Requirement Regulations), 2015 and the Secretarial Standards on General Meetings, regarding the Directors, who are proposed to be re-appointed are provided in Corporate Governance Report.
8. An explanatory statement pursuant to Section 102 of the Companies Act, 2013 in respect of the items 3 of the notice, convening the AGM, is annexed
9. The Register of Members and Transfer Books of the Company will be closed from, September 23, 2021 to September 29, 2021 (both days inclusive).
10. Members holding shares in physical form are requested to furnish bank details, email address, change of address etc. to M/s. Universal Capital Securities Pvt. Ltd., C 101, 247 Park, LBS Road, Vikhroli West, Mumbai - 400083 who are the Company’s Registrar and Share Transfer Agents so as to reach them latest by September 18, 2021, in order to take note of the same. In respect of members holding shares in electronic mode, the details as would be furnished by the Depositories as at the close of the aforesaid date will be considered by the Company. Hence, members holding shares in demat mode should update their records at the earliest.
11. Considering the difficulties caused due to the Covid-19 pandemic, MCA and SEBI have dispensed with the requirement of printing and sending physical copies of the Annual Report and the Notice of this Meeting and the Annual Reports have been sent via email to all those members who have registered their email ids with the Company or the Registrar and Transfer Agent or the Depositories or the Depository Participants. Those Members who have not yet registered their email address are requested to get their email addresses registered by following the procedure given below:

1. Those Members who have registered/not registered their mail address and mobile nos. including address and bank details may please contact and validate/update their details with the Depository Participant in case of shares held in electronic form and with Registrar and Transfer Agents in case the shares are held in physical form.
 2. Members may also visit the website of the Company www.zenithfibres.com for downloading the Annual Report and Notice of the AGM.
 3. Alternatively, Members may send an e-mail request to the email id ram@uniseq.in along with scanned copy of the signed request letter providing the email address, mobile number, self-attested PAN copy and Client Master copy in case of electronic folio and copy of share certificate in case of physical folio.
12. The Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013, the Register of Contracts or Arrangements in which the directors are interested, maintained under Section 189 of the Act, and the relevant documents referred to in the Notice will be available at registered office for inspection by the members during the AGM.
13. Members are requested to note that as per Section 123 of the Companies Act, 2013, dividend(s) not encashed/claimed within seven years from the date of declaration will be transferred to Investor Education and Protection Fund (IEPF) constituted by the Central Government. After transfer of said amount to IEPF, any person claiming to be entitled to the amount will have to apply to IEPF authority for refund of dividend. The following are the details of dividend paid by the Company, which has remained unclaimed/unpaid and their respective due dates of transfer to IEPF:

| Date of declaration of Dividend | Dividend for the year | Proposed Month and Year of transfer to IEPF |
|---------------------------------|-----------------------|---|
| 30.7.2014 | 2013-14 | August, 2021 |
| 29.9.2015 | 2014-15 | October, 2022 |
| 29.9.2016 | 2015-16 | October, 2023 |
| 29.9.2017 | 2016-17 | October, 2024 |
| 28.9.2018 | 2017-18 | October, 2025 |
| 27.9.2019 | 2018-19 | October, 2026 |

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

14. SEBI has decided that securities of listed companies can be transferred only in dematerialized form with effect from 1st April, 2019. In view of the above and to avail various benefits of dematerialisation, members are advised to dematerialize shares held by them in physical form.
15. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and MCA Circulars dated April 8, 2020, April 13, 2020 and May 5, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting's agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by CDSL.
16. In continuation of this Ministry's General Circular No. 20/2020, dated 05th May, 2020 and after due examination, it has been decided to allow companies whose AGMs were due to be held in the year 2020, or become due in the year 2021, to conduct their AGMs on or before 31.12.2021, in accordance with the requirements provided in paragraphs 3 and 4 of the General Circular No. 20/2020 as per MCA circular no. 02/2021 dated January,13,2021.

THE INTRUCTIONS OF SHAREHOLDERS FOR REMOTE E-VOTING AND E-VOTING DURING AGM/EGM AND JOINING MEETING THROUGH VC/OAVM ARE AS UNDER:

- (i) The voting period begins on September 25, 2021 at 9.00 a.m and ends on September 28, 2021 at 5.00 p.m During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date 22nd September 2021 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

(ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.

(iii) Pursuant to SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09.12.2020, under Regulation 44 of Securities and Exchange Board of India (LODR) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.

Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.

In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to **all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants.** Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

(iv) In terms of SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Pursuant to abovesaid SEBI Circular, Login method for e-Voting and joining virtual meetings **for Individual shareholders holding securities in Demat mode** is given below:

| Type of shareholders | Login Method |
|---|--|
| Individual Shareholders holding securities in Demat mode with CDSL | <ol style="list-style-type: none"> 1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or visit www.cdslindia.com and click on Login icon and select New System Myeasi. 2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers i.e. CDSL/NSDL/KARVY/LINKINTIME, so that the user can visit the e-Voting service providers' website directly. 3) If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration 4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers. |

| | |
|---|---|
| Individual Shareholders holding securities in demat mode with NSDL | <ol style="list-style-type: none"> 1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsd.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the “Beneficial Owner” icon under “Login” which is available under ‘IDeAS’ section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 2) If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsd.com. Select “Register Online for IDeAS “Portal or click at https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp 3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsd.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting |
| Individual Shareholders (holding securities in demat mode) login through their Depository Participants | You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. |

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL

| Login type | Helpdesk details |
|---|---|
| Individual Shareholders holding securities in Demat mode with CDSL | Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022-23058738 and 22-23058542-43. |
| Individual Shareholders holding securities in Demat mode with NSDL | Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30 |

(v) Login method for e-Voting and joining virtual meeting for **shareholders other than individual shareholders holding in Demat form & physical shareholders.**

- 1) The shareholders should log on to the e-voting website www.evotingindia.com.
- 2) Click on “Shareholders” module.
- 3) 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. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
- 4) Next enter the Image Verification as displayed and Click on Login.

5) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier e-voting of any company, then your existing password is to be used.

6) If you are a first-time user follow the steps given below:

| For Shareholders holding shares in Demat Form other than individual and Physical Form | |
|--|---|
| PAN | Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA. |
| Dividend Bank Details OR Date of Birth (DOB) | Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. <ul style="list-style-type: none"> If both the details are not recorded with the depository or company, please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v). |

- (vi) After entering these details appropriately, click on "SUBMIT" tab.
- (vii) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders 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.
- (viii) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (ix) Click on the EVSN for the ZENITH FIBRES LIMITED on which you choose to vote.
- (x) 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.
- (xi) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xii) 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.
- (xiii) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xiv) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xv) 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.
- (xvi) **Facility for Non – Individual Shareholders and Custodians –Remote Voting**
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the "Corporates" module.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
 - The list of accounts linked in the login should be mailed 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.
 - Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz;

cs.shah@zenithfobres.com(designated email address by company), if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/OAVM & E-VOTING DURING MEETING ARE AS UNDER:

- a) The procedure for attending meeting & e-Voting on the day of the AGM/ EGM is same as the instructions mentioned above for Remote e-voting.
- b) The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for Remote e-voting. Shareholders who have voted through Remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM/EGM.
- c) Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
- d) Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
- e) Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
- f) Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance atleast **7 days prior to meeting** mentioning their name, demat account number/folio number, email id, mobile number at (company email id). The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance **7 days prior to meeting** mentioning their name, demat account number/folio number, email id, mobile number at (company email id). These queries will be replied to by the company suitably by email.
- g) Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
- h) Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.
- i) If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL/MOBILE NO. ARE NOT REGISTERED WITH THE COMPANY/DEPOSITORIES.

1. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to **Company/RTA email id**.
2. For Demat shareholders -Please update your email id & mobile no. with your respective Depository Participant (DP)
3. For Individual Demat shareholders – Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.

If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to helpdesk.evoting@cdslindia.com or contact at 022- 23058738 and 022-23058542/43.

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

- (xvii) 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.

- (xviii) 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.
- (xix) Mr. U. C. Shukla, Practicing Company Secretary has been appointed as the scrutiniser for conducting the E-voting process.

The Results declared along with the Scrutinizer's Report(s) will be available on the website of the Company, on Service Provider's website i.e www.evotingindia.com and BSE Limited website i.e. www.bseindia.com within 2 (two) days of declaration of the results

EXPLANATORY STATEMENT

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

Item 3

The Board of Directors of the Company on recommendation of the Nomination and Remuneration Committee (NRC) and subject to approval of the Members of the Company, re-appointed Shri Sanjeev Rungta as Whole time Director, designated as Executive Chairman of the Company, for a period of 5 years w.e.f. 1st April, 2020. Further, kindly note that the members in their 31st AGM held on 29th September, 2020 had approved appointment the remuneration of Shri Sanjeev Rungta , Chairman and CEO of the Company under Schedule V of the Companies Act, 2013 ("Act").

As of now, he is the Executive Chairman and CEO of the Company and has been entrusted with the responsibility to manage the affairs of the Company. He has been responsible for policy planning, vision and strategy and also involved in long term development activities of the Company, besides Corporate Governance and Board co-ordination.

The Board of Directors and NRC of the Company considered it to be in the best interests of the Company to recommend the revised Remuneration as set out in the Resolution No. 3 of this notice including Commission on net profits of the Company, calculated in accordance with provisions of Section 198 of the Companies Act, 2013 ("Act") read with Schedule V of the Act for a period w.e.f. 1st April , 2022 to 31st March , 2025 subject to the approval of members of the Company. Members also kindly note that in accordance with the Section II of Part II of the Schedule V, where in any financial year during the currency of tenure of managerial person, the Company has no profit or its profits are inadequate, the remuneration will be paid for the period within the limits specified in Para 1(A) of Section II of Part II of the Schedule V, subject to the approval of members.

Members may kindly note that pursuant to the provisions of Section 197 of the Companies Act, 2013 (the Act) and Schedule V thereto, if in any financial year, the Company has no profit or its profits are inadequate, the Company would pay managerial remuneration within the permissible limits prescribed under Section II of Part II of Schedule V based on effective capital of the Company. However the remuneration in excess of the limits prescribed under Section II of Part II of Schedule V will be paid if approved by shareholders by passing special resolution and giving the requisite disclosure as prescribed under section II of part II of schedule V. Further the Company is not in default in payment of dues to any bank or public financial institution or to any other secured creditor, and accordingly their prior approval is not required, for approval of the proposed special resolution.

Thus, Board of Directors upon recommendation of NRC at its meeting held on 7th August, 2021 approved the revised remuneration of Shri Sanjeev Rungta , subject to the approval of members by way of Special Resolution, as mentioned in Resolution No. 3 of the Notice.

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

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

DIRECTORS' REPORT

Dear Members,

Your Directors are pleased to present the 32nd Annual Report together with the Audited Financial Statements, Independent Auditors' Report for the year ended March 31, 2021.

FINANCIAL SUMMARY AND HIGHLIGHTS

A summary of the Company's financial results for the Financial Year 2020-21 is as under: (₹in lacs)

| PARTICULARS | 2020-21 | 2019-20 |
|--|---------|---------|
| Revenue | 2598.56 | 3037.32 |
| Profit before Exceptional Item and Tax | 93.12 | 260.98 |
| Profit After Tax | 68.62 | 197.83 |

DIVIDEND AND RESERVE

The Board of Directors has considered it prudent to not propose any dividend for the year ended 31 March, 2021, in light of the current pandemic situation and the uncertainty arising thereof.

TRANSFER TO GENERAL RESERVE

During the year under review, your Company has not proposed any amount to be transferred to General Reserve out of the net profits.

PERFORMANCE

The Company achieved operating revenue of ₹ 2393.06 Lacs and total revenue of ₹ 2598.56 Lacs as compared to ₹ 2837.01 Lacs and ₹ 3037.32 Lacs last year. Profit before tax is ₹ 93.12 Lacs and profit after tax stands at ₹ 68.62 Lacs during the year under review as against ₹ 260.98 Lacs and ₹ 197.83 Lacs respectively in the previous year.

The Wind Turbine generated revenue of ₹ 133.22 Lacs during the financial year 2020-21

PLANT OPERATIONS

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

SHARE CAPITAL

During the year under review, the Company has not issued any bonus shares, equity shares neither any right shares with differential voting rights etc., nor granted any stock options or sweat equity

APPOINTMENT/REAPPOINTMENT/CESSATION OF DIRECTORS/ KMP

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

Shri Amitabha Ghosh having DIN 00055962 passed away on 15th September 2020 due to COVID

Shri Aman Rungta having PAN AZTPR8467N and DIN 03585306 was appointed w.e.f. 1st April 2020 as whole Time Director Finance.

Shri Sanjeev Rungta having PAN ADKPR4281M and DIN 00053602 appointed w.e.f. 1st June 2020 as Chief Executive officer

Shri S.S Iyer having PAN AAKPI2184H resigned w.e.f. 31st May2020 as Chief Executive officer

BOARD EVALUATION

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

SUBSIDIARY / JOINT VENTURE / ASSOCIATE COMPANY

Please refer Form AOC 1 at "Annexure A".

COMPANY'S POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION

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

FINANCE/ACCOUNTS

The Company continued to face strong headwinds in the domestic market whereas there was certain improvement on the exports front. Continuous endeavor is in place by the management to evaluate and

reduce expenses of the Company wherever practical for permanent long term financial benefits. This has helped the Company vastly in fighting the current uncertain situation. The Company has in the past kept surplus funds invested prudently, without any undue risk so as to ensure safety and liquidity of the funds.

CORPORATE GOVERNANCE

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

CORPORATE SOCIAL RESPONSIBILITY

The Corporate Social Responsibility (CSR) Committee has formulated and recommended to the Board, a CSR Policy indicating the activities to be undertaken by the Company, which has been approved by the Board and hosted on the Company's website.

FIXED DEPOSITS

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

PARTICULARS OF LOANS, GUARANTEES, SECURITIES OR INVESTMENTS

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

DECLARATION GIVEN BY INDEPENDENT DIRECTORS

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

DIRECTORS' RESPONSIBILITY STATEMENT

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

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

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

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

AUDIT COMMITTEE RECOMMENDATIONS

During the year, the Board has accepted all recommendations of Audit Committee and accordingly no disclosure is required to be made in respect of any non-acceptance of recommendation.

AUDITORS

a) Independent Auditor

The Independent Auditor M/s. Surendra Modiani & Associates, Chartered Accountant having F.R.N.126307W were appointed as Independent Auditors of the Company in the 28th Annual General Meeting of the

Company for a period of five consecutive years, based upon the declaration of their eligibility, consent and terms of engagement.

The Independent Auditors have not reported any incident of fraud to the Audit Committee of the Company for Financial Year 2020-21.

b) Internal Auditor

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

c) Secretarial Auditor

The Board of Directors appointed M/s. Upendra C Shukla, Practicing Company Secretaries, to conduct Secretarial Audit for the financial year 2021-22. The Secretarial Audit Report of M/s. Upendra C Shukla, Practicing Company Secretaries for the financial year ended 2020-21, is annexed as Annexure B. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark. During the year under review, the Company has complied with all the applicable provisions of the Secretarial Standards.

EXTRACT OF ANNUAL RETURN

The copy of Annual Return as required under Section 92(3) and Section 134(3)(a) of the Act has been placed on the website of the Company. The web-link as required under the Act is as under www.zenithfibres.com

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

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

CODE OF CONDUCT

The Board of Directors has approved a Code of Conduct which is applicable to the Members of the Board and all Employees in the course of day-to-day business operations of the company. The details of the Code are available on the website of the Company.

All the Board Members and the Senior Management Personnel have confirmed compliance with the Code. All KMP have been given appropriate briefing in this regard.

WHISTLE BLOWER POLICY/VIGIL MECHANISM

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

PREVENTION OF INSIDER TRADING

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

All Directors and the Designated Employees have confirmed compliance with the Code.

MEETINGS OF THE BOARD

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

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 7 days before and upto one day before of the said AGM during normal business hours on working days.

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

MANAGEMENT DISCUSSION AND ANALYSIS

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

1. Industry Structure and Development

During the year under review, there was somewhat contraction in the off take of PPSF in the country for the Company. At the same time, after years of efforts the exports front has yielded benefits and reasonably long term orders have materialized. Efforts are further afoot to add other customers with niche quality products. The export market holds larger potential and all efforts are afoot to increase sales on this front.

2. Segment wise Operational Performance

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

Production of Fibres during the year was 1584.28 MT (P.Y. 2036.14 MT) and Sales of Fibres during the year was 1671.04 MT (P.Y. 1949.87 MT)

Sales of Fibres during the year was Rs 2393.06Lacs (P.Y. 2837.01) and Profit after tax was Rs 68.61 lacs (P.Y. 197.83 lacs)

Exports were 786.58MT (P.Y. 816.61MT) and sales of Yarn were 395.20 MT (P.Y. 469.22MT).

3. Quality & Future Outlook

The outlook for the PPSF 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 68 as on 31st March, 2021. 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".

The Company had completed all formalities regarding acquisition of Wind Turbine Generator and the financial benefits from the same have started materializing during the year under review.

MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY, IF ANY, DURING THE PERIOD FROM 31ST MARCH, 2021 TO THE DATE OF THE REPORT

There is no material change/commitment affecting the financial position of the Company during the period from the end of the financial year on 31st March, 2021 to the date of the Report

ACKNOWLEDGEMENTS

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

Date: 7/8/2021
Place: Vadodara

On behalf of the Board of Directors
Sanjeev Rungta
Executive Chairman
DIN:00053602

ANNEXURE - A

Form AOC-1

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

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

Part "B": Associates and Joint Ventures

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

| | |
|---|-----------------------------------|
| Name of Associates/Joint Ventures | Rainy Properties Private Limited |
| 1. Latest audited Balance Sheet Date | 31. 3. 2020 |
| 2. No. of Shares of Associate held by the company as on the year ended on 31st March 2019 | 10,00,000 Equity Shares |
| Amount of Investment in Associates | ₹1,00,00,000 |
| Extent of Holding% | 30.94% |
| 3. Description of how there is significant influence | There is no Significant influence |
| 4. Reason why the Associate/Joint venture is not consolidated | There is no Significant influence |
| Net worth attributable to shareholding as per latest audited Balance Sheet | ₹81,20,633/- |
| 5. Profit/Loss for the year | Loss of ₹ 1,84,101/- |
| i. Considered in Consolidation | Not Consolidated |
| ii. Not Considered in Consolidation | Not Applicable |

On behalf of the Board of Directors

Sanjeev Rungta

Executive Chairman

DIN:00053602

Date: 7/8/2021

Place: Vadodara

ANNEXURE - B
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31st March, 2021

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

To,
The Members,
Zenith Fibres Limited,
205, Marol Bhavan, Sir M. V. Road,
J. B. Nagar Post, Andheri (East),
Mumbai 400 059.

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Zenith Fibres Limited (hereinafter called 'the Company'). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon. **I have conducted online verification and examination of records as facilitated by the Company due to Covid 19 and subsequent lockdown situation for the purpose of issuing this Report.**

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, 2021 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, 2021 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial borrowing – *not applicable since the Company does not have any FDI, ODI or ECB;*
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') :-
 - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.

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

- a) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
 - b) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - c) The Securities and Exchange Board of India (Issue and Listing of Debts Securities) Regulations, 2008;
 - d) The Securities and Exchange Board of India (Employees Stock Option Scheme and Employees Stock Purchase Scheme) Guidelines, 1999 and/or SEBI (Share Based Employee Benefits) Regulations, 2014;
 - e) The Securities and Exchange Board of India (Registrar to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with the client;
 - f) The Securities and Exchange Board of India (Buy-back of Securities) Regulations, 1998.
- (vi) The Acts / Guidelines specifically applicable to the Company: The management has confirmed that there is no specific law as identified and applicable to the Company.

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

- a) Secretarial Standards with regard to Meeting of the Board of Directors (SS-1) and General Meetings (SS-2) issued by the Institute of the Company Secretaries of India; and

b) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review the Company has complied with the provisions of the Act, Rules Regulations, Guidelines, Standards, etc. mentioned above subject to the following observations:

- *The Company submitted Disclosure on Related Party Transactions for the half year ended on 31st March, 2020 beyond the defined timeline as required under Regulation 23(9) of the SEBI (LODR) 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.
- *There was a marginal delay of 10 days in submitting the Disclosure on Related Party Transactions for the half year ended on 31st March, 2020 under Regulation 23(9) of the SEBI (LODR) Regulations, 2015.*

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.

UDIN: F002727C000753367

Place: Mumbai

Date: 7/08/2021

(U.C. SHUKLA)

COMPANY SECRETARY

FCS: 2727/CP: 1654

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

ANNEXURE A

To,

The Members,

Zenith Fibres Limited,

205, Marol Bhavan,

Sir M. V. Road, J. B. Nagar Post,

Andheri (East),

Mumbai 400059

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

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

done on the test basis to ensure that correct facts are reflected in secretarial records. I believe that the process and practices, I followed, provide reasonable basis for my opinion.

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

Place: Mumbai

Date: 7/8/2021

(U.C. SHUKLA)

COMPANY SECRETARY

FCS: 2727/CP: 1654

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

ANNEXURE – 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 2020-21 and percentage increase in remuneration of each Director, CEO, CFO and CS in the financial year 2020-21.

Due to Reduced operations the Company did not make any changes in the Emoluments to the Employees during the year besides certain minor cosmetic changes for very limited selected personnel.

- 1. The percentage increase in the median remuneration of employees in the financial year:
DUE TO REDUCED OPERATIONS THE COMPANY DID NOT MAKE ANY CHANGES IN THE EMOLUMENTS TO ANY OF THE EMPLOYEES DURING THE YEAR.**

The number of permanent employees on the rolls of company as on 31st March, 2021 was 68.

- 2. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration : NIL**
- 3. 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.
- 4. 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: 7/8/2021
Place: Vadodara

On behalf of the Board of Directors
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, 2021

A. CONSERVATION OF ENERGY

| | |
|--|---|
| <p>i. Steps taken and impact on conservation of energy</p> <p>ii. Steps taken by the Company for utilizing alternate sources of energy</p> <p>iii. Capital investment on energy conservation equipments:</p> | <p>Energy conservation continues to receive highest attention at all levels. All efforts are made to conserve and optimize use of energy with continuous monitoring, improvement in maintenance and distribution systems and through improved operational techniques. Alternate Source of Energy is utilized through 1.5 MW WTG acquired by the Company</p> <p>The Company has operational Capacitor banks in the plant for optimal conservation of energy.</p> |
|--|---|

iv. Total energy consumption and energy consumption per unit of production is as under.

FORM – A

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

| | | Current Year(2020-21) | Current Year(2019-20) |
|----------|--|-----------------------|-----------------------|
| a | Power and Fuel Consumption | | |
| 1 | Electricity | | |
| | a. Purchased Units (KWH) | 16,33,430 | 18,64,170 |
| | Total Amount (₹) | 1,35,77,987/- | 1,32,47,616/- |
| | Rate / Unit (₹) | 8.31/- | 7.11/- |
| | b. Own Generation | | |
| | i Through Diesel Generator Unit (KWH) | 3176 | 3501 |
| | Total Amount (₹) | 2,38,375/- | 2,20,061/- |
| | Rate/ Unit (₹) | 75.06/- | 62.86/- |
| | ii Through steam turbine generator | N.A | N.A |
| | iii Through wind farm project Units | 21,49,300 | 4,88,309 |
| 2 | Coal /Furnace Oil/ Gas | N. A. | N.A |
| b | Consumption per Unit of Production | | |
| | Polypropylene Staple Fibre (MT) | 1584.26 | 2036.14 |
| | Electricity (₹/kg) | 8.57 | 6.51 |
| | Diesel & Oil (₹/kg) | 0.15 | 0.11 |
| B | FOREIGN EXCHANGE EARNINGS AND OUTGO | | (₹. In Lacs) |
| | Earnings in Foreign Currency | | |
| | F.O.B. Value of Exports | | 1022.71 |
| | Expenditure in Foreign Currency | | |
| | CIF Value of Imports | | 17.99 |
| | Travelling Expenses | | 6.26 |

Date: 7/8/2021
Place: Vadodara

On behalf of the Board of Directors
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

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

2. Board of Directors

- i. None of the Directors on the Board is a Member of more than 10 Committees or a Chairman of more than 5 Committees across all the Indian Public Companies, in which he/she is a Director as stipulated in SEBI (LODR) Regulations and the Companies Act. The necessary disclosure regarding the Committee position has been made by the Directors.
- ii. The names and categories of the Directors on the Board, their attendance at Board Meetings held during the year and at last AGM and number of Directorships held by them in Indian Public and Private Companies and Committee Chairmanship/Membership held therein are given in the table below. For reckoning the maximum number of Chairmanships and Memberships, only two Committee's viz. 'Audit Committee' and 'Stakeholders' Relationship Committee' of the Board are considered.
- iii. Independent Directors
The Company provides suitable training to Independent Directors to familiarize with the company, their roles, rights, responsibilities in the company, nature of the industry in which the company operates, and business model of the company.
 - Shri 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 and Shri Aman Rungta functioned as Non Independent Director of the Company during the year. Shri Sanjeev Rungta and Shri Aman Rungta are related to each other. Except these, none of the continuing Directors of the Company are inter-se-related to each other.

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

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

| Name of Director | DIN | Category of Director | No. of Directorships | No. of Membership/ Chairmanship in Committee | Attendance in Board Meetings held in 2020-21 | 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 ^S | 2 | 3 | 4 out of 4 | Present | Maharashtra Seamless Limited (L99999MH1988PLC080545) (Independent Director) | Industrialist, Business Strategy and Corporate Management & Finance |
| Shri Mukund Beriwal | 00053669 | **NE&I [#] | 5 | (2) [@] | 4 out of 4 | Present | -- | Asset Management, Capital Markets and Wealth Management, finance |
| Smt. Rashmi Desai | 02281570 | NE&I | 1 | 2 | 4 out of 4 | Present | -- | Science ,Law & Finance |
| Shri Aman Rungta | 03585306 | E&P | 1 | 0 | 3 out of 4 | Present | -- | Finance, Banking and Foreign Exchange Markets, law |

**NE- Non-executive \$ P- Promoter #I- Independent *E- executive @ () indicates chairmanship
Shri Amitabha Ghosh ceased to be independent director w.e.f. 15th September, 2020

3. Board Meeting(s) held during the year

The Board Meetings of the Company were held on 27th June 2020, 29th August 2020, 9th November 2020 and 6th February 2021 through video conference.

4. Profile of Directors seeking Appointment / Re-appointment in 32nd AGM.

| | | |
|---|--|--------------------------------------|
| Name | Shri. Sanjeev Rungta | Shri Aman Rungta |
| Father's Name | Late Shri Ajay Kumar Rungta | Shri. Sanjeev Rungta |
| DIN | 00053602 | 03585306 |
| Qualification | Mechanical Engineer | BLS LLB |
| Date of Birth | 26/4/1960 | 12/2/1993 |
| Shareholding in the Company | 1800 | 16551 |
| Category | Promoter & Whole Time Director | Promoter Director |
| Directorships | 1. Maharashtra Seamless Limited | 1. Essare Enterprise Private Limited |
| Committee Membership(M) /Chairmanship(C) | Maharashtra Seamless Limited ➤ Audit Committee(M) ➤ Nomination & Remuneration Committee(M) | - |

5. Composition of Committees

| Category | Audit Committee | Nomination & Remuneration Committee | Stakeholder Relationship Committee | Corporate Responsibility Committee | Social |
|-----------------|------------------------------|-------------------------------------|------------------------------------|------------------------------------|--------|
| Chairman | Shri Mukund Beriwalla (I&NE) | Shri Mukund Beriwalla (I&NE) | Shri Mukund Beriwalla (I&NE) | Shri Sanjeev Rungta (ED) | |
| Member | Shri Sanjeev Rungta (ED) | Shri Sanjeev Rungta (ED) | Shri Sanjeev Rungta (ED) | Shri Mukund Beriwalla (I&NE) | |
| Member | Smt Rashmi Desai(I&NE) | Smt Rashmi Desai(I&NE) | Smt Rashmi Desai(I&NE) | Smt Rashmi Desai(I&NE) | |

* Shri Amitabha Ghosh ceased to be independent director w.e.f. 15th September,2020.

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 31st AGM held on, September 29, 2020. The Audit Committee Meetings were held on 27th June 2020, 29th August 2020, 9th November 2020 and 6th February 2021 through video conference.

All the members attended all the meetings except Shri Amitabha Ghosh who was absent in meeting held on 29th August, 2020

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 27th June 2020. Chairman of the Committee attended the 31st AGM held on, September 29, 2020.

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 no 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, 2021.

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 for following business
- 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 | 29th AGM | 30th AGM | 31st AGM |
|---------------------------|---|---|--|
| Date | 28th September, 2018 | 27th September, 2019 | 29th September, 2020 |
| 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 | Through Audio/Video conferencing |
| Special Businesses | Appointment of Smt. Rashmi Desai as independent director for five consecutive years | -- | <ul style="list-style-type: none"> • Re-appointment of Shri Sanjeev Rungta as whole time Director for five years • Appointment of Shri Aman Rungta as Director • Appointment of Shri Aman Rungta as whole time Director for three years |

10. Annual Evaluation

The Company believes that systematic evaluation contributes significantly to improved performance at three levels-Organizational, Board and Individual Board Member. It encourages leadership, teamwork, accountability, decision making, communication and efficiency of the Board. Evaluation also ensures teamwork by creating better understating of Board dynamics, Board-Management relations and thinking as a group within the Board. For the year 2020-21, the Board has carried out an evaluation of its own performance and that of its Committees and individual Directors. Independent Directors in their meeting have, evaluated performance of the 'Board', the 'Non-independent Directors' as well as the 'Chairman' of the Company and submitted their report to the Chairman. The Nomination and Remuneration Committee has further carried out evaluation of all Directors including Independent Directors. Board of Directors has expressed their satisfaction with the evaluation process.

11. Independent Directors' Meeting

The Independent Directors met on 6th February, 2021 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 2020-21 to the Executive Chairman is as follows:

| Sr no | Particulars of Remuneration | Shri Sanjeev Rungta- Executive Chairman | Shri Aman Rungta-Whole Time Director Finance |
|-------|--|---|--|
| 1. | Gross salary | | |
| | a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | 33,50,161/- | 22,33,442/- |
| | b) Value of perquisites u/s 17(2) Income-tax Act, 1961 | 11,50,000/- | 6,75,000/- |
| | c) Other benefits | -- | -- |
| | Total | 45,00,161/- | 29,08,442/- |

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 2020-21 are mentioned in notes forming part of financial statements.

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

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

| Name of Director | No. of Shares held as on 31.03.2021 |
|----------------------|-------------------------------------|
| Shri. Sanjeev Rungta | 1800 |
| Shir Aman Rungta | 16551 |

b) Subsidiary Companies

The Company has no subsidiary Company.

- c) During the last three years, there were no strictures or penalties imposed by either the Securities Exchange Board of India or the Stock Exchanges or any Statutory Authority for non-compliance of any matter related to the capital market.
- d) The Board has received disclosures from the KMP relating to material, financial and commercial transactions, where they and/or their relatives have personal interest. There are no materially significant related party transactions of the Company which have potential conflict with the interest of the Company at large. However, transactions with related parties as per requirements of Indian Accounting Standards are disclosed under notes to accounts and all transactions with related party, as defined under the Companies Act, 2013 and Chapter IV of the SEBI (LODR) Regulations, 2015 during the year, were in ordinary course of business & at arm's length basis.

15. Means of Communication

| | |
|---|--|
| Newspapers in which Quarterly Results are normally published | Financial Express – Mumbai edition Pratahkal – 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

| | | | |
|---------------------------------------|--|----------------------------------|---------------|
| 32nd AGM Date and Time | 29th September, 2021 at 11.00 A.M | | |
| Venue | Through video conferencing | | |
| Financial Calendar | April, 2021 to March, 2022 | | |
| First Quarter results | Second week of August, 2021 | | |
| Second Quarter results | Second week of November, 2021 | | |
| Third Quarter results | Second week of February, 2022 | | |
| Results for year ending March 2021 | before end of May, 2022 | | |
| Date of Book closure | 23 rd September, 2021 to 29 th September, 2021 (both days inclusive) | | |
| Listing on Stock Exchange | BSE Limited (Listing Fees for 2021-2022 has been paid) | | |
| Stock Code | 514266 | Demat ISIN No. for NSDL and CDSL | INE 106C01013 |
| Corporate Identification Number (CIN) | L40100MH1989PLC054580 | | |
| Dematerialization of shares and | 3800329 (96.35%) shares of the paid-up capital have been dematerialized as on 31/3/2021. Out of the promoters' capital | | |

| | |
|---|---|
| liquidity | 100% Shares (18,22,617 shares) have been dematerialized. |
| Outstanding GDRs/ADRs/Warrants or any Convertible Instruments, conversion dates and likely impact on equity | Not issued |
| Plant Location | Village Tundav, Taluka Savli, District Vadodara, Gujarat |
| Address for Shareholders correspondence | M/s. Zenith Fibres Limited, 2nd Floor, 205 Marol Bhavan, Marol Co-op. Indi. Estate Ltd., M.V. Road, J.B. Nagar Post, Andheri (E), Mumbai 400059 or Shareholders holding shares in Electronic mode should address all their correspondence to their respective depository participant |
| Company's Share Transfer Agent | M/s. Universal Capital Securities Pvt. Ltd. C-101, 247 Park, 1st Floor, LBS Road, Gandhi Nagar, Vikhroli (West), Mumbai – 400 083 |

17. Share Transfer System

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

Distribution Pattern as on 31st Mar, 2021

| No. of Equity Shares | No. of Folios | % | No. of Shares | % |
|---------------------------|---------------|---------------|----------------|------------|
| 01-500 | 3031 | 87.78 | 415230 | 10.53 |
| 501-1000 | 206 | 5.97 | 171366 | 4.34 |
| 1001-2000 | 89 | 2.58 | 136016 | 3.45 |
| 2001-3000 | 33 | 0.96 | 80693 | 2.05 |
| 3001-4000 | 18 | 0.52 | 64639 | 1.64 |
| 4001-5000 | 15 | 0.43 | 71197 | 1.81 |
| 5001-10000 | 25 | 0.72 | 185136 | 4.69 |
| 10001 and above | 36 | 1.04 | 2819859 | 71.49 |
| TOTAL | 3608 | 100.00 | 3944136 | 100 |
| In Physical Mode | | | 143807 | 3.65 |
| In Electronic Mode | | | 3800329 | 96.35 |

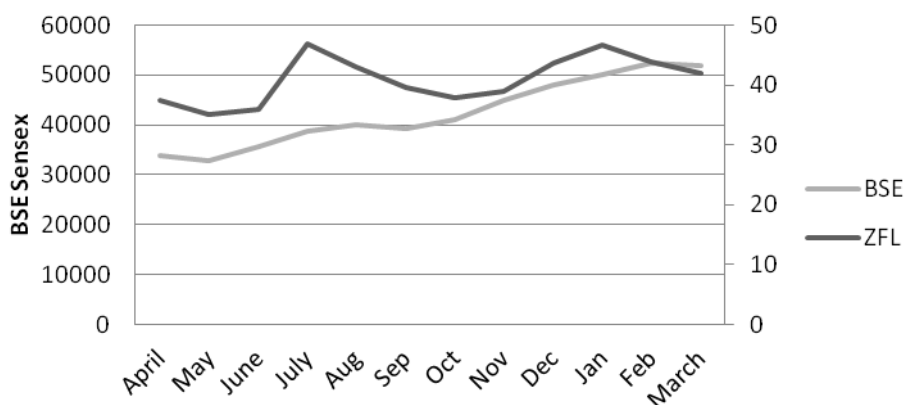
Shareholding Pattern as on 31st Mar, 2021

| Category | No. of Shares | % |
|------------------------------|----------------|------------|
| Promoters | 1822617 | 46.21 |
| Mutual Funds & UTI | 4500 | 0.11 |
| Financial Institutions | -- | -- |
| Domestic Companies | 72736 | 1.84 |
| FII's and NRI's | 36906 | 0.94 |
| Resident Individuals/ others | 1912004 | 48.48 |
| IEPF | 95373 | 2.42 |
| TOTAL | 3944136 | 100 |

Monthly High/Low in Rupees from April 2020 to March 2021

| | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec | Jan | Feb | Mar |
|-------------|-------|-------|------|-------|-----|------|------|-------|-------|-------|-------|-------|
| High | 37.5 | 35 | 36 | 46.85 | 43 | 39.5 | 37.9 | 38.95 | 43.75 | 46.6 | 43.95 | 41.85 |
| Low | 28.05 | 27.55 | 29.1 | 28 | 30 | 33.1 | 33 | 33 | 35.1 | 37.15 | 38.4 | 36.3 |

Performance of Share Price Compared with BSE Sensex



Disclosures

a) Disclosure of related party transactions

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

b) Disclosure of Accounting Treatment in Preparing of Financial Statement

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

c) Disclosure of non-compliance by the Company

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

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

A. CEO/CFO Certificate

Certificate duly signed by Shri Sanjeev Rungta, Chairman and Shri Aman Rungta Whole Time Director Finance certifying financial statements and the cash flow statement, as required under Regulation 17(8) of the SEBI (LODR) Regulations, 2015, was placed before the Board.

B. NON-MANDATORY REQUIREMENTS

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

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

Postal Ballot: No Resolutions passed through postal ballot during the year.

On behalf of the Board of Directors

Sanjeev Rungta

Executive Chairman

DIN:00053602

Date: 7/8/2021

Place: Vadodara

CEO/CFO COMPLIANCE CERTIFICATE

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 violate 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: 26/6/2021
Place: Vadodara

Aman Rungta
Director Finance
DIN:03585306

Sanjeev Rungta
Executive Chairman
DIN:00053602

Code of Conduct Compliance Certificate

I hereby declare that all members of the Board of Directors and Senior Management Personnel have affirmed compliance with the Code of Conduct of the Company for the financial year ended on 31st March, 2021

Date: 7/8/2021
Place: Vadodara

Sanjeev Rungta
Executive Chairman
DIN:00053602

Auditors' certificate on compliance with the conditions of corporate governance

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

TO THE MEMBERS OF ZENITH FIBRES LIMITED

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

Management's Responsibility

2. The preparation of the Corporate Governance Report is the responsibility of the Management of the Company including the preparation and maintenance of all relevant supporting records and documents. This responsibility also includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Corporate Governance Report.
3. The Management along with the Board of Directors are also responsible for ensuring that the Company complies with the conditions of Corporate Governance as stipulated in the Listing Regulations, issued by the Securities and Exchange Board of India.

Auditor's Responsibility

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

Opinion

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

Other matters and restriction on use

9. This report is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.
10. This report is addressed to and provided to the members of the Company solely for the purpose of enabling it to comply with its obligations under the Listing Regulations with reference to compliance with the relevant regulations of Corporate Governance and should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care or for any other purpose or to any other party to whom it is shown or into whose hands it may come without our prior consent in writing. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

Date: 7/8/2021

Place: Vadodara

UDIN: 21047966AAAABU5370

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

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

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

I have examined the registers, records, books, form, returns and disclosures received from the Directors of Zenith Fibres Limited, (CIN L40100MH1989PLC054580), having Registered Office at 205, Marol Bhavan, Sir M. V. Road, J. B. Nagar Post, Andheri (East), Mumbai- 400059, produced before me by the Company for the purpose of issuing this Certificate in pursuance to Regulation 34(3) read with Schedule V Para-C Sub-clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. **I have conducted online verification and examination of records as facilitated by the Company due to Covid 19 and subsequent lockdown situation for the purpose of issuing this Report.**

In my opinion and to the best of my information and according to the verification (including Director Identification Number (DIN) status on MCA website) as considered necessary and explanation furnished to me by the Company and its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the financial year ended on 31st March, 2021 has been debarred or disqualified from being appointed or continuing as Directors of the companies by the Securities and Exchange Board of India and/or Ministry of Corporate Affairs:

| Sr. No | Name of the Director & DIN | Designation | Date of Appointment in the Company |
|--------|---|----------------------|------------------------------------|
| 1) | Mr. Sanjeev Rungta (DIN: 00053602) | Whole time Director | 05/10/1991 |
| 2) | Mr. Aman Sanjeev Rungta(DIN: 03585306) | Whole time Director | 01/04/2020 |
| 3) | Mr. Mukund B. Beriwalla (DIN: 00053669) | Independent Director | 15/04/2002 |
| 4) | Ms. Rashmiben S. Desai (DIN: 02281570) | Independent Director | 11/11/2017 |

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

Date: 7/8/2021
Place: MUMBAI
UDIN: F002727C000753356

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

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF ZENITH FIBRES LIMITED

Report on the Audit of the Standalone AS Financial Statements

Opinion

We have audited the accompanying standalone financial statements of Zenith Fibres Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2021, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Statement of Changes in Equity, the Cash Flow Statement for the year then ended and notes to the standalone financial statements, including 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 aforesaid standalone financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021 and its profit, total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone 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 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 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 |
|--|---|
| Valuation of Investments We refer to the accounting policies and the notes given at 3.4 and 7. Significant amount of company's resources are invested in financial assets. Development in financial markets have posed a risk to realisability of investments, both in equity and debt. | Our audit procedures included, among others, more detailed review of investment portfolio, subsequent changes in the Net Asset values, use of data from external sources, and also discussed the key assumptions used by management in impairment testing to understand the impact on the recoverable amounts. The procedures and the detailed review did not identify any material differences. |

Information Other than the Financial Statements and Auditor's Report Thereon

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

Our opinion on the Standalone 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 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 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 financial statements that give a true and fair view of the financial position, financial performance, including other comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 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 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 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 financial statements comply with the Accounting Standards specified under section 133 of the Act.
 - (e) On the basis of the written representations received from the directors as on 31st March, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2021 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 financial statements – Refer Note 35.1.1 to the standalone 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;

Date : June 26, 2021

Place: Vadodara

UDIN: 21047966AAAABO6879

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

ANNEXURE-A TO INDEPENDENT AUDITOR'S REPORT

Annexure referred to in paragraph 1 under the heading "Report on Other Legal and Regulatory Requirements" of the Independent Auditor's Report to the members of Zenith Fibres Limited for the year ended 31st March, 2021

- 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. According to the information and explanations given to us, 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 physical verification of inventory as compared to book records.
- 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 granted and investments made. The company has not provided any guarantees or security to the parties covered under section 185 and 186 of the Act.
- 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, 2021 on account of disputes are as under

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

- viii) The Company has not defaulted in repayment of loans or borrowings to Bank. There are no loans or borrowings from financial institutions or Government and the Company has not issued any debentures.

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

Date: June 26,2021
Place: Vadodara
UDIN: 21047966AAAABO6879

FOR SURENDRA MODIANI & ASSOCIATES
Chartered Accountants (F. R. No. 126307W)
SURENDRA MODIANI (Partner)
Membership 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, 2021]

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, 2021 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 judgment, 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, 2021, 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: June 26, 2021

Place: Vadodara

UDIN: 21047966AAAABO6879

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

Balance Sheet as at 31st March,2021

(Figures in ₹)

| Particulars | | Note No. | As At 31-Mar-2021 | As At 31-Mar-2020 |
|---|--|----------|----------------------|----------------------|
| ASSETS | | | | |
| (1) NON-CURRENT ASSETS | | | | |
| | (a) Property, Plant and Equipment | 4 | 12,41,38,335 | 13,19,88,238 |
| | (b) Intangible Assets | 5 | 86,542 | 1,55,784 |
| | (c) Right of Use Assets | 6 | 41,30,945 | 57,92,422 |
| | (d) Financial Assets | | | |
| | (i) Investments | 7 | 3,64,77,806 | 3,82,61,485 |
| | (ii) Other Financial Assets | 8 | 1,51,179 | - |
| | (e) Other Non-Current Assets | 9 | 5,86,711 | 7,36,711 |
| | TOTAL NON-CURRENT ASSETS | | 16,55,71,518 | 17,69,34,640 |
| (2) CURRENT ASSETS | | | | |
| | (a) Inventories | 10 | 3,36,98,419 | 3,93,83,937 |
| | (b) Financial Assets | | | |
| | (i) Trade Receivables | 11 | 1,80,94,470 | 2,77,07,292 |
| | (ii) Cash and Cash Equivalents | 12 | 14,59,88,506 | 12,42,83,174 |
| | (iii) Bank Balances Other than (ii) above | 13 | 59,70,583 | 62,80,845 |
| | (iv) Loans (ICD) | 14 | 14,30,00,000 | 13,02,00,000 |
| | (v) Other Financial Assets | 15 | 91,92,615 | 71,43,192 |
| | (vi) Current Tax Assets Net | 16 | 25,34,332 | 10,22,435 |
| | (c) Other Current Assets | 17 | 48,51,106 | 59,85,637 |
| | TOTAL CURRENT ASSETS | | 36,33,30,031 | 34,20,06,512 |
| TOTAL ASSETS | | | 52,89,01,549 | 51,89,41,152 |
| EQUITY AND LIABILITIES | | | | |
| (1) EQUITY | | | | |
| | (a) Equity Share Capital | 18 | 3,94,41,360 | 3,94,41,360 |
| | (b) Other Equity | 19 | 45,21,79,501 | 44,62,27,144 |
| | TOTAL EQUITY | | 49,16,20,861 | 48,56,68,504 |
| (2) LIABILITIES | | | | |
| (I) NON-CURRENT LIABILITIES | | | | |
| | (a) Financial Liabilities | | | |
| | - Lease Liabilities | 20 | 35,15,060 | 52,05,333 |
| | (b) Provisions | 21 | 88,51,952 | 74,45,797 |
| | (b) Deferred Tax Liabilities (Net) | 22 | 1,12,32,709 | 90,42,572 |
| | TOTAL NON-CURRENT LIABILITIES | | 2,35,99,721 | 2,16,93,702 |
| (II) CURRENT LIABILITIES | | | | |
| | (a) Financial Liabilities | | | |
| | (i) Lease Liabilities | 23 | 11,05,084 | 9,69,330 |
| | (ii) Trade Payables | 24 | | |
| | - Total outstanding dues of Micro and Small Enterprises | | 13,507 | - |
| | - Total outstanding dues of Creditors other than Micro and Small Enterprises | | 20,33,106 | 29,58,721 |
| | (iii) Other Financial Liabilities | 25 | 18,20,583 | 21,30,845 |
| | (b) Other Current Liabilities | 26 | 75,18,050 | 43,62,179 |
| | (c) Provisions | 27 | 11,90,637 | 11,57,871 |
| | TOTAL CURRENT LIABILITIES | | 1,36,80,967 | 1,15,78,946 |
| | Significant Accounting Policies | 2&3 | | |
| | Other Notes to the Financial Statements | 35 | | |
| TOTAL EQUITY AND LIABILITIES | | | 52,89,01,549 | 51,89,41,152 |

As per our report of even date

FOR SURENDRA MODIANI & ASSOCIATES
Chartered Accountants (F.R.N. 126307W)

For and on behalf of Board of Directors

SURENDRA MODIANI (Partner)
(Membership No. 047966)

AMAN RUNGTA (Director Finance)
(DIN : 03585306)

SANJEEV RUNGTA (Executive Chairman)
(DIN : 00053602)

Date : 26-06-2021
Place : Vadodara

SIDDHI SHAH
(Company Secretary)

MUKUND BERIWALA (Director)
(DIN : 00053699)

Statement of Profit and Loss for the Year Ended 31st March, 2021

(Figures in ₹)

| Particulars | | Note No. | As At 31-Mar-2021 | As At 31-Mar-2020 |
|-----------------|---|----------|----------------------|----------------------|
| INCOME | | | | |
| I | Revenue from Operations | 28 | 23,93,05,898 | 28,37,01,024 |
| II | Other Income | 29 | 2,05,49,611 | 2,00,31,429 |
| III | Total Income (I + II) | | 25,98,55,509 | 30,37,32,453 |
| EXPENSES | | | | |
| IV | Cost of raw material and components consumed | 30 | 14,65,09,494 | 17,41,26,742 |
| | Changes in inventories of finished goods, stock-in-trade and work-in-progress | 31 | 1,38,13,268 | (55,62,532) |
| | Employee benefits expense | 32 | 3,12,40,174 | 3,61,07,576 |
| | Finance costs | 33 | 13,12,879 | 12,44,512 |
| | Depreciation and amortisation expense | 4 to 6 | 94,97,896 | 89,00,627 |
| | Other expenses | 34 | 4,81,70,077 | 6,28,17,237 |
| | TOTAL EXPENSES (IV) | | 25,05,43,788 | 27,76,34,162 |
| V | Profit Before Exceptional Items and Tax (III - IV) | | 93,11,721 | 2,60,98,291 |
| VI | Exceptional and Extraordinary Items | | - | - |
| VII | Profit Before Tax (V-VI) | | 93,11,721 | 2,60,98,291 |
| VIII | Tax Expenses | | | |
| | Current Tax | | 5,000 | 25,25,000 |
| | Adjustment of Tax relating to earlier Periods | | (50,559) | 21,97,988 |
| | Deferred Tax | | 24,95,874 | 15,92,241 |
| | Total Tax Expenses | | 24,50,315 | 63,15,229 |
| IX | Profit for the Year (V-VI) | | 68,61,406 | 1,97,83,061 |
| X | Other Comprehensive Income | | | |
| | Items that will not be reclassified to Statement of Profit & Loss | | | |
| | (i) Re-measurement of Defined Benefit Obligation | | (12,14,786) | (8,67,141) |
| | (ii) Income Tax effect relating to items that will not be reclassified to profit & loss | | 3,05,737 | 2,18,242 |
| XI | Total Comprehensive Income for the Year (IX + X) | | 59,52,357 | 1,91,34,162 |
| XII | Earning Per Equity Share (Basic and Diluted) | | 1.74 | 4.89 |
| | Significant Accounting Policies | 2 & 3 | | |
| | Other Notes to the Financial Statements | 35 | | |

As per our report of even date

FOR SURENDRA MODIANI & ASSOCIATES

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

For and on behalf of Board of Directors

SURENDRA MODIANI (Partner)
(Membership No. 047966)

AMAN RUNGTA (Director Finance)
(DIN : 03585306)

SANJEEV RUNGTA (Executive Chairman)
(DIN : 00053602)

Date : 26-06-2021
Place : Vadodara

SIDDHI SHAH
(Company Secretary)

MUKUND BERIWALA (Director)
(DIN : 00053699)

Statement of Cash Flows for the Year Ended 31st March, 2021

(Figures in ₹)

| | Particulars | As At 31-Mar-2021 | As At 31-Mar-2020 |
|-------------|---|----------------------|----------------------|
| I. | CASH FLOW FROM OPERATING ACTIVITIES | | |
| | Profit before tax | 93,11,721 | 2,60,98,292 |
| | Adjustments for : | | |
| | Depreciation and amortisation | 94,97,896 | 89,00,627 |
| | (Gain) / Loss on sale of investments and revaluation of mutual fund measured at FVTPL | (16,35,579) | 8,18,438 |
| | (Gain) / Loss on disposal of property, plant and equipment | - | (2,35,377) |
| | Unrealized foreign exchange gain / (loss) | 1,45,304 | (1,78,825) |
| | Gain on sale of investments | (7,24,696) | (25,17,081) |
| | Interest income | (1,77,53,357) | (1,79,99,110) |
| | Income from Units in Investment Funds | (4,35,979) | (98,299) |
| | Finance cost | 13,12,879 | 12,44,512 |
| | Changes in Operating Assets and Liabilities | (2,81,811) | 1,60,33,177 |
| | (Increase)/Decrease in Inventories | 56,85,518 | (18,31,982) |
| | (Increase)/Decrease in Trade Receivables | 94,67,518 | (1,96,09,074) |
| | (Increase)/Decrease in Other Assets | (6,05,809) | (35,11,791) |
| | Increase/(Decrease) in Trade Payables | (9,12,108) | 1,67,857 |
| | Increase/(Decrease) in Other Financial Liabilities | (3,10,262) | (9,19,062) |
| | Increase/(Decrease) in Other Liabilities | 31,55,871 | (5,71,598) |
| | Increase/(Decrease) in Provisions | 2,24,134 | 12,08,475 |
| | Cash generated from operations | 1,64,23,051 | (90,33,998) |
| | Income Tax Paid | 14,66,338 | 43,70,515 |
| | | 1,49,56,713 | (1,34,04,513) |
| II. | INVESTING ACTIVITIES | | |
| | Interest Income | 1,77,53,357 | 1,80,97,409 |
| | Income from Units in Investment Funds | 4,35,979 | 98,299 |
| | Purchase of Fixed Assets | (5,02,462) | (8,26,45,334) |
| | Sale Proceeds of Fixed Assets | - | 13,45,000 |
| | Loans and deposits given to companies | (4,50,00,000) | (9,60,00,000) |
| | Loans and deposits repaid by the companies | 3,22,00,000 | 5,33,00,000 |
| | (Purchase) / Sales of Investments | 41,43,954 | 11,15,55,310 |
| | | 90,30,828 | 57,50,684 |
| III. | FINANCING ACTIVITIES | | |
| | Buyback of equity share capital | - | (2,63,01,550) |
| | Payment of lease liabilities | (9,69,330) | (8,94,680) |
| | Finance cost | (13,12,879) | (12,44,512) |
| | Dividend (including tax on dividend) paid | - | (47,54,865) |
| | | (22,82,209) | (3,31,95,607) |
| | Net change in Cash and cash equivalents | 2,17,05,332 | (3,84,30,654) |
| | Cash and cash equivalents at the beginning of the year | 12,42,83,174 | 16,27,13,828 |
| | | 14,59,88,506 | 12,42,83,174 |

As per our report of even date

FOR SURENDRA MODIANI & ASSOCIATES
Chartered Accountants (F.R.N. 126307W)

For and on behalf of Board of Directors

SURENDRA MODIANI (Partner)
(Membership No. 047966)

AMAN RUNGTA (Director Finance)
(DIN : 03585306)

SANJEEV RUNGTA (Executive Chairman)
(DIN : 00053602)

Date : 26-06-2021
Place : Vadodara

SIDDHI SHAH
(Company Secretary)

MUKUND BERIWALA (Director)
(DIN : 00053699)

(A) EQUITY SHARE CAPITAL

| Particulars | 31st March, 2021 | | 31st March, 2020 | |
|---------------------------------------|------------------|--------------------|------------------|--------------------|
| | No. of Shares | Amount ₹ | No. of Shares | Amount ₹ |
| Balance at the beginning of the year | 44,22,346 | 4,42,23,460 | 44,22,346 | 4,42,23,460 |
| Less : Buy-back of Equity Shares | (4,78,210) | (47,82,100) | (4,78,210) | (47,82,100) |
| Balance at the end of the year | 39,44,136 | 3,94,41,360 | 39,44,136 | 3,94,41,360 |

(B) OTHER EQUITY

| Particulars | Capital Reserve | Share Premium Reserve | Capital Redemption Reserve | General Reserve | Retained Earnings | Other Comprehensive Income | Total |
|--|------------------|-----------------------|----------------------------|---------------------|---------------------|----------------------------|---------------------|
| Balance as at April 1, 2019 | 91,94,405 | 91,83,588 | - | 31,10,00,000 | 12,55,39,576 | (15,50,272) | 45,33,67,297 |
| Profit for the year | - | - | - | - | 1,97,83,061 | - | 1,97,83,061 |
| Paid for Share Buy-back | - | (91,83,588) | - | (1,23,35,862) | - | - | (2,15,19,450) |
| Other Comprehensive Income | - | - | - | - | - | (6,48,899) | (6,48,899) |
| Total Comprehensive Income for the year | 91,94,405 | - | - | 29,86,64,138 | 14,53,22,637 | (21,99,171) | 45,09,82,009 |
| Dividend Paid | - | - | - | - | (39,44,136) | - | (39,44,136) |
| Tax on Dividend Paid | - | - | - | - | (8,10,729) | - | (8,10,729) |
| Created / (Utilised) during the year | - | - | 47,82,100 | (47,82,100) | - | - | - |
| Balance as at March 31, 2020 | 91,94,405 | - | 47,82,100 | 29,38,82,038 | 14,05,67,772 | (21,99,171) | 44,62,27,144 |
| Profit for the year | - | - | - | - | 68,61,406 | - | 68,61,406 |
| Other Comprehensive Income | - | - | - | - | - | (9,09,049) | (9,09,049) |
| Balance as at March 31, 2021 | 91,94,405 | - | 47,82,100 | 29,38,82,038 | 14,74,29,178 | (31,08,220) | 45,21,79,501 |

1. Corporate Information

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

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

2. Statement of compliance and basis of preparation and presentation**2.1 Basis of preparation**

These financial statements have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the ‘Ind AS’) as notified by Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time.

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

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

2.2 Significant Accounting judgments, estimates and assumptions

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

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

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

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

2.3 Impact assessment of the global health pandemic- COVID-19

The impact of Covid -19 pandemic was felt across the economy and business segments. Consequent to significant opening up of the economic activity, the demand for the company's products has improved compared to that during the initial phases of Covid-19 including the lock down period.

The Company has considered the possible effects that may result from COVID-19 in the preparation of these Standalone financial statements including the recoverability of carrying amounts of financial and non-financial assets. Based on the current year performance and estimates arrived at using internal and external sources of information, the company does not expect any material impact on such carrying values

2.4 Functional Currency:

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

2.5 Classification of current or non-current assets and liabilities

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

Current versus non-current classification

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

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

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or

- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current.

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

2.6 Fair Value Measurement:

The Company measures financial instruments, such as investments (other than equity investments in Associates) and derivatives at fair values at each Balance Sheet date.

Fair value is the price that would be received on sale of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Company.

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

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

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

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

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

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

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

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

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

3. Significant Accounting Policies

3.1 Property, Plant and Equipment (PPE):

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

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

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

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

3.2 Depreciation and amortization

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

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

3.3 Impairment of assets

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

3.4 Investments and financial assets

a) Investment in Associates

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

b) Other investments and financial assets

i) Classification

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

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

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income, as elected.

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

ii) Measurement

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

Debt instruments

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

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

Fair value through profit or loss: Assets that do not meet the criteria for amortized cost, are measured at fair value through profit or loss e.g. investments in mutual funds.

iii) Impairment of financial assets

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

iv) Derecognition of financial assets

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

3.5 Derivative financial instruments

The company holds derivative financial instruments such as foreign exchange forward contracts to mitigate the risk of changes in exchange rates on foreign currency exposures. The counterparty for these contracts is generally a bank.

These derivatives are measured at fair value through profit or loss and the resulting exchange gains or losses are included in other income. Assets/liabilities in this category are presented as current assets /current liabilities if they are either held for trading or are expected to be realized within 12 months after the Balance Sheet date.

3.6 Inventories

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

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

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

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

3.7 Revenue Recognition:

Revenue from Operations:

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

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

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

Revenue excludes amounts collected on behalf of third parties.

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

i. Sale of Goods

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

significant financing components, noncash consideration, and consideration payable to the customer (if any).

Variable consideration

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

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

Contract balances

Trade receivables

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

Contract liabilities

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

Cost to obtain a contract

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

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

Critical judgments

The Company's contracts with customers include promises to transfer goods to the customers. Judgment 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.

Interest Income

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

3.8 Non-current assets held for sale

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

3.9 Foreign currency transactions and translation

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

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

3.10 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.

3.11 Borrowing Costs

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

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

3.12 Taxation

Income tax expense comprises current and deferred income tax.

Current income tax

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

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

Deferred tax

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

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

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

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

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

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

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

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

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

3.13 Earnings per share

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

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

3.14 Cash and cash equivalents

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

3.15 Segment Reporting

Identification of segments

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

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

Allocation of common costs

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

Inter-segment transfers

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

Unallocated items

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

Segment Policies:

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

3.16 Leases:

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

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

At the date of commencement of the lease, the Company recognises a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short term leases) and leases of low value assets. For these

short term and leases of low value assets, the Company recognises the lease payments as an operating expense on a straight line basis over the term of the lease.

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

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

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

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

3.17 Provisions and contingent liabilities

Provisions:

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

Contingencies

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

4. PROPERTY, PLANT & EQUIPMENT :

| Particulars | DEEMED COST | | | | ACCUMULATED DEPRECIATION | | | | NET CARRYING AMOUNT As At 31-03-2021 |
|----------------------|------------------------------|-----------------|------------|------------------------------|--------------------------|------------------|------------|--------------------|--------------------------------------|
| | Deemed Cost As At 01-04-2020 | Additions | Deductions | Deemed Cost As At 31-03-2021 | As At 01-04-2020 | Additions | Deductions | As At 31-03-2021 | |
| Land | 63,86,398 | - | - | 63,86,398 | - | - | - | - | 63,86,398 |
| Building | 2,53,80,099 | - | - | 2,53,80,099 | 33,94,512 | 11,17,390 | - | 45,11,902 | 2,08,68,197 |
| Plant & Machinery | 10,70,94,631 | 88,500 | - | 10,71,83,131 | 1,06,31,963 | 57,02,787 | - | 1,63,34,749 | 9,08,48,382 |
| Furniture & Fixtures | 31,32,686 | 3,44,746 | - | 34,77,432 | 5,98,599 | 3,12,329 | - | 9,10,928 | 25,66,504 |
| Office Equipments | 12,35,718 | 47,216 | - | 12,82,934 | 2,89,793 | 2,99,955 | - | 5,89,748 | 6,93,186 |
| Electric Fittings | 68,367 | - | - | 68,367 | 25,542 | 4,742 | - | 30,283 | 38,084 |
| Vehicles | 48,34,442 | - | - | 48,34,442 | 13,23,612 | 8,59,412 | - | 21,83,024 | 26,51,418 |
| Computers | 3,66,813 | 22,000 | - | 3,88,813 | 2,46,895 | 55,752 | - | 3,02,647 | 86,166 |
| | 14,84,99,154 | 5,02,462 | - | 14,90,01,616 | 1,65,10,915 | 83,52,367 | - | 2,48,63,281 | 12,41,38,335 |

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

5. INTANGIBLE ASSETS :

| Particulars | DEEMED COST | | | | ACCUMULATED DEPRECIATION | | | | NET CARRYING AMOUNT As At 31-03-2021 |
|-------------------|------------------------------|-----------|------------|------------------------------|--------------------------|---------------|------------|------------------|--------------------------------------|
| | Deemed Cost As At 01-04-2020 | Additions | Deductions | Deemed Cost As At 31-03-2021 | As At 01-04-2020 | Additions | Deductions | As At 31-03-2021 | |
| Intangible Assets | 5,34,782 | - | - | 5,34,782 | 3,78,998 | 69,242 | - | 4,48,240 | 86,542 |
| | 5,34,782 | - | - | 5,34,782 | 3,78,998 | 69,242 | - | 4,48,240 | 86,542 |

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

6. RIGHT OF USE ASSETS :

| Particulars | DEEMED COST | | | | ACCUMULATED DEPRECIATION | | | | NET CARRYING AMOUNT As At 31-03-2021 |
|---------------------|------------------------------|-----------|-----------------|------------------------------|--------------------------|------------------|------------|------------------|--------------------------------------|
| | Deemed Cost As At 01-04-2020 | Additions | Deductions | Deemed Cost As At 31-03-2021 | As At 01-04-2020 | Additions | Deductions | As At 31-03-2021 | |
| Right of Use Assets | 70,69,344 | - | 5,85,190 | 64,84,154 | 12,76,922 | 10,76,286 | - | 23,53,208 | 41,30,946 |
| | 70,69,344 | - | 5,85,190 | 64,84,154 | 12,76,922 | 10,76,286 | - | 23,53,208 | 41,30,946 |

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

(Figures in ₹)

| Particulars | As At 31-Mar-2021 | As At 31-Mar-2020 |
|---|------------------------|------------------------|
| 7 FINANCIAL ASSETS | | |
| [Investments - Other than Trading measured at cost] | | |
| Shares of Associate Company | 1,00,00,000 | 1,00,00,000 |
| Rainy Properties Pvt Ltd (10,00,000 Equity shares of Rs. 10 each fully paid up) (Previous Year 10,00,000 Equity shares of Rs.10 each fully paid up) | | |
| Investments in Bonds Un-Quoted | 13,03,000 | 29,07,000 |
| National Highway Authority of India (1303 Bonds of Rs.1000/- each) (Previous Year 2600 Bonds of Rs.1000/- each) | | |
| Indian Railway Finance Corporation of India Limited (NIL) (Previous year 307 Bonds of Rs.1000/- each) | | |
| Investments measured at fair value through profit & loss account | | |
| Investments in Mutual Funds | 1,46,63,858 | 1,53,54,485 |
| Mutual Funds - Un-Quoted | 31-03-2021 | 31-03-2020 |
| | (No. of Units) | (No. of Units) |
| Franklin - India ST Income Plan Ret (G) | 3673 | 4007 |
| <i>The company has invested an amount of Rs.1,23,99,494/- in 3673.416 units of Franklin India Mutual Fund in short term income plan. These investments in Mutual Fund are valued at Rs. 1,46,63,858/- considering the Net Asset Value as on 31st March, 2021. Franklin Templeton Mutual Fund has wound up this scheme w.e.f. 23rd April, 2020 and</i> | | |
| Alternate Investments Fund (Indiabulls High Yield Fund) | 1,05,10,948 | 1,00,00,000 |
| | 3,64,77,806 | 3,82,61,485 |
| 8 OTHER FINANCIAL ASSETS | | |
| Interest Receivables | 85,179 | - |
| Loans to Employees | 66,000 | - |
| | 1,51,179 | - |
| 9 OTHER NON-CURRENT ASSETS | | |
| Unsecured, Considered Good | | |
| Security Deposit | 5,86,711 | 7,36,711 |
| | 5,86,711 | 7,36,711 |
| CURRENT ASSETS | | |
| 10 INVENTORIES (at lower of cost and net realisable value) | | |
| Raw Materials | 2,15,54,767 | 1,35,98,598 |
| Work-in-Progress | 4,80,150 | 7,48,072 |
| Finished Goods | 91,41,095 | 2,26,86,441 |
| Stores and Spares | 21,05,292 | 20,48,162 |
| Loose Tools | 1,12,376 | 62,645 |
| Other - Packing Materials | 3,04,739 | 2,40,019 |
| | 3,36,98,419 | 3,93,83,937 |
| 11 TRADE RECEIVABLES | | |
| Unsecured and Considered Good | | |
| Trade Receivables outstanding for a period exceeding six months | 2,890 | 2,897 |
| Other Trade Receivables | 1,80,91,580 | 2,77,04,395 |
| | 1,80,94,470 | 2,77,07,292 |
| 12 CASH AND CASH EQUIVELENTS | | |
| Cash on Hand | 26,413 | 6,51,969 |
| Balance with Banks - (In Current Accounts) | 3,43,283 | 2,46,78,849 |
| Balance with Banks - (In EEFC Account) | 1,92,66,454 | - |
| Fixed Deposit with Banks with maturity from date of Balance Sheet | | |
| - More than 12 months | 14,59,401 | 14,59,401 |
| - Less than 12 months | 12,48,92,955 | 9,74,92,955 |
| | 14,59,88,506 | 12,42,83,174 |
| 13 BANK BALANCES OTHER THAN CASH AND CASH EQUIVELENTS | | |
| Earmarked Balances | | |
| In Unclaimed Dividend Accounts | 18,20,583 | 21,30,845 |
| Deposit | 41,50,000 | 41,50,000 |
| | 59,70,583 | 62,80,845 |

| Particulars | | As At 31-Mar-2021 | As At 31-Mar-2020 | | |
|--|--|---|----------------------|---|------------------|
| 14 LOANS | | | | | |
| | Unsecured, considered good | | | | |
| | Loans to related party | - | 22,00,000 | | |
| | Loans to others | 14,30,00,000 | 12,80,00,000 | | |
| | | 14,30,00,000 | 13,02,00,000 | | |
| 15 OTHER FINANCIAL ASSETS | | | | | |
| | Interest Receivables | 88,95,435 | 68,56,244 | | |
| | Interest Receivables on Tax Free Bonds | 81,719 | 2,29,348 | | |
| | Foreign Exchange Forward Contract Receivable | 1,36,465 | - | | |
| | Loans to Employees | 78,996 | 57,600 | | |
| | | 91,92,615 | 71,43,192 | | |
| 16 CURRENT TAX ASSETS / (LIABILITIES) | | | | | |
| | Opening Balance | 10,22,435 | 13,74,909 | | |
| | Add : Tax Paid (net of refunds) | 14,66,338 | 43,70,515 | | |
| | Less : Current tax expense for the year | (5,000) | (25,25,000) | | |
| | Add : Tax relating to prior years | 50,559 | (21,97,989) | | |
| | | 25,34,332 | 10,22,435 | | |
| 17 OTHER CURRENT ASSETS | | | | | |
| | Unsecured, considered good | | | | |
| | (a) Advances recoverable in cash or kind or for value to be received | 44,14,597 | 57,17,690 | | |
| | (b) Pre-Paid Expenses | 4,36,509 | 2,67,947 | | |
| | | 48,51,106 | 59,85,637 | | |
| 18 EQUITY SHARE CAPITAL | | | | | |
| | AUTHORISED | | | | |
| | 6000000 Equity Shares of ₹ 10/- each (Previous year : 6000000 Equity Shares of ₹ 10/- each) | 6,00,00,000 | 6,00,00,000 | | |
| | ISSUED | | | | |
| | 3944136 Equity Shares of ₹ 10/- each (Previous year : 3944136 Equity Shares of ₹ 10/- each) | 3,94,41,360 | 3,94,41,360 | | |
| | SUBSCRIBED AND PAID-UP | | | | |
| | 3944136 Equity Shares of ₹ 10/- each (Previous year : 3944136 Equity Shares of ₹ 10/- each) | 3,94,41,360 | 3,94,41,360 | | |
| (a) | Reconciliation of number of shares outstanding at the beginning and at the end of reporting period | 31st March, 2021 | | 31st March, 2020 | |
| | | No. of Shares | Amount ₹ | No. of Shares | Amount ₹ |
| | At the beginning of the year | 39,44,136 | 3,94,41,360 | 44,22,346 | 4,42,23,460 |
| | Changes during the year | - | - | (4,78,210) | (47,82,100) |
| | At the end of the year | 39,44,136 | 3,94,41,360 | 39,44,136 | 3,94,41,360 |
| (b) | Details of shares held by each shareholder holding more than 5% of shares in the Company | No. of shares at the end of the year | % Holding | No. of shares at the beginning of the year | % Holding |
| | Demris Finvest Pvt. Ltd. | - | - | 4,81,500 | 12.21% |
| | Galaxy Dealers Pvt. Ltd. | - | - | 3,25,810 | 8.26% |
| | Rainy Fiscal Services Pvt. Ltd. | - | - | 5,60,100 | 14.20% |
| | Alpha Stitch-Art Pvt. Ltd. | 10,41,600 | 26.41% | - | - |
| | Alpha Overseas International Pvt. Ltd. | 1,66,700 | 4.23% | - | - |
| | Shark Barter Pvt. Ltd. | 4,50,000 | 11.41% | 4,50,000 | 11.41% |
| 19 OTHER EQUITY | | | | | |
| | (a) Capital Reserve | | | | |
| | - Subsidy | | | | |
| | The Company has recognised subsidy in earlier years towards new project capital investment from Government of Gujarat | | | 25,00,000 | 25,00,000 |
| | - Cancellation of Forfeited Shares | | | | |
| | The Company has recognised this reserve out of money received on cancellation of & forfeited shares against unpaid balance from right issues | | | 66,60,905 | 66,60,905 |
| | - On reissue on forfeited shares | | | | |
| | The Company has recognised this reserve on forfeiting the application money received on re-issue of originally forfeited shares | | | 33,500 | 33,500 |
| | | | | 91,94,405 | 91,94,405 |

| Particulars | As At 31-Mar-2021 | As At 31-Mar-2020 |
|---|----------------------|----------------------|
| (b) Capital Redemption Reserve | 47,82,100 | 47,82,100 |
| | 47,82,100 | 47,82,100 |
| (c) General Reserve | | |
| - Opening Balance of General Reserve | 29,38,82,038 | 31,10,00,000 |
| Less : Paid for Equity Shares buy-back | - | (1,71,17,962) |
| | 29,38,82,038 | 29,38,82,038 |
| (d) Retained earnings | | |
| - Balance Brought Forward from Last Year Profit | 14,05,67,772 | 12,55,39,576 |
| - Transfer from Current Year Profit | 68,61,406 | 1,97,83,061 |
| | 14,74,29,178 | 14,53,22,637 |
| Less : Appropriations | | |
| (a) Dividend paid | - | 39,44,136 |
| (b) Tax on Dividend paid | - | 8,10,729 |
| | 14,74,29,178 | 14,05,67,772 |
| (e) Other Comprehensive Income | | |
| The Company has recognised the gain or loss on re-measurement of defined benefit obligation through Other Comprehensive (OCI) reserve | (31,08,220) | (21,99,171) |
| Total Reserve and Surplus (a)+(b)+(c)+(d) | 45,21,79,501 | 44,62,27,144 |

Details of additions / deductions to other Equity since last date of Balance sheet

| NON-CURRENT LIABILITIES | | | | |
|---|--|--------------------|--|------------------|
| 20 LEASE LIABILITIES | | | | |
| Lease Liabilities | | 35,15,060 | | 52,05,333 |
| | | 35,15,060 | | 52,05,333 |
| 21 PROVISIONS | | | | |
| Provision for Gratuity | | 86,15,816 | | 68,14,517 |
| Provision for Compensated absence | | 2,36,136 | | 6,31,280 |
| | | 88,51,952 | | 74,45,797 |
| 22 DEFERRED TAX LIABILITIES (NET) | | | | |
| Details of Net Deferred Tax (Assets) / Liabilities as under ; | | | | |
| Deferred Tax Liabilities | | 1,40,59,271 | | 1,14,06,525 |
| Deferred Tax Assets | | 28,26,562 | | 23,63,953 |
| | | 1,12,32,709 | | 90,42,572 |

The movement of deferred tax account is as follows :

| Year Ended 31st March, 2021 | Opening Balance | Recognized in Profit & Loss A/c | Recognized in Other Comprehensive | Closing Balance |
|--|--------------------|---------------------------------|-----------------------------------|----------------------|
| Deferred Tax Assets | | | | |
| Expenses Allowable on Payments | 2,85,652 | (7,396) | - | 2,78,256 |
| Provision for Employee Benefits | 19,82,099 | 4,43,085 | - | 24,25,184 |
| Other Temporary Differences | 96,202 | 26,920 | - | 1,23,122 |
| Total Deferred Tax Assets | 23,63,953 | 4,62,609 | - | 28,26,562 |
| Deferred Tax Liabilities | | | | |
| Depreciation and Amortisation | 1,09,46,530 | 22,41,104 | - | 1,31,87,634 |
| Fair Valuation of Mutual Fund | 4,59,995 | 4,11,642 | - | 8,71,637 |
| Total Deferred Tax Liabilities | 1,14,06,525 | 26,52,746 | - | 1,40,59,271 |
| NET DEFERRED TAX ASSETS / (LIABILITIES) | (90,42,572) | (21,90,137) | - | (1,12,32,709) |

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

| | | (Figures in ₹) | |
|--|----------------------|----------------------|--|
| Particulars | As At 31-Mar-2021 | As At 31-Mar-2020 | |
| FINANCIAL LIABILITIES | | | |
| 23 LEASE LIABILITIES | | | |
| Lease Liabilities | 11,05,084 | 9,69,330 | |
| | 11,05,084 | 9,69,330 | |
| 24 TRADE PAYABLES | | | |
| - Total outstanding dues of micro enterprises and small enterprises | 13,507 | - | |
| - Total outstanding dues of creditors other than micro enterprises and small enterprises | 20,33,106 | 29,58,721 | |
| | 20,46,613 | 29,58,721 | |
| 25 OTHER FINANCIAL LIABILITIES | | | |
| Unclaimed Dividend | 18,20,583 | 21,30,845 | |
| | 18,20,583 | 21,30,845 | |
| 26 OTHER CURRENT LIABILITIES | | | |
| Statutory Liabilities | 6,17,373 | 5,00,573 | |
| Advance from Customers | 32,04,530 | 3,40,471 | |
| Employee Benefits | 23,77,304 | 26,03,082 | |
| Others | 13,18,843 | 9,18,053 | |
| | 75,18,050 | 43,62,179 | |
| 27 PROVISIONS | | | |
| Provisions for Gratuity | 10,20,166 | 10,60,955 | |
| Provisions for Compensated Absence | 1,70,471 | 96,916 | |
| | 11,90,637 | 11,57,871 | |
| 28 REVENUE FROM OPERATIONS | | | |
| Sale of Products | 23,89,51,200 | 28,25,34,304 | |
| | 23,89,51,200 | 28,25,34,304 | |
| OTHER OPERATING REVENUE | | | |
| Scrap Sales | 86,023 | 1,00,685 | |
| Net gain on foreing currenncy transaction and transalation | 2,67,535 | 4,37,861 | |
| Cash Discount Received | 1,140 | | |
| Liabilities/Provisions no longer required written back | - | 6,28,174 | |
| | 3,54,698 | 11,66,720 | |
| TOTAL REVENUE FROM OPERATIONS | 23,93,05,898 | 28,37,01,024 | |
| 29 OTHER INCOME | | | |
| Interest | 1,77,53,357 | 1,79,99,110 | |
| Gain on sale of Investments and re-valuation of mutual fund measured at FVTPL | 20,44,275 | 16,98,643 | |
| Premium on Tax Free Bond | 3,16,000 | - | |
| Net gain on disposal of property, plant and equipment | - | 2,35,377 | |
| Income from Units in Investment Funds | 4,35,979 | 98,299 | |
| | 2,05,49,611 | 2,00,31,429 | |
| 30 COST OF RAW MATERIALS AND COMPONENTS CONSUMED | | | |
| Opening Stock | 1,35,98,598 | 1,72,70,717 | |
| Add : Purchases | 15,44,65,663 | 17,04,54,623 | |
| | 16,80,64,261 | 18,77,25,340 | |
| Less : Closing Stock | 2,15,54,767 | 1,35,98,598 | |
| | 14,65,09,494 | 17,41,26,742 | |
| 31 CHANGES IN STOCK OF FINISHED GOODS AND WORK-IN-PROGRESS | | | |
| Opening Stock | | | |
| Finished Goods | 2,26,86,441 | 1,72,07,243 | |
| Work-in-Progress and Scrap | 7,48,072 | 6,64,738 | |
| | 2,34,34,513 | 1,78,71,981 | |
| Closing Stock | | | |
| Finished Goods | 91,41,095 | 2,26,86,441 | |
| Work-in-Progress and Scrap | 4,80,150 | 7,48,072 | |
| | 96,21,245 | 2,34,34,513 | |
| | 1,38,13,268 | (55,62,532) | |
| 32 EMPLOYEE BENEFIT EXPENSES | | | |
| Salaries and Wages | 2,77,80,264 | 3,26,29,112 | |
| Contribution to Provident Fund and other Funds | 31,38,337 | 31,29,694 | |
| Staff Welfare Expenses | 3,21,573 | 3,48,770 | |
| | 3,12,40,174 | 3,61,07,576 | |
| 33 FINANCIAL COSTS | | | |
| (a) Interest expenses on | | | |
| (i) Borrowings | 886 | 3,940 | |
| (ii) Others | 9,039 | 90 | |
| (b) Interest expense on Lease Liability | 4,50,944 | 5,29,618 | |
| (c) Other borrowing cost | 8,52,010 | 6,65,636 | |
| (d) Other Financial Costs | - | 45,228 | |
| | 13,12,879 | 12,44,512 | |

(Figures in ₹)

| Particulars | As At 31-Mar-2021 | As At 31-Mar-2020 |
|---|----------------------|----------------------|
| 34 OTHER EXPENSES | | |
| Consumption of stores & spares | 4,09,473 | 3,28,437 |
| Packing Consumed | 11,97,683 | 15,95,948 |
| Power and Fuel | 32,95,592 | 1,34,67,677 |
| Rent | - | 2,32,091 |
| Repairs to building | 3,37,556 | 6,09,532 |
| Repairs other | 11,11,341 | 11,98,950 |
| Repairs to Machinery | 24,72,372 | 14,61,329 |
| Rates and taxes | 1,61,184 | 3,91,834 |
| Insurance | 4,68,682 | 4,16,777 |
| Legal and Professional Charges | 25,72,288 | 20,04,053 |
| Processing Charges | 1,27,81,668 | 1,76,11,838 |
| Security Service Charges | 13,44,317 | 15,97,042 |
| Transportation charges on Job work | 7,11,594 | 8,34,261 |
| Commission | 25,52,140 | 13,97,466 |
| Donations | 6,00,000 | 10,66,001 |
| Travelling and Conveyance | 34,53,920 | 63,24,096 |
| Auditors' Remuneration | | |
| Audit Fees (Including Quarterly review) | 2,50,000 | 2,50,000 |
| Taxation matter | 50,000 | 50,000 |
| Other Services | 50,000 | 50,000 |
| Freight & Forwarding charges-Export | 50,02,024 | 48,57,908 |
| Transmission & Maintenance (WTG) | 36,49,054 | 12,72,851 |
| Shares Buy-back expenses | - | 22,04,366 |
| Miscellaneous Expenses | 56,99,189 | 35,94,780 |
| | 4,81,70,077 | 6,28,17,237 |

35. OTHER NOTES:**35.1.1 Contingent Liabilities;**

| Particulars | As at 31.03.2021 | As at 31.03.2020 |
|------------------|---------------------|---------------------|
| Bank Guarantee | 43,10,000 | 43,10,000 |
| Letter of Credit | 22,92,924 | 23,10,744 |

Claims against the Company not acknowledged as debts:

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 the said demands will be deleted by the Appellate Authorities. Hence no provision is required for the same and it will not have a material adverse effect on the Company's financial position and results of operations.

35.1.2 Commitments**Capital commitments**

Capital expenditure contracted for at the end of the reporting period but not recognized as liabilities is NIL (NIL).

35.1.3 Proposed Dividend:

The Directors have not recommended any dividend for the financial year ended 31st March, 2021 to conserve funds in view of the virus pandemic.

35.1.4 The Company has certain dues to suppliers registered under Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED Act'). The disclosures pursuant to the said MSMED Act are as follows:

(Amount in ₹)

| Particulars | As at 31.03.2021 | As at 31.03.2020 |
|--|---------------------|---------------------|
| Principal amount due to suppliers registered under the MSMED Act, and remaining unpaid as at year end | 13,507 | - |
| Interest due to suppliers registered under the MSMED Act, and remaining unpaid as at year end | - | - |
| Principal amount paid to suppliers registered under the MSMED Act, beyond the appointed day during the year | - | - |
| Interest paid, other than under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year | - | - |
| Interest paid, under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year | - | - |
| Interest due and payable towards suppliers registered under MSMED Act, for payment already made | - | - |
| Further interest remaining due and payable for earlier years | - | - |

35.2 Related Party Disclosures:**(a) Names of related parties and nature of relationships:**

| Name | Nature of Relationship |
|--------------------|--------------------------|
| Mr. Sanjeev Rungta | Executive Chairman |
| Mr. Aman Rungta | Director |
| Ms. Siddhi Shah | Key Management Personnel |

| | |
|--------------------------------------|-----------------------|
| M/s. Rainy Properties Pvt. Ltd. | Associate Company |
| M/s. Rainy Fiscal Services Pvt. Ltd. | Directors are related |

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

(Amount in ₹)

| Name of Related Parties | Nature of Transaction | Transactions during the year | | Amount outstanding as at | |
|---------------------------------|------------------------------------|------------------------------|------------|--------------------------|-------------|
| | | 31.03.2021 | 31.03.2020 | 31.03.2021 | 31.03.2020 |
| Rainy Properties Pvt. Ltd. | Investment in Equity Shares | Nil | Nil | 1,00,00,000 | 1,00,00,000 |
| Rainy Fiscal Services Pvt. Ltd. | ICD | 22,00,000 | 60,00,000 | Nil | 22,00,000 |
| Mr. Sanjeev Rungta | Remuneration including perquisites | 48,00,161 | 41,75,000 | 4,39,400 | 4,05,500 |
| Mr. Aman Rungta | Remuneration including perquisites | 29,08,442 | 7,50,000 | 48,000 | 1,19,500 |
| Ms. Siddhi Shah | Remuneration | 3,93,300 | 3,76,800 | 34,900 | 29,400 |

35.3 Leases

The Company incurred expenditure of ₹ NIL (₹ 2,32,091/-) short-term leases and leases of low-value assets for the year ended 31st March, 2021 which is charged to profit and loss Account. Commitments relating to short-term leases and low value assets were ₹ Nil as on 31st March, 2021.

35.4 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 31st March, 2021

(Amount in ₹)

| Particulars | Carrying Value | Fair Value | Carrying Value | Fair Value |
|--|----------------|--------------|----------------|--------------|
| | 31.03.2021 | 31.03.2021 | 31.03.2020 | 31.03.2020 |
| Financial assets | | | | |
| Investments | 3,64,77,806 | 3,64,77,806 | 3,82,61,485 | 3,82,61,485 |
| Loans (ICD) | 14,30,00,000 | 14,30,00,000 | 13,02,00,000 | 13,02,00,000 |
| Other financial assets | 93,43,794 | 93,43,794 | 71,43,192 | 71,43,192 |
| Financial Liabilities carried at amortized cost | | | | |
| Lease Liabilities | 46,20,144 | 46,20,144 | 61,74,663 | 61,74,663 |
| Trade Payables | 20,46,613 | 20,46,613 | 29,58,721 | 29,58,721 |
| Other Financial liabilities | 18,20,583 | 18,20,583 | 21,30,845 | 21,30,845 |

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 | 31.03.2021 | | |
|--|-------------|---------|---------|
| | Level-1 | Level-2 | Level-3 |
| Financial instruments designated at fair value through profit and loss | | | |
| Mutual and other funds Date of Valuation – 31.03.2021 | 2,51,74,806 | - | - |

| Particulars | 31.03.2020 | | |
|--|-------------|---------|---------|
| | Level-1 | Level-2 | Level-3 |
| Financial instruments designated at fair value through profit and loss | | | |
| Mutual and other funds Date of Valuation – 31.03.2020 | 2,53,54,485 | - | - |

35.5 Component of Other Comprehensive Income (OCI)

(Amount in ₹)

| Particulars | As at | As at |
|--|------------|------------|
| | 31.03.2021 | 31.03.2020 |
| Re-measurement loss (gain) on defined benefit plan | 12,14,786 | 8,67,141 |

35.6 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.

Foreign Currency Exchange Rate Risk

The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the trade receivables and derivative assets/liabilities. The risks primarily relate to fluctuations in US Dollar against the functional currencies of the Company.

The foreign currency risk from financial assets and liabilities is as follows:

| Particulars | US Dollars | US Dollars |
|-------------------------|------------------|------------------|
| | As at 31.03.2021 | As at 31.03.2020 |
| Net Current Assets | 3,58,69,483 | 2,43,63,177 |
| Net Current Liabilities | (Nil) | (Nil) |
| Total | 3,58,69,483 | 2,43,63,177 |

The Company evaluates the impact of foreign exchange rate fluctuations by assessing its exposure to exchange rate risks.

The following tables demonstrate the sensitivity to a reasonably possible change in US dollars exchange rates, with all other variables held constant. The impact on the Company's profit before tax is due to changes in the fair value of monetary assets and liabilities.

(i) Foreign currency Sensitivity

A fluctuation in the exchange rates of 1% with other conditions remaining unchanged would have the following effect on company's profit or loss before taxes as at 31st March, 2021 and 31st March, 2020.

| Change in USD Rate | Impact on Profit before Tax | |
|----------------------------|-----------------------------|------------------|
| | As at 31.03.2021 | As at 31.03.2020 |
| INR / USD – Increase by 1% | 0.04 | 0.01 |
| INR / USD – Decrease by 1% | (0.04) | (0.01) |

(ii) The company holds derivative financial instruments such as foreign exchange forward contracts to mitigate the risk of changes in exchange rates on foreign currency exposures.

The details in respect of outstanding foreign currency forward contracts are as follows:

| Particulars | As at 31.03.2021 | | As at 31.03.2020 | |
|---------------------------------|------------------|-------------|------------------|-------------|
| | In US Dollars | Amount in ₹ | In US Dollars | Amount in ₹ |
| Forward Contracts in US Dollars | 1,50,000 | 1,10,08,915 | 5,12,000 | 3,76,34,240 |

The Company evaluates the impact of foreign exchange rate fluctuations by assessing its exposure to exchange rate risks.

Liquidity Risk

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

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

| Particulars | On Demand | 0-3 Months | 3-6 Months | 6-12 Months | More than 1 Year | Total |
|-----------------------------|-----------|------------|------------|-------------|------------------|-----------|
| As at 31.03.2021 | | | | | | |
| Trade Payables | - | 20,46,613 | - | - | - | 20,46,613 |
| Other Financial Liabilities | 18,20,583 | 75,18,050 | - | - | - | 93,38,633 |
| As at 31.03.2020 | | | | | | |
| Trade Payables | - | 29,58,721 | - | - | - | 29,58,721 |
| Other Financial Liabilities | 21,30,845 | 43,62,179 | - | - | - | 64,93,024 |

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. The Company does not have any debt; interest bearing loans and borrowings

(Amount in ₹)

| Particulars | As at 31.03.2021 | As at 31.03.2020 |
|-----------------------------------|---------------------|---------------------|
| Equity | | |
| Equity share capital | 3,94,41,360 | 3,94,41,360 |
| Other Equity | 45,21,79,501 | 44,62,27,144 |
| Total Equity (Net of Debt) | 49,16,20,861 | 48,56,68,504 |

35.7 Employee Benefits

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

Defined Contribution Plan – Provident Fund ;

During the year, the company has recognized the Company's Contribution to Employees Provident Fund amounting to ₹ 12,93,356/- (₹ 14,49,109/-) as part of Remuneration and other benefits to the employees.

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, 2021.

| Gratuity | As at 31.03.2021 | As at 31.03.2020 |
|--------------------|------------------|--|
| Discount Rate | 5.60% | 6.60% |
| Salary Growth Rate | 5.00% | 0.00% |
| Withdrawal Rate | 15% at all ages | 5% at younger ages to reducing to 1% at older ages |

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

(Amount in ₹)

| Gratuity | As at 31.03.2021 | As at 31.03.2020 |
|---|------------------|------------------|
| Present Value of defined benefit obligation | 1,41,87,992 | 1,59,44,887 |
| Fair value of plan assets | (45,52,010) | (80,69,415) |
| Net Liability (Asset) | 96,35,982 | 78,75,472 |

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

(Amount in ₹)

| Gratuity | As at 31.03.2021 | As at 31.03.2020 |
|---|--------------------|--------------------|
| Opening defined benefit obligation | 1,59,44,887 | 1,42,32,569 |
| Current service cost | 10,60,955 | 9,98,242 |
| Interest cost | 9,76,670 | 9,46,492 |
| Actuarial (gain) loss on: | | |
| (a) Change in financial assumption | (32,231) | 5,84,255 |
| (b) Change in demographic assumption | 2,92,499 | (4,470) |
| (c) Experience adjustment and past service cost | 5,87,888 | 3,28,110 |
| (d) Past Service cost | - | - |
| Benefit paid | (46,42,676) | (11,40,311) |
| Closing defined benefit obligation | 1,41,87,992 | 1,59,44,887 |

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

(Amount in ₹)

| Gratuity | As at 31.03.2021 | As at 31.03.2020 |
|--|------------------|------------------|
| Opening fair value of plan assets | 80,69,415 | 86,06,966 |
| Interest Income | 4,91,901 | 5,62,006 |
| Return on plan asset | (3,66,630) | 40,754 |
| Contribution paid | 10,00,000 | - |
| Benefit paid | (46,42,676) | (11,40,311) |
| Closing fair value of plan asset | 45,52,010 | 80,69,415 |

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 ₹ 1,25,271/- (₹ 6,02,761/-).

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

(Amount in ₹)

| Gratuity | As at 31.03.2021 | As at 31.03.2020 |
|--|------------------|------------------|
| if the Discount rate is 50 basis points higher / lower, the defined benefit obligation would: | | |
| decrease to | 1,39,11,187 | 1,57,92,299 |
| increase to | 1,44,75,917 | 1,69,68,766 |
| if the expected salary increases / decreases by 50 basis points, the defined benefit obligation would: | | |
| decrease to | 1,44,52,356 | 1,69,20,582 |
| increase to | 1,39,29,730 | 1,58,28,453 |

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 31.03.2021 | As at 31.03.2020 |
|---|------------------|------------------|
| Gratuity | | |
| Service Cost: | | |
| Current service cost | 10,60,955 | 9,98,242 |
| Past service cost | - | - |
| Net interests cost | 4,84,769 | 3,84,486 |

| | | |
|---|------------------|-----------------|
| Total Charged to Statement of Profit & Loss under the head 'Employee Benefit Expense' | 15,45,724 | 13,82,728 |
| Expenses recognized in Other Comprehensive Income | | |
| Actuarial (gain) loss on Obligation: | | |
| Due to change in financial assumption | (32,231) | 5,84,255 |
| Due to experience adjustment | 5,87,888 | 3,28,110 |
| Return on plan assets | 3,66,630 | (40,754) |
| Amount recognized in other comprehensive income | 12,14,786 | 8,67,141 |

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

| | |
|----------------------------------|---|
| Adverse Salary Growth Experience | Salary hikes that are higher than assumed will result into an increase in obligation at a rate that is higher than expected. |
| Variability in Mortality Rate | If Actual mortality rate are higher than assumed mortality rate then Gratuity benefit will be paid earlier than expected. |
| Variability in Withdrawal Rate | If actual withdrawal rates are higher than assumed withdrawal rate than Gratuity benefit will be paid earlier than expected. |
| Investment Risk | For funded plans that rely on insurers for managing the assets, the value of assets certified by the insurer may not be the fair value of instruments backing the liability. |
| Liquidity Risk | Employees with high salaries and long durations or those higher in hierarchy, accumulate significant level of benefits. If some of such employees resign/retire from the company there can be strain on the cash flows. |
| Market Risk | Market risk is a collective term for risks that are related to the changes and fluctuations of the financial markets. One actuarial assumption that has a material effect is the discount rate. The discount rate reflects the time value of money. An increase in discount rate leads to decrease in Defined Benefit Obligation of the plan benefits & vice versa. This assumption depends on the yields on the corporate/government bonds and hence the valuation of liability is exposed to fluctuations in the yields as at the valuation date. |
| Legislative Risk | Legislative risk is the risk of increase in the plan liability or reduction in the plan assets due to change in regulation. The Government may amend the Payment of Gratuity Act thus requiring the companies to pay higher benefits. |

35.8 Earning Per Share:

| Gratuity | As at 31.03.2021 | As at 31.03.2020 |
|--|------------------|------------------|
| Profit after tax (₹ in Lacs) | 68.61 | 197.83 |
| Weighted average number of shares (Nos.) | 39,44,136 | 40,42,130 |
| Earnings Per Share (Basic and Diluted) (₹) | 1.74 | 4.89 |
| Face value per share (₹) | 10 | 10 |

35.9 Revenue from operations:

Disaggregated revenue information

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

(Amount in ₹)

| Particulars | As at 31.03.2021 | As at 31.03.2020 |
|---|------------------|------------------|
| Type of Goods | | |
| Sale of Goods | 23,57,45,205 | 28,25,34,305 |
| Electric Power Energy | 32,05,995 | - |
| Total revenue from contracts with customers | 23,89,51,200 | 28,25,34,305 |
| India | 13,43,48,712 | 17,91,53,281 |
| Outside India | 10,46,02,488 | 10,33,81,024 |
| Total revenue from contracts with customers | 23,89,51,200 | 28,25,34,305 |

| | | |
|---|----------------|----------------|
| Timing of revenue recognition | | |
| Goods transferred at a point in time | 23,89,51,200 | 28,25,34,305 |
| Total revenue from contracts with customers | 23,89,51,200 | 28,25,34,305 |
| Type of Customers | Non-Government | Non-Government |

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

Contract Balances

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

| Particular | (Amount in ₹) | |
|---|------------------|------------------|
| | As at 31.03.2021 | As at 31.03.2020 |
| Trade receivables | 1,80,94,470 | 2,77,07,292 |
| Contract liabilities; Advance from customers | 32,04,530 | 3,40,471 |

* Trade receivables are generally non-interest bearing and are usually on credit terms of up to 60 days.

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

| Particular | (Amount in ₹) | |
|---------------------------------------|------------------|------------------|
| | As at 31.03.2021 | As at 31.03.2020 |
| Revenue as per contracted price | 23,89,69,924 | 28,27,89,947 |
| Less: Adjustments | | |
| Sales Return | 17734 | 73,390 |
| Discount | 990 | 1,82,252 |
| Revenue from contracts with customers | 23,89,51,200 | 28,25,34,305 |

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

| Particular | (Amount in ₹) | |
|------------------------|------------------|------------------|
| | As at 31.03.2021 | As at 31.03.2020 |
| Advance from customers | 32,04,530 | 3,40,471 |

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.

35.10 Foreign exchange earnings / outgo;

| Value of Import of CIF Basis | (Amount in ₹) | |
|------------------------------|------------------|------------------|
| | As at 31.03.2021 | As at 31.03.2020 |
| RAW MATERIALS | 17,99,212 | - |

| Expenditure in Foreign Currency | (Amount in ₹) | |
|---------------------------------|------------------|------------------|
| | As at 31.03.2021 | As at 31.03.2020 |
| TRAVELLING | 6,26,826 | 15,10,834 |

| F.O.B. Value | (Amount in ₹) | |
|---------------------|------------------|------------------|
| | As at 31.03.2021 | As at 31.03.2020 |
| EXPORT SALES | 10,22,71,516 | 10,22,64,845 |

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

| Particular | (Amount in ₹) | |
|---|------------------|------------------|
| | As at 31.03.2021 | As at 31.03.2020 |
| Net profit before taxation | 93,11,721 | 2,60,98,292 |
| Tax effect of profit @ 25.168% | 23,43,574 | 65,68,418 |
| Tax effect of disallowances / additions | 28,81,662 | 31,19,951 |
| Tax effect of allowances / deductions | (52,20,236) | (71,63,369) |
| | | |
| Effect of deferred tax | 24,95,874 | 15,92,241 |

| | | |
|---|------------------|------------------|
| Tax effect of earlier year provision written back | (50,559) | 21,97,988 |
| TOTAL TAX | 24,50,315 | 63,15,229 |

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

35.12 Segment Reporting:

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

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

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

Information about Business Segments:

| Sr. No. | | As at 31.03.2021 | As at 31.03.2020 |
|--------------------------------|---|---------------------|---------------------|
| (1) | Segment Revenues and Profit and Loss | | |
| | Segment Revenues | | |
| | (a) Manmade Fibre | 2,361.00 | 2,837.01 |
| | (b) Wind Mill | 133.22 | 21.11 |
| | | 2,494.22 | 2,858.12 |
| | Less : Inter Segment Revenue | 101.16 | 21.11 |
| | Revenue from operations | 2,393.06 | 2,837.01 |
| (2) | Segment Results | | |
| | (a) Manmade Fibre | (159.59) | 83.75 |
| | (b) Wind Mill | 60.34 | (10.63) |
| | | (99.25) | 73.12 |
| | Less : Financial Cost | (13.13) | (12.45) |
| Add : Other unallocable income | 205.50 | 200.31 | |
| | Profit before tax | 93.12 | 260.98 |
| (3) | Segments Assets | | |
| | (a) Manmade Fibre | 2,582.47 | 2,613.14 |
| | (b) Wind Mill | 795.80 | 810.27 |
| | Unallocable | 1,910.74 | 1,766.00 |
| | Total | 5,289.02 | 5,189.41 |
| (4) | Segments Liabilities | | |
| | (a) Manmade Fibre | 258.37 | 237.20 |
| | (b) Wind Mill | 2.11 | 5.10 |
| | Unallocable | 112.33 | 90.43 |
| | Total | 372.81 | 332.73 |
| (5) | Depreciation and amortization | | |
| | (a) Manmade Fibre | 61.54 | 70.09 |
| | (b) Wind Mill | 33.44 | 18.91 |
| | | 94.98 | 89.00 |

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

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

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

On behalf of the Board of Directors

SURENDRA MODIANI
(Partner)
Membership No. 047966

AMAN RUNGTA
(Director Finance)
DIN:03585306

SANJEEV RUNGTA
(Executive Chairman)
DIN:00053602

Date : June 26,2021
Place: Vadodara

SIDDHI SHAH
(Company Secretary)

MUKUND BERIWALA
(Director)
DIN:00053699