

**Annual Report  
2023-24**



**Zenith Fibres Limited**

**Corporate Information****Board of Directors:**

Mr. Sanjeev Rungta	- Executive Chairman
Mr. Mukund Beriwala	- Independent Director up to 28.05.2024
Mrs. Rashmi Desai	- Independent Director
Mr. Vikram Somani	- Independent Director w.e.f 01.10.2023
Mr. Aman Rungta	- Whole Time Director & CFO

**Company Secretary:**

Mrs. Siddhi Shah up to 14.10.2023  
Mrs. Dharati Bhavsar w.e.f 22.11.2023

**Statutory Auditors:**

M/s. Surendra Modiani & Associates  
Chartered Accountants, Vadodara

**Registered Office:**

311, Marol Bhavan, Marol Co-Op. Ind. Estate Ltd.,  
M.V. Road, Andheri (E),  
Mumbai - 400059, Maharashtra, (India)  
Tel: +91 - 22 - 40153860  
E-mail: mumbai@zenithfibres.com  
Website: www.zenithfibres.com  
CIN: L40100MH1989PLC054580

**Corporate Office:**

103 "Synergy House", Subhanpura Road,  
Vadodara - 390023, Gujarat, (India)  
Tel: +91 - 265 - 228 - 3744  
E-mail: baroda@zenithfibres.com

**Plant:**

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

**Registrars and Share Transfer Agents:**

Bigshare Services Pvt. Ltd.  
Office No S6-2, 6<sup>th</sup> Floor, Pinnacle Business Park,  
Next to Ahura Centre, Mahakali Caves Road,  
Andheri (East) Mumbai - 400093, Maharashtra, (India)  
Tel: +91 - 22 - 62638200; Fax: +91 - 22 - 62638299  
E-mail: investor@bigshareonline.com  
Website: www.bigshareonline.com

**Primary Banker:**

IDFC First Bank Limited

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## Notice

**NOTICE** is hereby given that the 35<sup>th</sup> Annual General Meeting of the Members of **Zenith Fibres Limited** will be held on **Friday, September 27, 2024 at 11.00 A.M. (IST)** through Video Conferencing (“VC”) / Other Audio-Visual Means (“OAVM”) to transact the following business:

### Ordinary Business:

1. To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended March 31, 2024 together with the Reports of the Board of Directors and the Auditors thereon.
2. To declare dividend at the rate of Rs. 1/- (10%) per Equity Share of face value of Rs. 10/- each, fully paid up, for the financial year 2023-24.
3. To appoint a director in place of Mr. Sanjeev Rungta (DIN: 00053602), who retires by rotation and being eligible, offers himself for re-appointment.

### Special Business:

4. Re-appointment of Mr. Sanjeev Rungta (DIN: 00053602) as a Whole Time Director & CEO designated as Executive Chairman of the Company:

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 all other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) read with Schedule V and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (“the Rules”) (including any statutory modification(s) or re-enactment thereof for the time being in force) and Regulation 17 and other applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”), as amended from time to time, consent of the Members of the Company be and is hereby accorded for the re-appointment of Mr. Sanjeev Rungta (DIN: 00053602) as a Whole Time Director & CEO of the Company, designated as Executive Chairman, whose office shall be liable to retirement by rotation, for a further period of three years from April 1, 2025 to March 31, 2028 (both days inclusive), upon such remuneration, terms and conditions as set out in the Explanatory Statement annexed to the Notice convening the Meeting, with liberty to the Board of Directors of the Company (“the Board”) to alter and vary terms and conditions of his appointment, including remuneration in such manner as may be agreed to between the Board and Mr. Sanjeev Rungta.

**RESOLVED FURTHER THAT** Mr. Sanjeev Rungta shall be entitled to receive the said remuneration including salary, perquisites, incentives and other allowances/benefits up to the limits as approved by the Members by way of this resolution, as minimum remuneration for the period from April 1, 2025 to March 31, 2028, notwithstanding that such remuneration may exceed the limits specified under Section 197 of Act read with Schedule V thereto and the limits mentioned in Regulation 17 of the SEBI Listing Regulations in the event of inadequacy of profit or no profits during the said period calculated in accordance with the applicable provisions of the Act.

**RESOLVED FURTHER THAT** the Board be and is hereby authorised to make modification to the terms of re-appointment and/or remuneration and/or agreement with Mr. Sanjeev Rungta as it considers appropriate and/or as may be in accordance with any provisions of the Act, for the time being in force (including any statutory modification/s or re-enactment/s thereof).

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to take all such steps as may be deemed necessary, proper and expedient to give effect to this Resolution.”

5. Re-appointment of Mr. Aman Rungta (DIN: 03585306) as a Whole Time Director & CFO designated as Whole Time Director Finance of the Company:

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 all other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) read with Schedule V and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (“the Rules”) (including any statutory modification(s) or re-enactment thereof for the time being in force) and Regulation 17 and other applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”), as amended from time to time, consent of the Members of the Company be and is hereby accorded for the re-appointment of Mr. Aman Rungta (DIN: 03585306) as a Whole Time Director & CFO of the Company, designated as Whole Time Director Finance, whose office shall be liable to retirement by rotation, for a further period of three years from April 1, 2025 to March 31, 2028 (both days inclusive), upon such remuneration, terms and conditions as set out in the Explanatory Statement annexed to the Notice convening the Meeting, with liberty to the Board of Directors of the Company (“the Board”) to alter and vary terms and conditions of his appointment, including remuneration

in such manner as may be agreed to between the Board and Mr. Aman Rungta.

**RESOLVED FURTHER THAT** Mr. Aman Rungta shall be entitled to receive the said remuneration including salary, perquisites, incentives and other allowances/benefits up to the limits as approved by the Members by way of this resolution, as minimum remuneration for the period from April 1, 2025 to March 31, 2028, notwithstanding that such remuneration may exceed the limits specified under Section 197 of Act read with Schedule V thereto and the limits mentioned in Regulation 17 of the SEBI Listing Regulations in the event of inadequacy of profit or no profits during the said period calculated in accordance with the applicable provisions of the Act.

**RESOLVED FURTHER THAT** the Board be and is hereby authorised to make modification to the terms of re-appointment and/or remuneration and/or agreement with Mr. Aman Rungta as it considers appropriate and/or as may be in accordance with any provisions of the Act, for the time being in force (including any statutory modification/s or re-enactment/s thereof).

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to take all such steps as may be deemed necessary, proper and expedient to give effect to this Resolution.”

By Order of the Board  
For Zenith Fibres Limited

Sd/-  
**Dharati Bhavsar**  
Company Secretary

**Place:** Vadodara

**Date:** 10.08.2024

#### Notes:

1. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 (“Act”) with respect to the Special Business to be transacted at the meeting set out in the Notice is annexed hereto.
2. Pursuant to the General Circular Nos. 14/2020 dated April 8, 2020, 17/2020 dated April 13, 2020, 20/2020 dated May 5, 2020, 09/2023 dated September 25, 2023 and other relevant circulars issued by the Ministry of Corporate Affairs (“MCA”) in this regard and Section VI – J of Chapter VI of SEBI Master Circular No. SEBI/HO/CFD/PoD2/CIR/P/2023/120 dated July 11, 2023 and Circular No. SEBI/HO/CFD/CFD-PoD-2/CIR/2023/167 dated October 7, 2023 issued by Securities and Exchange Board of India (“SEBI”) (hereinafter collectively referred to as the “Circulars”), the Companies are allowed to hold the Annual General Meeting (“AGM”) through Video Conferencing (“VC”) / Other Audio Video Visual Means (“OAVM”), without the physical presence of the members at a common venue. Hence, in compliance with the Circulars, the AGM of the Company will be held through VC/OAVM. The registered office of the Company shall be deemed to be the venue for the AGM.
3. Since this AGM is being held through VC/OAVM, pursuant to the Circulars, physical attendance of the Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM. Hence the Proxy Form, Attendance Slip and Route Map are not annexed to this Notice.
4. Central Depository Services (India) Limited (“CDSL”) will be providing facility for voting through remote e-voting, for participation in the 35<sup>th</sup> AGM through VC/OAVM facility and e-voting during the AGM.
5. In compliance with the aforesaid Circulars, Notice of the AGM along with the Annual Report is being sent only through electronic mode to those members whose email addresses are registered with the Company/Depositories. Members may note that the Notice of the AGM and Annual Report will also be available on the Company’s website at [www.zenithfibres.com](http://www.zenithfibres.com), website of the Stock Exchange i.e. BSE Limited at [www.bseindia.com](http://www.bseindia.com) and on the website of CDSL at [www.evotingindia.com](http://www.evotingindia.com).
6. Members attending the AGM through VC/OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
7. Members of the Company under the category of Institutional Investors/Corporate Members are encouraged to attend and vote at the AGM through VC. Institutional Investors / Corporate Members intending to authorize their representatives to participate and vote at the meeting are requested to send a certified copy of the Board resolution/authorization letter to the Company at its registered email address to [cs@zenithfibres.com](mailto:cs@zenithfibres.com) or upload on the VC portal/e-Voting portal.
8. The Company has fixed Friday, September 20, 2024 as Cut-off date (Record Date) for determining entitlement for remote e-voting as well as e-voting of shareholders holding shares in physical or dematerialized form.

9. The Register of Members and Share Transfer Books for the Equity Shares of the Company shall remain closed from Saturday, September 21, 2024 to Friday, September 27, 2024 both days inclusive, in connection with the AGM and for the purpose of determining eligibility for payment of dividend, if declared at the Meeting.

The dividend of Rs. 1/- per fully paid-up equity share of Rs. 10/- each, if declared by the Members at the AGM, will be paid subject to the deduction of income-tax at source ('TDS').

10. In accordance with Regulation 40 of the SEBI Listing Regulations, as amended, the Company had stopped accepting any fresh transfer requests for securities held in physical form. Members holding shares of the Company in physical form are requested to kindly get their shares converted into demat/electronic form to get inherent benefits of dematerialization. Members may please note that SEBI vide its Circular No. SEBI/HO/MIRSD/MIRSD\_RTAMB/P/CIR/2022/8 dated January 25, 2022 has mandated the listed companies to issue securities in demat form only, while processing service requests viz. issue of duplicate securities certificate; claim from Unclaimed Suspense Account; Renewal/Exchange of securities certificate; Endorsement; Sub-division/Splitting of securities certificate; Consolidation of securities certificates/folios; Transmission and Transposition. Accordingly, Shareholders are requested to make service requests by submitting a duly filled and signed Form ISR-4, the format of which is available on the website of the Company and Bigshare Services Pvt. Ltd. ("RTA"). It may be noted that any service request can be processed only after the folio is KYC compliant.
11. Members desirous of obtaining information/details about the Financial Statements, are requested to write to the Company at least one week before the meeting, so that proper information can be made available at the time of meeting. The Members desirous of inspection of documents may write to the Company through e-mail and the same shall be sent to them electronically.
12. As per the provisions of Section 125 of the Act read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 as amended ("IEPF Rules, 2016"), the amount of dividend remaining unpaid or unclaimed for a period of seven years from the date of transfer to Unpaid Dividend Account, shall be transferred to the Investor Education and Protection Fund ("IEPF"), a fund constituted by the Government of India under Section 125 of the Act.

Further, in accordance with the provisions of Section 124(6) of the Act and IEPF Rules, 2016, shares on which dividend has not been paid or claimed for seven consecutive years or more, are liable to be transferred to IEPF Account.

Members who have not claimed dividend for previous year(s) are requested to claim the same by approaching the Company or RTA.

The due dates (tentative) for transfer of unclaimed/unpaid dividend to IEPF are as under:

Financial Year	Date of Declaration of Dividend	Due date for transfer to IEPF
2016-17	29.09.2017	03.11.2024
2017-18	28.09.2018	02.11.2025
2018-19	27.09.2019	01.11.2026
2021-22	26.09.2022	31.10.2029
2022-23	29.09.2023	03.11.2030

13. The SEBI has mandated the submission of Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic form are, therefore, requested to submit their self-attested PAN to their DP(s) with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their self-attested PAN details to the Company/RTA along with Form ISR 1.
14. As per the provisions of Section 72 of the Act and Rule 19(1) of the Companies (Share Capital and Debentures) Rules, 2014, Members holding shares in physical form may file nomination in the prescribed Form SH-13 with RTA. In respect of shares held in demat form, the nomination form may be filed with the respective DP. As per SEBI Circular No. SEBI/HO/MIRSD/MIRSD-PoD-1/P/CIR/2023/37 dated March 16, 2023, the common and simplified norms for processing investor's service request by RTAs and norms for furnishing PAN, KYC details and Nominations with various forms are made available at the Company's website for easy access.
15. Members are requested to intimate changes, if any, pertaining to their name, postal address, e-mail address, telephone/mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, bank details such as, name of the bank and branch details, bank account number, MICR code, IFSC code, etc.:

- (a) For shares held in electronic form: to their Depository Participants (DPs)

- (b) For shares held in physical form: to the Company/RTA of the Company in prescribed Form ISR-1 and other forms pursuant to SEBI Circular No. SEBI/HO/MIRSD/MIRSD-PoD-1/P/CIR/2023/37 dated March 16, 2023.

**16. CDSL e-Voting System - For e-Voting and Joining Virtual meetings:**

1. As you are aware, the general meetings of the companies shall be conducted as per the guidelines issued by the Ministry of Corporate Affairs (MCA) vide Circular No. 14/2020 dated April 8, 2020, Circular No. 17/2020 dated April 13, 2020 and Circular No. 20/2020 dated May 05, 2020, 22/2020 dated June 15, 2020, 33/2020 dated September 28, 2020, 39/2020 dated December 31, 2020, 10/2021 dated June 23, 2021, 20/2021 dated December 8, 2021, 3/2022 dated May 5, 2022, 11/2022 dated December 28, 2022 and 09/2023 dated September 25, 2023 ("MCA Circulars"). The forthcoming AGM will thus be held through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate in the ensuing AGM through VC/OAVM.
2. 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, 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 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.
3. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to at least 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
4. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.
5. Pursuant to MCA Circular No. 14/2020 dated April 08, 2020, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, in pursuance of Section 112 and 113 of the Companies Act, 2013, representatives of the members such as the President of India or the Governor of a State or body corporate can attend the AGM through VC/OAVM and cast their votes through e-Voting.
6. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at [www.zenithfibres.com](http://www.zenithfibres.com). The Notice can also be accessed from the website of the Stock Exchange i.e. BSE Limited at [www.bseindia.com](http://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](http://www.evotingindia.com).
7. The AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with various MCA Circulars as mentioned herein above.
8. In continuation to this Ministry's General Circular No. 20/2020 dated May 05, 2020, General Circular No. 02/2022 dated May 05, 2022 and General Circular No. 10/2022 dated December 28, 2022 and after due examination, it has been decided to allow companies whose AGMs are due in the Year 2024, to conduct their AGMs through VC or OAVM on or before 30<sup>th</sup> September, 2024, in accordance with the requirements laid down in Para 3 and Para 4 of the General Circular No. 20/2020 dated May 05, 2020.

**THE INTRUCTIONS OF SHAREHOLDERS FOR E-VOTING AND JOINING VIRTUAL MEETINGS ARE AS UNDER:**

**Step 1:** Access through Depositories CDSL/NSDL e-Voting system in case of individual shareholders holding shares in demat mode.

**Step 2:** Access through CDSL e-Voting system in case of shareholders holding shares in physical mode and non-individual shareholders in demat mode.

- (i) The voting period begins on Tuesday, September 24, 2024 at 9.00 a.m. (IST) and ends on Thursday, September 26, 2024 at 5.00 p.m. (IST). During this period, shareholders of the Company holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) i.e. Friday, September 20, 2024 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 December 9, 2020, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) 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.

**Step 1:** Access through Depositories CDSL/NSDL e-Voting system in case of individual shareholders holding shares in demat mode.

- (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 CDSL/NSDL** is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with <b>CDSL Depository</b>	<ol style="list-style-type: none"> <li>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 users to login to Easi/Easiest are requested to visit CDSL website <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on login icon &amp; New System Myeasi Tab.</li> <li>2) After successful login the Easi/Easiest user will be able to see the e-Voting option for eligible companies where the e-Voting is in progress as per the information provided by company. On clicking the e-Voting 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 &amp; voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers i.e. CDSL/NSDL/Link Intime/K-Fintech, so that the user can visit the e-Voting service providers' website directly.</li> <li>3) If the user is not registered for Easi/Easiest, option to register is available at CDSL website <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on login &amp; New System Myeasi Tab and then click on registration option.</li> <li>4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from e-Voting link available on <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page or <a href="https://evoting.cdslindia.com/Evoting/EvotingLogin">https://evoting.cdslindia.com/Evoting/EvotingLogin</a>. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the e-voting is in progress and also able to directly access the system of all e-Voting Service Providers.</li> </ol>
Individual Shareholders holding securities in demat mode with <b>NSDL Depository</b>	<ol style="list-style-type: none"> <li>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: <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> 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</li> </ol>

	<p>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 &amp; voting during the meeting.</p> <p>2) If the user is not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a>. Select “Register Online for IDeAS” Portal or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a></p> <p>3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a> 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 &amp; voting during the meeting.</p>
Individual Shareholders (holding securities in demat mode) login through their <b>Depository Participants (DP)</b>	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 above mentioned 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 <b>CDSL</b>	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at toll free no. 1800 22 55 33
Individual Shareholders holding securities in Demat mode with <b>NSDL</b>	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no. 1800 1020 990 and 1800 22 44 30

**Step 2:** Access through CDSL e-Voting system in case of shareholders holding shares in physical mode and non-individual shareholders in demat mode.

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

- 1) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- 2) Click on “Shareholders” module.
- 3) Now enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. 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](http://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:

<b>For Physical shareholders and other than individual shareholders holding shares in Demat.</b>	
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"> <li>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.</li> </ul>
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"> <li>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.</li> </ul>

- (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 of 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) There is also an optional provision to upload BR/POA if any uploaded, which will be made available to scrutinizer for verification.
- (xvii) Additional Facility for Non – Individual Shareholders and Custodians – For Remote Voting only.
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to [www.evotingindia.com](http://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](mailto: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 will be mapped automatically & can be delink in case of any wrong mapping.
  - It is Mandatory that, 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 mandatory 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@zenithfibres.com](mailto:cs@zenithfibres.com) (designated email address by the 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:**

1. The procedure for attending meeting & e-Voting on the day of the AGM is same as the instructions mentioned above for e-voting.
2. 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 e-voting.
3. 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.
4. Shareholders are encouraged to join the Meeting through Laptops/IPads for better experience.
5. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
6. 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.
7. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request from their registered email address mentioning their name, demat account number/ folio number, mobile number to the Company at [cs@zenithfibres.com](mailto:cs@zenithfibres.com) from Friday, September 20, 2024 to Monday, September 23, 2024. The shareholders who do not wish to speak during the AGM but have queries may send their queries at least one week in advance mentioning their name, demat account number/folio number, email id, mobile number at [cs@zenithfibres.com](mailto:cs@zenithfibres.com). These queries will be replied to by the company suitably by email.
8. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
9. 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.
10. 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 may 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](mailto:helpdesk.evoting@cdslindia.com) or contact at toll free no. 1800 22 55 33.

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, 25<sup>th</sup> Floor, Marathon Futurex, Mafatlal Mill Compounds, N. M. Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or call toll free no. 1800 22 55 33.

**17. Other Information:**

1. Mr. Upendra Shukla, Practicing Company Secretaries has been appointed as the Scrutinizer to scrutinize the remote e-Voting process and e-Voting during the AGM in a fair and transparent manner.
2. The Scrutinizer shall after the conclusion of e-Voting at the AGM, will first count the votes cast during the meeting and thereafter unblock the votes cast through remote e-Voting and shall make, in two working days of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favor or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the e-Voting forthwith.
3. The results declared of e-Voting along with the report of the Scrutinizer shall be placed on the website of the Company at [www.zenithfibres.com](http://www.zenithfibres.com) and on the website of CDSL e-Voting immediately after submission of the same to the BSE Limited once the results declared by the Chairman or a person authorized by him in writing.

## Annexure to Notice

### Explanatory Statement Pursuant to Section 102(1) of the Companies Act, 2013

#### Item No. 4:

The members had approved appointment of Mr. Sanjeev Rungta (DIN: 00053602) as a Whole Time Director of the Company, designated as Executive Chairman, for a period from April 1, 2020 to March 31, 2025 at the 31<sup>st</sup> Annual General Meeting ("AGM") held on September 29, 2020. Further, the members had approved the revision of remuneration of Mr. Sanjeev Rungta for a period from April 1, 2022 to March 31, 2025 at the 32<sup>nd</sup> AGM held on September 29, 2021. The present term of appointment of Mr. Sanjeev Rungta will expire on March 31, 2025.

The Board of Directors of the Company ("the Board") had, at its meeting held on August 10, 2024, based on the recommendation of the Nomination and Remuneration Committee, Audit Committee and subject to the approval of the members, re-appointed Mr. Sanjeev Rungta as a Whole Time Director & CEO of the Company, designated as Executive Chairman, for a further term of three years, effective from April 1, 2025.

The particulars of the terms of re-appointment and remuneration payable to Mr. Sanjeev Rungta are as under:

1. Salary: Rs. 5,00,000 per month effective from April 1, 2025 with annual increase of up to 10% each following year calculated on salary previously drawn.
2. Perquisites: In addition to the above salary, he will be entitled to the following perquisites and the total value of perquisites shall be restricted to an amount equal to the annual salary.

Unless the context otherwise requires, perquisites are classified into three categories as follows: -

#### Category "A"

- (i) The Company shall provide rent free furnished residential accommodation and expenditure for taxes, levies, repairs, maintenance, society charges etc. incurred by the Company as a tenant of the residential premises to be hired by the Company and provided to the director. The Company shall reimburse/pay for utilities like power, gas, water, staff etc. used/availed by the said director/guest at his residence.
- (ii) The Company shall provide reimbursement of medical expenses incurred in India or abroad including hospitalization, nursing home and surgical charges for self and family and in case of medical treatment abroad, all expenses including airfare and boarding/lodging expenses for self and attendant, leave travel assistance for self and family, club fees, medical and personal accident insurance for self and family and any other allowance or reimbursement as may be agreed upon between the director and the Company, from time to time.

#### Category "B"

- (i) Contribution towards provident fund, superannuation fund or annuity fund to the extent these either singly or put together are not taxable under the Income-tax Act, 1961.
- (ii) Gratuity payable at a rate not exceeding half a month's salary for each completed year of service as per the Company's rules at the end of the tenure.
- (iii) Leave on full pay and allowances, as per rules of the Company, but not more than one month's leave for every eleven months of service. However, the leave accumulated but not availed will be allowed to be encashed at the end of the term as per rules of the Company.

The perquisite under this Category shall not be included in the computation of ceiling on remuneration.

#### Category "C"

- (i) Motor Vehicle with driver for use on Company's business and telephone/mobile phones/other communication facility at residence will not be considered as perquisites.
3. Commission: In addition to the above salary and perquisites, he shall also be entitled to annually receive Commission up to 3% of Net Profit of the Company as may be determined under the provisions of Section 198 and other applicable provisions of the Act.

#### Other Terms and Conditions:

- (i) The Executive Chairman shall not be entitled to sitting fees for attending meetings 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.

Mr. Sanjeev Rungta, aged 64 years, is a Mechanical Engineer from Michigan, USA. He has more than four decades of rich experience in various types of industries such as chemical, engineering and textiles. He provides the overall strategic direction to the Company. He is overseeing operations of the Company and member of the Audit Committee and Nomination and Remuneration Committee.

Considering the pivotal role played by Mr. Sanjeev Rungta in the phenomenal growth of the Company and leadership, the Board is of the opinion that in order to continue to receive the benefits of the rich experience, knowledge, wisdom and insights of Mr. Sanjeev Rungta, it would be beneficial and in the interest of the Company to re-appoint Mr. Sanjeev Rungta, as a Whole Time Director & CEO of the Company, designated as Executive Chairman, for a further term of three years effective from April 1, 2025.

Mr. Sanjeev Rungta satisfies all the conditions set out in Part-I of Schedule V to the Act and also the conditions set out under sub-section 3 of Section 196 of the Act for being eligible for his re-appointment. Further, Mr. Sanjeev Rungta has given his consent to act as a Whole Time Director of the Company along with a declaration to the effect that he is not disqualified from being appointed as a Director in terms of Section 164(2) of the Act and that he has not been debarred or disqualified from being appointed or continued as Director of a Company by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

The Company has not defaulted in payment of dues to any bank or public financial institution or any other secured creditors. The Company has not issued any non-convertible debentures. The Explanatory Statement may be considered as a written Memorandum setting out terms, conditions and limits of remuneration of Mr. Sanjeev Rungta in terms of Section 190 of the Act. The details pursuant to the provisions of the SEBI Listing Regulations and Secretarial Standard on General Meetings ("SS-2"), issued by the Institute of Company Secretaries of India are provided in Annexure - A, which forms part of this Notice.

Pursuant to the provisions of Section 197 read with Schedule V to the Act and other applicable provisions, if any, of the Act, relating to payment of managerial remuneration in case of absence of profits and/or inadequacy of profits, the Company may pay the remuneration over and above the ceilings as specified in Schedule V, subject to the Shareholders' approval by way of a Special Resolution for payment of minimum remuneration for a period not exceeding three years, compliance of disclosure requirements and other conditions stated therein. In view of the foregoing factors, the approval of the members by way of Special Resolution is being sought for payment of remuneration to Mr. Sanjeev Rungta from April 1, 2025 to March 31, 2028, as may be permitted under applicable laws, in case of absence of profits and/or inadequacy of profits or otherwise, in the Company.

Further in terms of Regulation 17(6)(e) of the SEBI Listing Regulations, the remuneration payable to Executive Directors who are promoters or members of promoter group, shall be subject to the approval of the Shareholders by Special Resolution, where the aggregate annual remuneration payable to such directors exceeds five per cent of the net profits of the Company. Considering the said limits, the Board recommends the Special Resolution as the remuneration to be paid to Mr. Sanjeev Rungta shall exceed the ceilings prescribed under the said Regulation.

Shareholders' approval by way of Special Resolution is required for re-appointment of Mr. Sanjeev Rungta, as a Whole Time Director of the Company pursuant to (i) the requirements of Section 197 read with Schedule V of the Act, as the remuneration to be paid to Mr. Sanjeev Rungta shall exceed the ceilings prescribed under the said Act and Schedule and (ii) the requirements of Regulation 17(6)(e) of the SEBI Listing Regulations as the remuneration to be paid to Mr. Sanjeev Rungta shall exceed the ceilings prescribed under the said Regulation.

The additional information as required by Schedule V to the Act are provided in Annexure - B, which forms part of this Explanatory Statement.

The Board recommends the resolution set out at Item No. 4 of the Notice for approval of the members by way of a Special Resolution.

Mr. Sanjeev Rungta and Mr. Aman Rungta being son of Mr. Sanjeev Rungta and their relatives may be deemed to be interested in the resolution, to the extent of the remuneration Mr. Sanjeev Rungta will receive as Executive Chairman. Save and except mentioned above, none of the Directors, Key Managerial Personnel of the Company or their relatives is concerned or interested, financially or otherwise, in this resolution.

#### **Item No. 5:**

The members had approved the appointment of Mr. Aman Rungta (DIN: 03585306) as the Whole Time Director and CFO of the Company, designated as the Whole Time Director Finance, for a period from April 1, 2022 to March 31, 2025 at the 33<sup>rd</sup> Annual General Meeting ("AGM") held on September 26, 2022. The present term of appointment of Mr. Aman Rungta will expire on March 31, 2025.

The Board of Directors of the Company (“the Board”) had, at its meeting held on August 10, 2024, based on the recommendation of the Nomination and Remuneration Committee, Audit Committee and subject to the approval of the members, re-appointed Mr. Aman Rungta as Whole Time Director & CFO of the Company, designated as Whole Time Director Finance, for a further term of three years, effective from April 1, 2025.

The particulars of the terms of re-appointment and remuneration payable to Mr. Aman Rungta are as under:

1. Salary: Rs. 3,75,000 per month effective from April 1, 2025 with annual increase of 10% each following year calculated on salary previously drawn.
2. Perquisites: In addition to the above salary, he will be entitled to the following perquisites and the total value of perquisites shall be restricted to a thirty percentage to the annual salary.

Unless the context otherwise requires, perquisites are classified into three categories as follows: -

**Category “A”**

- (i) The Company shall provide rent free furnished residential accommodation and expenditure for taxes, levies, repairs, maintenance, society charges etc. incurred by the Company as a tenant of the residential premises to be hired by the Company and provided to the director. The Company shall reimburse/pay for utilities like power, gas, water, staff etc. used/availed by the said director/guest at his residence.
- (ii) The Company shall provide reimbursement of medical expenses incurred in India or abroad including hospitalization, nursing home and surgical charges for self and family and in case of medical treatment abroad, all expenses including airfare and boarding/lodging expenses for self and attendant, leave travel assistance for self and family, club fees, medical and personal accident insurance for self and family and any other allowance or reimbursement as may be agreed upon between the director and the Company, from time to time.

**Category “B”**

- (i) Contribution towards provident fund, superannuation fund or annuity fund to the extent these either singly or put together are not taxable under the Income-tax Act, 1961.
- (ii) Gratuity payable at a rate not exceeding half a month’s salary for each completed year of service as per the Company’s rules at the end of the tenure.
- (iii) Leave on full pay and allowances, as per rules of the Company, but not more than one month’s leave for every eleven months of service. However, the leave accumulated but not availed will be allowed to be encashed at the end of the term as per rules of the Company.

The perquisite under this Category shall not be included in the computation of ceiling on remuneration.

**Category “C”**

- (i) Motor Vehicle with driver for use on Company’s business and telephone/mobile phones/other communication facility at residence will not be considered as perquisites.

**Other Terms and Conditions:**

- (i) The Whole Time Director Finance shall not be entitled to sitting fees for attending meetings 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.

Mr. Aman Rungta, aged 31 years, is Commerce Graduate and Legum Baccalaureus. He was a practicing Advocate for almost a decade before joining the industry. He also has sound knowledge of accounts. His functional expertise is strategy, financial planning & marketing. He is a member of the Stakeholders Relationship Committee.

Mr. Aman Rungta is responsible for the overall growth of the business. He oversees sales, customer experience, marketing & distribution strategy of the Company. Considering the experience and credentials of Mr. Aman Rungta, the Board is of the opinion that his re-appointment as Whole Time Director & CFO of the Company, designated as Whole Time Director Finance on the terms and conditions mentioned in this Notice would be beneficial to the Company.

Mr. Aman Rungta satisfies all the conditions set out in Part-I of Schedule V to the Act and also the conditions set out under sub-section 3 of Section 196 of the Act for being eligible for his re-appointment. Further, Mr. Aman Rungta has given his consent to

act as a Whole Time Director of the Company along with a declaration to the effect that he is not disqualified from being appointed as a Director in terms of Section 164(2) of the Act and that he has not been debarred or disqualified from being appointed or continued as Director of a Company by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

The Company has not defaulted in payment of dues to any bank or public financial institution or any other secured creditors. The Company has not issued any non-convertible debentures. The Explanatory Statement may be considered as a written Memorandum setting out terms, conditions and limits of remuneration of Mr. Aman Rungta in terms of Section 190 of the Act. The details pursuant to the provisions of the SEBI Listing Regulations and Secretarial Standard on General Meetings ("SS-2"), issued by the Institute of Company Secretaries of India are provided in Annexure - A, which forms part of this Notice.

Pursuant to the provisions of Section 197 read with Schedule V to the Act and other applicable provisions, if any, of the Act, relating to payment of managerial remuneration in case of absence of profits and/or inadequacy of profits, the Company may pay the remuneration over and above the ceilings as specified in Schedule V, subject to the Shareholders' approval by way of a Special Resolution for payment of minimum remuneration for a period not exceeding three years, compliance of disclosure requirements and other conditions stated therein. In view of the foregoing factors, the approval of the members by way of Special Resolution is being sought for payment of remuneration to Mr. Aman Rungta from April 1, 2025 to March 31, 2028, as may be permitted under applicable laws, in case of absence of profits and/or inadequacy of profits or otherwise, in the Company.

Further in terms of Regulation 17(6)(e) of the SEBI Listing Regulations, the remuneration payable to Executive Directors who are promoters or members of promoter group, shall be subject to the approval of the Shareholders by Special Resolution, where the aggregate annual remuneration payable to such directors exceeds five per cent of the net profits of the Company. Considering the said limits, the Board recommends the Special Resolution as the remuneration to be paid to Mr. Aman Rungta shall exceed the ceilings prescribed under the said Regulation.

Shareholders' approval by way of Special Resolution is required for re-appointment of Mr. Aman Rungta, as a Whole Time Director of the Company pursuant to (i) the requirements of Section 197 read with Schedule V of the Act, as the remuneration to be paid to Mr. Aman Rungta shall exceed the ceilings prescribed under the said Act and Schedule and (ii) the requirements of Regulation 17(6)(e) of the SEBI Listing Regulations as the remuneration to be paid to Mr. Aman Rungta shall exceed the ceilings prescribed under the said Regulation.

The additional information as required by Schedule V to the Act are provided in Annexure - B, which forms part of this Explanatory Statement.

The Board recommends the resolution set out at Item No. 5 of the Notice for approval of the members by way of a Special Resolution.

Mr. Aman Rungta and Mr. Sanjeev Rungta being father of Mr. Aman Rungta and their relatives may be deemed to be interested in the resolution, to the extent of the remuneration Mr. Aman Rungta will receive as Whole Time Director Finance. Save and except mentioned above, none of the Directors, Key Managerial Personnel of the Company or their relatives is concerned or interested, financially or otherwise, in this resolution.

By Order of the Board  
For Zenith Fibres Limited

Sd/-  
**Dharati Bhavsar**  
Company Secretary

**Place:** Vadodara  
**Date:** 10.08.2024

### Details of Directors seeking appointment/re-appointment

(Pursuant to Regulation 36(3) of the SEBI Listing Regulations and SS-2 on General Meetings)

Name	Mr. Sanjeev Rungta (DIN: 00053602)	Mr. Aman Rungta (DIN: 03585306)
Date of Birth	26/04/1960	12/02/1993
Age	64 years	31 years
Date of first appointment on the Board	05/10/1991	01/04/2020
Brief resume	Provided in the explanatory statement to the Notice of AGM	
Qualification	Mechanical Engineer	Commerce Graduate and Legum Baccalaureus
Experience	More than 40 years	More than 10 years
Expertise in specific functional areas	Mr. Sanjeev Rungta is a Mechanical Engineer from Michigan, USA. He has more than four decades of experience in various types of industries such as chemical, engineering and textiles.	Mr. Aman Rungta is Commerce graduate and Legum Baccalaureus. He was a practicing Advocate for almost a decade before joining the industry. He also has sound knowledge of accounts.
Directorship held in other companies including listed companies	1. Maharashtra Seamless Limited	1. Essare Enterprise Private Limited
Chairmanship/membership of committee of the Board of the Public companies*	Member: Audit Committee - Maharashtra Seamless Limited	Nil
Past remuneration	F.Y 2023-24: Rs. 88.47 Lakhs	F.Y 2023-24: Rs. 54.78 Lakhs
Number of shares held in the Company	2800	20570
No. of Board meetings attended during the financial year 2023-24	Four out of the four Board Meetings held	Four out of the four Board Meetings held
Names of listed entities from which Director has resigned in the past three years	Nil	Nil
Relationship with other Directors, Manager and KMPs of the Company	Father of Mr. Aman Rungta	Son of Mr. Sanjeev Rungta

\*In line with Regulation 26 of the SEBI Listing Regulations, membership of the Audit Committee and Stakeholders Relationship Committee have only been taken into consideration.



## Disclosure pursuant to Section II of Part II of Schedule V of the Act

**I. General Information:**
**1. Nature of industry:**

Manufacturing of Manmade Fibres and power generation through Wind Turbine.

**2. Date or expected date of commencement of commercial production:**

The Company was incorporated on December 12, 1989 and primarily engaged in the manufacture of Manmade Fibres for more than 30 years.

**3. In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus: N.A.**
**4. Financial Performance based on given indicators:**

(Rs. in Lakhs)

Particulars	2023-24	2022-23
Profit before Depreciation, Finance Costs, Exceptional items and Tax Expense	259.80	481.05
Less: Depreciation and Amortization	81.27	88.86
Less: Finance Costs	5.10	9.83
<b>Profit before Exceptional Items and Tax Expense</b>	<b>173.43</b>	<b>382.36</b>
Add/(less): Exceptional items	-	-
<b>Profit before Tax Expense</b>	<b>173.43</b>	<b>382.36</b>
Less: Tax Expense	41.68	98.54
<b>Profit for the year (1)</b>	<b>131.75</b>	<b>283.82</b>
<b>Other Comprehensive Income (2)</b>	<b>7.71</b>	<b>(3.81)</b>
<b>Total Comprehensive Income (1+2)</b>	<b>139.47</b>	<b>280.01</b>
Add: Balance of profit for earlier years	1946.81	1725.96
Less: Transfer to Reserves	-	-
Less: Dividend paid on Equity Shares	59.16	59.16
<b>Balance carried forward</b>	<b>2027.12</b>	<b>1946.81</b>

**5. Foreign investments or collaborations, if any: Nil**
**II. Information about the Appointee:**

Name and Designation of Director	Mr. Sanjeev Rungta (DIN: 00053602), Whole Time Director & CEO, designated as the Executive Chairman	Mr. Aman Rungta (DIN: 03585306), Whole Time Director & CFO, designated as the Whole Time Director Finance
Background details	Mentioned in the Notice/ Explanatory Statement.	Mentioned in the Notice/ Explanatory Statement.
Past remuneration	F.Y 2021-22: Rs. 65.30 Lakhs F.Y 2022-23: Rs. 86.54 Lakhs F.Y 2023-24: Rs. 88.47 Lakhs	F.Y 2021-22: Rs. 36.00 Lakhs F.Y 2022-23: Rs. 49.80 Lakhs F.Y 2023-24: Rs. 54.78 Lakhs
Recognition or awards	Nil	Nil
Job profile and his Suitability	Mr. Sanjeev Rungta has more than four decades of experience in various types of industries such as chemical, engineering and textiles.	Mr. Aman Rungta is Commerce Graduate and Legum Baccalaureus. He was a practicing Advocate for almost a decade before joining the industry. He also has sound knowledge of accounts.

Remuneration proposed	The remuneration proposed to be paid is mentioned in the Notice/Explanatory Statement.	The remuneration proposed to be paid is mentioned in the Notice/Explanatory Statement.
Comparative remuneration with respect to industry, size of Company, profile of the position and person	The current remuneration being paid to the Executive Chairman (looking at the profile of the position and person) is at par with the remuneration being paid by the companies of comparable size in the industry in which the Company operates.	The current remuneration being paid to the Whole Time Director Finance (looking at the profile of the position and person) is at par with the remuneration being paid by the companies of comparable size in the industry in which the Company operates.
Pecuniary relationship with the Company and other Managerial Person or director in the Company	Besides the remuneration proposed, he also holds 2800 equity shares of the Company.  Relative: Mr. Aman Rungta (son), Whole Time Director Finance of the Company deemed to be interested in the resolution relating to the remuneration of Mr. Sanjeev Rungta.	Besides the remuneration proposed, he also holds 20570 equity shares of the Company.  Relative: Mr. Sanjeev Rungta, (Father), Executive Chairman of the Company, deemed to be interested in the resolution relating to the remuneration of Mr. Aman Rungta.

### III. Other information:

#### 1. Reasons of loss or inadequate profits:

The Company may have a situation of inadequacy of profits or loss on account of certain provisions on aged receivables, reduction in business revenues and pre-existing fixed costs. Further, in the unlikely event of any macro or micro economic crisis/situation or pandemic or other exceptional circumstances, there could be inadequate profits or loss. Thus, the Company is passing these special resolutions as a matter of precaution pursuant to the provisions of Section 197 of the Act and Schedule V thereto.

#### 2. Steps taken or proposed to be taken for improvement:

All adequate steps, as may be necessary, will be taken by the Company for improving productivity and profits like bringing efficiency in operations, reduction of costs etc.

#### 3. Expected increase in productivity and profits in measurable terms:

The Company expects that productivity and profitability may improve and would be comparable with the industry average and its previous year performances. The Company has taken various initiatives to maintain its leadership position, improve market share and financial performance. The Company is continuously pursuing and implementing its strategies to improve financial performance. The Company has also introduced newly developed niche fibers and established supply chains which shall improve its bottom-line margin.

### IV. Disclosure:

The other disclosures have been furnished in the Board's Report/Corporate Governance Report for the financial year 2023-24.

## Board's Report

Dear Shareholders,

Your directors have pleasure in presenting the 35<sup>th</sup> Annual Report of Zenith Fibres Limited on the business and operations of the Company along with the Audited Financial Statements for the Financial Year ended March 31, 2024.

### 01. Financial Highlights:

The financial performance of the Company for the year ended March 31, 2024 is summarized below:

(Rs. in Lakhs)		
Particulars	2023-24	2022-23
Profit before Depreciation, Finance Costs, Exceptional items and Tax Expense	259.80	481.05
Less: Depreciation and Amortization	81.27	88.86
Less: Finance Costs	5.10	9.83
<b>Profit before Exceptional Items and Tax Expense</b>	<b>173.43</b>	<b>382.36</b>
Add/(less): Exceptional items	-	-
<b>Profit before Tax Expense</b>	<b>173.43</b>	<b>382.36</b>
Less: Tax Expense	41.68	98.54
<b>Profit for the year (1)</b>	<b>131.75</b>	<b>283.82</b>
<b>Other Comprehensive Income (2)</b>	<b>7.71</b>	<b>(3.81)</b>
<b>Total Comprehensive Income (1+2)</b>	<b>139.47</b>	<b>280.01</b>
Add: Balance of profit for earlier years	1946.81	1725.96
Less: Transfer to Reserves	-	-
Less: Dividend paid on Equity Shares	59.16	59.16
<b>Balance carried forward</b>	<b>2027.12</b>	<b>1946.81</b>

The Company has prepared the Financial Statements in accordance with the Companies (Indian Accounting Standards) Rules, 2015 prescribed under Section 133 of the Companies Act, 2013 ("the Act").

### 02. Operations Review:

During the year under review, total revenue from operations of the Company was Rs. 3428.11 Lakhs as compared to Rs. 5015.20 Lakhs in the previous year. Profit before tax was Rs. 173.43 Lakhs and Profit after Tax was Rs. 131.75 Lakhs during the year under review as against Rs. 382.36 Lakhs and Rs. 283.82 Lakhs respectively in the previous year.

The Wind Turbine generated revenue of Rs. 177.34 Lakhs during the year under review as against Rs. 185.31 Lakhs in the previous year.

### 03. Dividend:

Considering the Financial Results and the performance of the Company during the year under review, as compared to the previous year, the Board of Directors is pleased to recommend a dividend of Rs. 1/- (10%) per share on 39,44,136 equity shares of the face value of Rs. 10/- each for the Financial Year 2023-24.

This dividend amounting to Rs. 39.44 Lakhs is payable after declaration by the Shareholders.

### 04. Transfer to Reserves:

The Board of Directors have decided to retain the entire amount of profit under Retained Earnings. Accordingly, your Company has not transferred any amount to General Reserves for the year ended March 31, 2024.

### 05. Management Discussion and Analysis Report:

The Management Discussion and Analysis Report as required under Regulation 34 read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") is annexed herewith as **Annexure: 1**.

**06. Directors' Responsibility Statement:**

To the best of their knowledge and belief and according to the information and explanations obtained by them, your Directors make the following statements in terms of Section 134(3)(c) of the Act:

- i. that in the preparation of the Annual Financial Statements for the financial year ended March 31, 2024, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any.
- ii. they have selected such accounting policies and applied them consistently and judgments and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2024 and of the profit of the Company for the period ended on that date.
- iii. proper and sufficient care has been taken for the 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 fraud and other irregularities.
- iv. the annual accounts have been prepared on a going concern basis.
- v. proper internal financial controls were in place and that the financial controls were adequate and were operating effectively.
- vi. systems to ensure compliance with the provisions of all applicable laws were devised and in place and were adequate and operating effectively.

**07. Share Capital:**

During the year under review, there was no change in the paid-up share capital of the Company. The paid-up share capital of the Company stood at Rs. 3,94,41,360 consisting of 39,44,136 equity shares of Rs. 10/- each. Your Company has neither issued any shares with differential voting rights nor has granted any stock options or sweat equity.

**08. Board of Directors and Key Managerial Personnel:****Directors:**

During the year under review, the Members of the Company at the 34<sup>th</sup> Annual General Meeting ("AGM") held on September 29, 2023, had appointed Mr. Vikram Somani (DIN: 00054310) as an Independent Director of the Company for a term of five consecutive years w.e.f October 1, 2023 and Mr. Sankarasubramanian Iyer (DIN: 10282513) as an Independent Director of the Company for a term of five consecutive years w.e.f April 1, 2024. They are persons of integrity and have the relevant expertise, experience and proficiency as required under sub-section (1) of Section 150 of the Act.

Mr. Sankarasubramanian Iyer, Independent Director (DIN: 10282513), vide his letter dated March 30, 2024 expressed his inability to join as an Independent Director of the Company w.e.f April 1, 2024 owing to his health issues due to which he is unable to devote his time to the Company and accordingly, tendered his resignation as an Independent Director w.e.f April 1, 2024.

Mr. Mukund Beriwala (DIN: 00053669) completed his second term as an Independent Director with effect from end of the day on May 28, 2024 and accordingly ceased to be Independent Director and Member of the Board of Directors of the Company. The Board of Directors place on record his deep appreciation for the wisdom, knowledge and guidance provided by him during his tenure as an Independent Director.

**Appointment / Re-appointment(s):**

At the 35<sup>th</sup> AGM, following appointment / re-appointments are being proposed:

- a. Mr. Sanjeev Rungta, Director (DIN: 00053602), is retiring by rotation and being eligible, offers himself for re-appointment.
- b. On the recommendation of Nomination and Remuneration Committee and Audit Committee, the Board of Directors has recommended the re-appointment of Mr. Sanjeev Rungta (DIN: 00053602) as a Whole Time Director & CEO designated as Executive Chairman of the Company for a further period of three years from April 1, 2025 to March 31, 2028.
- c. On the recommendation of Nomination and Remuneration Committee and Audit Committee, the Board of Directors has recommended the re-appointment of Mr. Aman Rungta (DIN: 03585306) as a Whole Time Director & CFO designated as Whole Time Director Finance of the Company for a further period of three years from April 1, 2025 to March 31, 2028.

The details of the proposal for appointment / re-appointment of Mr. Sanjeev Rungta and Mr. Aman Rungta along with their brief resumes respectively are mentioned in the Explanatory Statement under Section 102 of the Act and disclosure under Regulation 36 of the SEBI Listing Regulations as annexed to the Notice of the 35<sup>th</sup> AGM.

The Board recommends the appointment / re-appointment of all the above Directors.

#### **Key Managerial Personnel:**

During the year under review, Mrs. Siddhi Shah demitted her office as the Company Secretary and Compliance Officer with effect from the close of business hours of October 14, 2023. The Board placed on record its appreciation for the valuable contribution and service rendered by her during her association with the Company.

The Board of Directors of the Company upon recommendation of Nomination and Remuneration Committee has appointed Mrs. Dharati Bhavsar as Company Secretary and Compliance Officer of the Company w.e.f. November 22, 2023. In the opinion of the Board, she possesses the requisite qualification, expertise and experience.

In terms of Section 203 of the Act, the following are the Key Managerial Personnel of the Company as on March 31, 2024:

- Mr. Sanjeev Rungta - Executive Chairman
- Mr. Aman Rungta - Whole Time Director Finance
- Mrs. Dharati Bhavsar - Company Secretary

#### **09. Board Evaluation:**

Pursuant to the provisions of the Act and SEBI Listing Regulations, the Board has carried out the annual performance evaluation of Board, the Directors including Independent Directors, individually as well as the evaluation of the working of its committees. The manner in which the evaluation has been carried out has been explained in the Corporate Governance Report.

#### **10. Corporate Governance:**

The Company is committed to maintain the highest standards of Corporate Governance and adhere to all requirements as set out by law. The report on Corporate Governance as stipulated under the SEBI Listing Regulations and the requisite certificate from the Auditors of the Company confirming compliance with the conditions of Corporate Governance is attached to this report as **Annexure: 2**.

#### **11. Company's Policy on Directors' Appointment and Remuneration:**

In compliance with the requirements of Section 178 of the Act and Regulation 19 of the SEBI Listing Regulations, the Company has laid down a Nomination and Remuneration Policy which has been uploaded on the Company's website at <https://zenithfibres.com/codes-policy/>.

#### **12. Subsidiary / Joint Venture / Associate Company:**

Please refer Form AOC 1 at **Annexure: 3**.

#### **13. Corporate Social Responsibility (CSR):**

The provisions of Section 135 of the Act relating to the Corporate Social Responsibility initiatives are currently not applicable to the Company.

#### **14. Deposits:**

The Company has not accepted deposits within the meaning of Section 73 and 74 of the Act read with the Companies (Acceptance of Deposits) Rules, 2014 during the year and hence there were no outstanding deposits and no amount remaining unclaimed with the Company as on March 31, 2024.

#### **15. Particulars of Loans, Guarantees, Securities or Investments:**

The details of Loans, Guarantees, Securities and Investments covered under the provisions of Section 186 of the Act are given in the notes to the Financial Statements.

#### **16. Declaration by Independent Directors:**

All the Independent Directors of your Company have submitted their declarations of independence, as required, pursuant to the provisions of Section 149(7) of the Act, stating that they meet the criteria of independence, as provided in Section

149(6) of the Act and Regulation 16(1)(b) of the SEBI Listing Regulations and are not disqualified from continuing as Independent Directors of your Company.

Further, all the Independent Directors of your Company have confirmed their registration/renewal of registration, on Independent Directors' Databank.

#### **17. Contracts and Arrangements with Related Parties:**

All related party transactions that were entered with your Company during the financial year were on arm's length basis and in the ordinary course of the business or as approved by the Audit Committee /Board in accordance with the requirements of the Act and the SEBI Listing regulations. There were no materially significant related party transactions entered into by your Company with related party as envisaged under 188 of the Act.

Hence, the disclosure of related party transactions as required under Section 134(3)(h) of the Act in Form No. AOC 2 is not applicable to your Company. Members may refer to Note No. 36.2 of Audited Financial Statements which sets out related party disclosures pursuant to IND AS.

The policy on Related Party Transactions as approved by the Board can be accessed on the Company's website at <https://zenithfibres.com/codes-policy/>.

#### **18. Audit Committee:**

The Company has an Audit Committee pursuant to the requirements of the Act read with the rules framed thereunder and the SEBI Listing Regulations. The details relating to the same are given in the report on Corporate Governance forming part of this Report. All the recommendations made by the Audit Committee were accepted by the Board.

#### **19. Auditors:**

##### **19.1 Statutory Auditors:**

The present Statutory Auditors, M/s. Surendra Modiani & Associates (Firm Registration No. 126307W) were reappointed at the 33<sup>rd</sup> AGM of the Company held on September 26, 2022 for a term of 5 (five) consecutive years from the conclusion of 33<sup>rd</sup> AGM till the conclusion of the 38<sup>th</sup> AGM of the Company to be held in relation to the Financial Year ending on March 31, 2027. The Auditors have confirmed that they are not disqualified from continuing as Statutory Auditors of the Company.

The observations made by the Statutory Auditors in their report read with the relevant notes as given in the notes to the financial statement for the Financial Year ended on March 31, 2024 are self-explanatory and are devoid of any reservation, qualification or adverse remarks.

##### **19.2 Secretarial Auditors:**

The Board of Directors has appointed Mr. Upendra Shukla, Practicing Company Secretaries to undertake the Secretarial Audit of the Company for the Financial Year 2023-24. The report of the Secretarial Auditor, in the prescribed Form No. MR-3 is annexed herewith as **Annexure: 4**. The Secretarial Auditor Report does not contain any qualification, reservation, disclaimer or adverse remarks.

##### **19.3 Internal Auditors:**

The Board of Directors has appointed M/s. Keyur Patel & Co., Chartered Accountants as Internal Auditors of the Company for the Financial Year 2023-24.

#### **20. Annual Return:**

In compliance with Section 92(3) and 134(3)(a) of the Act, Annual Return is uploaded on the Company's website and can be accessed at <https://zenithfibres.com/stakeholders-info/>.

#### **21. Code of Conduct:**

The Board of Directors of the Company has laid down a Code of Conduct for all the Board Members and Senior Management Personnel of the Company. The Board Members and the Senior Management personnel have affirmed compliance with the code for the Financial Year 2023-24. The said Code of Conduct has been posted on the website of the Company. A declaration to this effect is annexed and forms part of this report.

#### **22. Vigil Mechanism / Whistle Blower Policy:**

Pursuant to the provisions of Section 177(9) & (10) of the Act and the applicable provisions of the SEBI Listing Regulations, a Vigil Mechanism or Whistle Blower Policy for directors and employees to report genuine concerns has been established.

The same can be accessed on the Company's website at the link: <https://zenithfibres.com/codes-policy/>.

**23. Prevention of Insider Trading:**

The Company has adopted a Code of Conduct for Prevention of Insider Trading 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 the Directors and the Designated Employees have confirmed compliance with the Code.

**24. Meetings:**

The Board met 4 (four) times during the Financial Year 2023-24, the details of which are given in the Corporate Governance Report forming part of the Annual Report. The maximum interval between any two meetings did not exceed 120 days as prescribed in the Act and the SEBI Listing Regulations.

Information on the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee and meetings of those Committees held during the year is given in the Corporate Governance Report.

**25. Risk Management:**

The Company has a mechanism in place to identify, assess, monitor and mitigate various risks to key business objectives. Major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuing basis.

**26. Significant and Material Orders passed by the Regulators or Courts:**

There are no significant and material orders passed during the year by regulators or courts or tribunals impacting the going concern status and operations of the Company in future.

**27. Disclosure under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:**

The Company has in place the policy on Prevention of Sexual Harassment at Workplace in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and has constituted the Internal Complaints Committee to redress complaints received regarding sexual harassment. There were no complaints registered during the Financial Year 2023-24 under review.

**28. Particulars of Employees:**

The information required pursuant to Section 197(12) read with Rule 5 (1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is provided in the **Annexure: 5** of the Annual Report.

The Company has not appointed any employee(s) in receipt of remuneration exceeding the limits specified under Rule 5 (2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

**29. Industrial Relations:**

The Company continued to maintain harmonious and cordial relations with its workers in all its businesses.

**30. Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo:**

The particulars relating to conservation of energy, technology absorption, research & development and foreign exchange earnings and outgo in accordance with Section 134(3)(m) of the Act read with the Companies (Accounts) Rules, 2014 is annexed hereto as **Annexure: 6** which forms part of this Annual Report.

**31. Material Changes and Commitments if any, affecting the Financial Position of the Company which have occurred from the end of the Financial Year till the date of the Report:**

There are no material changes and commitments, if any, affecting the financial position of the Company which have occurred from the end of the Financial Year till the date of the Report.

**32. Reporting of Frauds:**

There have been no instances of fraud reported by the Auditors under Section 143(12) of the Act and rules framed thereunder either to the Company or to the Central Government.

**33. Change in the Nature of Business:**

There was no change in the nature of the business of the Company during the Financial Year 2023-24.

**34. Internal Control Systems and their Adequacy:**

The Company has a formal system of internal control testing which examines both the design effectiveness and operational effectiveness to ensure reliability of financial and operational information and all statutory / regulatory compliances. The Company has a strong monitoring and reporting process resulting in financial discipline and accountability.

**35. Cost Audit:**

Your Company is not required to maintain cost accounting records as specified under Section 148(1) of the Act read with the Companies (Cost Records and Audit) Rules, 2014.

**36. Details of application made or any proceeding pending under Insolvency and Bankruptcy Code, 2016:**

During the year under review, neither any application was made, nor any proceedings were pending under Insolvency and Bankruptcy Code, 2016.

**37. Details of difference between amount of the valuation done at the time of one-time settlement and the valuation done while taking loan from the banks or financial institutions along with the reasons thereof:**

There was no instance of one-time settlement with any Bank or Financial Institution.

**38. Business Responsibility & Sustainability Report (BRSR):**

The Board of Directors of the Company hereby confirms that according to the provisions of Regulation 34(2)(f) of the SEBI Listing Regulations, the Business Responsibility & Sustainability Report (BRSR) is not mandatorily applicable to the Company for the year under review, hence not annexed with Annual Report.

**39. Compliance with Secretarial Standards:**

Your Company is in compliance with the applicable Secretarial Standards issued by the Institute of Company Secretaries of India and approved by the Central Government under Section 118(10) of the Act.

**40. Acknowledgement:**

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.

For and on behalf of the Board  
For Zenith Fibres Limited

Sd/-  
**Sanjeev Rungta**  
Executive Chairman  
DIN: 00053602

Place: Vadodara  
Date: 10.08.2024



## Management Discussion and Analysis Report

### 1. Industry Structure and Development:

During the year under review, there was dip in top line on account of global industrial contraction in the textile sector which affected your Company as well. The domestic fiber products' margins have taken an overall hit due to increased competition and the situation may well worsen due to the increase in costs. However, overall performance of the Company was satisfactory. In promising news, closing to the end of the year, the Company saw some revival from some of its export customers which should yield promising results in the times to come. The Company shall try to compensate the loss in market demand and reduction in margins by seeking to introduce newly developed products and establishing supply chains at better margins. The Company also noted increase in overall expenses due to sudden unforeseeable expenses such as increase in freight prices, injury to workman, impact of increase in employee benefit expenses and the sudden impact of building repairs and various machinery repairs. Due to the overall age of the machinery this is expected to remain on the higher side in the times to come.

### 2. Opportunities and Threats:

#### Opportunities:

The Company is seeking to establish long term supply chain for good margin products and at advanced stages of discussion and trials with customers and is likely to see commercial realization in the coming financial year.

During the end of quarter 4 of the financial year, the Company saw revival of demand from its export customers which should yield promising results in the times to come.

#### Threats:

The domestic market fibre products are commodities and due to intense competition domestically and from Chinese supplies, margins are getting eroded as well hit in volume offtake. This is likely to continue in the years to come.

The Company's machinery is over three decades old and from time to time suffers breakdowns and the Company incurs exponential costs for repair and maintenance. Similarly, the factory building is quite old and requires substantial repairs.

One of the key threats for the Company to sell and establish sales in the export market is the highly volatile freight costs, sudden surges in the same lead to drop in fibre offtake as it leads to products becoming unviable.

### 3. Segment wise Operational Performance:

The Company operates in the manufacturing of Manmade Fibres and power generation through Wind Turbine.

#### Manmade Fibre:

(Quantity in MT)

Particulars	2023-24	2022-23
Production	2054.85	3251.32
Sales		
- Domestic	1094.71	813.41
- Export	656.50	1998.82

(Rs. in Lakhs)

Particulars	2023-24	2022-23
Sales	3426.15	5010.92
Profit Before Tax	173.43	382.36
Profit After Tax	131.75	283.82

During the year under review, sales of yarn was 333.38 MT as compared to 358.36 MT in the previous year.

#### Windmill:

The windmill is fully utilised towards captive consumption for meeting the power requirements of the fibre division whilst any excess units generated are sold to the power grid as per agreed terms. The windmill has generated 25,13,176 KWH as

compared to 24,81,762 KWH in the previous year. The windmill generated revenue of Rs. 177.34 Lakhs during the year under review as against Rs. 185.31 Lakhs in the previous year.

#### **4. Quality and Future Outlook:**

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

#### **5. Risk and Concerns:**

The Company is committed to manufacture and deliver quality products strictly as per requirement of the customer. Constant feedback from the customers is 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 are 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.

#### **6. 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.

#### **7. Financial Performance:**

The Financial performance with respect to operational performance are provided in the Board's Report.

#### **8. Human Resources and Industrial Relations:**

The Company has adequate and qualified human resources and enjoys cordial relations with its employees. Total number of employees were 65 (sixty-five) as on March 31, 2024. 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. The Company continued to generally maintain harmonious and cordial relations with its workers in all its businesses.

#### **9. Key Financial Ratios:**

Key financial ratios are provided in the Note No. 36.10 to the Financial Statements with the reasons for major variations, if any.

#### **10. Cautionary Statement:**

Statement in this Report describing the Companies objectives, projections, estimates, expectations or predictions may be "forward looking statements" within the meaning of applicable securities laws and regulations. Actual results may differ materially from those either expressed or implied.

For and on behalf of the Board  
For Zenith Fibres Limited

Sd/-  
**Sanjeev Rungta**  
Executive Chairman  
DIN: 00053602

Place: Vadodara  
Date: 10.08.2024

## Corporate Governance Report

### 1. Company's Philosophy on Code of Governance:

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

### 2. Board of Directors:

#### (a) Composition of the Board:

As on March 31, 2024, the Board of Directors consisted of 5 (five) Directors, of which 2 (two) are Executive Directors (including the Chairman, who is Executive Chairman) and 3 (three) are Independent Directors including 1 (one) Woman Independent Director.

The following is the Composition of the Board as on March 31, 2024.

Sr No.	Name of Directors*	DIN	Category
1	Mr. Sanjeev Rungta	00053602	Executive Chairman, Promoter
2	Mr. Mukund Beriwal <sup>1</sup>	00053669	Non-Executive, Independent
3	Mrs. Rashmi Desai	02281570	Non-Executive, Independent
4	Mr. Vikram Somani <sup>2</sup>	00054310	Non-Executive, Independent
5	Mr. Aman Rungta	03585306	Executive, Promoter

#### Notes:

- Mr. Mukund Beriwal ceased to be Independent Director upon completion of second consecutive term with effect from end of the day on May 28, 2024.
- Mr. Vikram Somani was appointed as an Independent Director w.e.f. October 1, 2023.

\*Mr. Sankarasubramanian Iyer (DIN: 10282513) resigned as an Independent Director of the Company due to his inability to join as an Independent Director w.e.f April 1, 2024 owing to his health issues due to which he is unable to devote his time to the Company and accordingly, tendered his resignation as an Independent Director w.e.f April 1, 2024.

#### (b) Number of Board Meetings held and dates of the Board Meetings:

During the Financial Year 2023-24, 4 (four) Board Meetings were held on the following dates:

Sr No.	Date of Meeting	Board Strength	No. of Directors Present
1	24/05/2023	4	4
2	12/08/2023	4	4
3	04/11/2023	5	5
4	12/02/2024	5	5

#### (c) Details of attendance of each Director at Board Meetings and at the last year's Annual General meeting:

Name of Directors	Date of Board Meeting				AGM
	24/05/2023	12/08/2023	04/11/2023	12/02/2024	29/09/2023
Mr. Sanjeev Rungta	Y	Y	Y	Y	Y
Mr. Mukund Beriwal	Y	Y	Y	Y	Y
Mrs. Rashmi Desai	Y	Y	Y	Y	Y
Mr. Vikram Somani <sup>1</sup>	N.A.	N.A.	Y	Y	Y
Mr. Aman Rungta	Y	Y	Y	Y	Y

Y- Attended, A - Absent, N.A. - Not Applicable

**Note:**

1. Mr. Vikram Somani was appointed as an Independent Director w.e.f. October 1, 2023.

**(d) Name of other listed entities in which the Director is a director and the number of Directorships and Committee Chairmanships/Memberships held by them in other Public Limited Companies as on March 31, 2024:**

Name of Directors	No. of Directorships in another Public Companies*	No. of Board Committees Membership held in other Public Companies**		Directorship in other Listed Entities and Category of Directorship
		Chairman	Member	
Mr. Sanjeev Rungta	1	–	1	Maharashtra Seamless Limited - Independent Director
Mr. Mukund Beriwala	1	–	–	None
Mrs. Rashmi Desai	–	–	–	None
Mr. Vikram Somani	6	–	1	Soma Papers and Industries Limited - Executive Director
Mr. Aman Rungta	–	–	–	None

\*Excludes Directorships held in Private Limited Companies, Foreign Companies, Companies registered under Section 8 of the Act.

\*\*Only Audit Committee and Stakeholders Relationship Committee have been considered.

**(e) Disclosure of relationships between directors inter-se:**

Mr. Sanjeev Rungta and Mr. Aman Rungta are related to each other. None of the other Directors are related to each other.

**(f) Shares held by Non-Executive Directors:**

The details of Shares held by Non-Executive Directors as on March 31, 2024:

Name of Directors	Category of Directors	No. of Equity Shares held in the Company*
Mr. Mukund Beriwala	Non-Executive, Independent	Nil
Mrs. Rashmi Desai	Non-Executive, Independent	Nil
Mr. Vikram Somani	Non-Executive, Independent	Nil

\*The Company has not issued any convertible instruments.

**(g) Matrix setting out the skills / expertise / competence of the Board of Directors:**

The following is the list of core skills / expertise / competencies possessed by the Board of Directors of the Company, which are essential for the functioning of the Company in an effective manner:

Name of Directors	Skills / expertise / competencies
Mr. Sanjeev Rungta	Business Strategy, Finance, Management, Administration and Corporate Governance.
Mr. Mukund Beriwala	Asset Management, Capital Markets and Wealth Management and Finance.
Mrs. Rashmi Desai	Science, Law and Compliance.
Mr. Vikram Somani	Finance, Strategic decisions and Real Estate business.
Mr. Aman Rungta	Financial Management, Law, Banking and Foreign Exchange.

**(h) Code of Conduct:**

The Company's Board has laid down a Code of Conduct for all Board Members and Senior Management of the Company. The Code of Conduct is available on the website of the Company at <https://zenithfibres.com/codes-policy>.

All Board Members and Senior Management personnel have affirmed compliance with the Code of Conduct. A declaration signed by the Executive Chairman to this effect is enclosed at the end of this report.

**(i) Independent Directors:**

The Company has conducted familiarisation programs for Independent Directors during the year. The details for the same have been disclosed on the website of the Company at the following web-link: <https://zenithfibres.com/codes-policy/>.

In accordance with the applicable provisions of Act and the SEBI Listing Regulations, a meeting of the Independent Directors of the Company was held on February 12, 2024, inter alia, to –

- (a) review the performance of Non-Independent Directors and the Board as a whole;
- (b) review the performance of the Chairman of the Company, taking into account the views of Executive Directors and Non-Executive Directors;
- (c) assess the quality, quantity and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

All the Independent Directors of the Company attended the said Meeting.

The Board of Directors based on the declarations received from all the Independent Directors under the Act and the SEBI Listing Regulations, has confirmed that the Independent Directors fulfil the conditions specified in the SEBI Listing Regulations and are independent of the management.

Mr. Sankarasubramanian Iyer (DIN: 10282513) resigned as an Independent Director of the Company due to his inability to join as an Independent Director w.e.f April 1, 2024 owing to his health issues due to which he is unable to devote his time to the Company and accordingly, tendered his resignation as an Independent Director w.e.f April 1, 2024. Further, he confirmed that there were no other material reasons other than those mentioned above, for his resignation as Independent Director from the Company.

**3. Audit Committee:**
**(a) Terms of Reference:**

The Company has constituted the Audit Committee in accordance with the requirements of Section 177 of the Act and Regulation 18 of the SEBI Listing Regulations. The role and terms of reference of the Committee covers the matters specified under the SEBI Listing 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. All the members of Audit Committee are financially literate and majority of them have accounting and financial management expertise.

**(b) Composition and attendance during the Financial Year 2023-24:**

As on March 31, 2024, the Audit Committee comprises of 3 (three) Directors with Mr. Mukund Beriwal as Chairman, Mr. Sanjeev Rungta and Mrs. Rashmi Desai as members. Mr. Mukund Beriwal, Chairman of Audit Committee was present at the last Annual General Meeting held on September 29, 2023.

The details of the Audit Committee meetings held during the Financial Year 2023-24 and attendance of its members are given below:

Name of Members*	Date of Audit Committee Meeting and Attendance of Members			
	24/05/2023	12/08/2023	04/11/2023	12/02/2024
Mr. Mukund Beriwal	Y	Y	Y	Y
Mr. Sanjeev Rungta	Y	Y	Y	Y
Mrs. Rashmi Desai	Y	Y	Y	Y

Y- Attended, A - Absent, N.A. - Not Applicable

\*Mr. Mukund Beriwal ceased to be Chairman and Mr. Vikram Somani was appointed as Chairman of Audit Committee w.e.f April 1, 2024.

**4. Nomination and Remuneration Committee:**
**(a) Terms of Reference:**

The Company has constituted the Nomination and Remuneration Committee in accordance with the requirements of Section 178 of the Act and Regulation 19 of the SEBI Listing Regulations. The terms of reference of the Committee

cover the matters specified for Nomination and Remuneration Committee under the SEBI Listing Regulations and the Act.

**(b) Composition and attendance during the Financial Year 2023-24:**

As on March 31, 2024, the Nomination and Remuneration Committee comprises of 3 (three) Directors with Mr. Mukund Beriwal as Chairman, Mr. Sanjeev Rungta and Mrs. Rashmi Desai as members. Mr. Mukund Beriwal, Chairman of Nomination and Remuneration Committee was present at the last Annual General Meeting held on September 29, 2023.

The details of the Nomination and Remuneration Committee meetings held during the Financial Year 2023-24 and attendance of its members are given below:

Name of Members*	Date of Nomination and Remuneration Committee Meeting and Attendance of Members	
	12/08/2023	04/11/2023
Mr. Mukund Beriwal	Y	Y
Mr. Sanjeev Rungta	Y	Y
Mrs. Rashmi Desai	Y	Y

Y- Attended, A - Absent, N.A. - Not Applicable

\*Mr. Mukund Beriwal ceased to be Chairman and Mr. Vikram Somani was appointed as Chairman of Nomination and Remuneration Committee w.e.f April 1, 2024.

**(c) Performance Evaluation:**

Pursuant to the provisions of the Act and the SEBI Listing Regulations, the Board has carried out the annual performance evaluation of Board, the Directors including Independent Directors individually as well as the evaluation of the working of its committees.

A structured questionnaire was prepared, covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance.

The performance evaluation of the Independent Directors was carried out by the entire Board. The performance evaluation of the Chairman and the Non-Independent Directors was carried out by the Independent Directors. The Directors expressed their satisfaction with the evaluation process.

**5. Stakeholders Relationship Committee:**

**(a) Composition and attendance during the Financial Year 2023-24:**

As on March 31, 2024, the Stakeholders Relationship Committee comprises of 3 (three) Directors with Mr. Mukund Beriwal as Chairman, Mr. Sanjeev Rungta and Mrs. Rashmi Desai as members. Mr. Mukund Beriwal, Chairman of Stakeholders Relationship Committee was present at the last Annual General Meeting held on September 29, 2023.

The details of the Stakeholders Relationship Committee meetings held during the Financial Year 2023-24 and attendance of its members are given below:

Name of Members*	Date of Stakeholders Relationship Committee Meeting and Attendance of Members	
	27/06/2023	12/02/2024
Mr. Mukund Beriwal	Y	Y
Mr. Sanjeev Rungta	Y	Y
Mrs. Rashmi Desai	Y	Y

Y- Attended, A - Absent, N.A. - Not Applicable

\*Mr. Mukund Beriwal ceased to be Chairman and Mr. Sanjeev Rungta ceased to be Member of Stakeholders Relationship Committee w.e.f April 1, 2024.

Mr. Vikram Somani was appointed as Chairman and Mr. Aman Rungta was appointed as Member of Stakeholders Relationship Committee w.e.f April 1, 2024.

**(b) Details of Compliance Officer:**

Mrs. Dharati Bhavsar, Company Secretary is the Compliance Officer pursuant to the requirements of the SEBI Listing Regulations.

**(c) Details of Shareholder and Investor Complaints received and redressed during the Financial Year 2023-24:**

Particulars	Number
No. of shareholders' complaints received during the financial year	Nil
No. of complaints not solved to the satisfaction of shareholders	Nil
No. of pending complaints	Nil

**6. Corporate Social Responsibility (CSR) Committee:**

The provisions of Section 135 of the Act relating to the Corporate Social Responsibility initiatives are currently not applicable to the Company.

**7. Senior Management:**

The particulars of Senior Management Personnel as defined under the SEBI Listing Regulations as on March 31, 2024 including the changes therein since the close of the previous financial year are as follows:

Name	Designation	Changes if any during the financial year 2023-24 (Yes/No)	Nature of Change and Effective date
Mr. Sanjeev Rungta	Executive Chairman	No	-----
Mr. Aman Rungta	Whole Time Director Finance	No	-----
Mr. Shailesh Pandey	Chief Operating Officer	No	-----
Mrs. Siddhi Shah	Company Secretary	Yes	Resignation - 14.10.2023
Mrs. Dharati Bhavsar	Company Secretary	Yes	Appointment - 22.11.2023

**8. Remuneration of Directors:**
**(a) Pecuniary Relationship of Non-Executive Directors with the Company:**

During the year under review, there was no pecuniary relationship or transactions between the Company and any of its Non-Executive Directors apart from sitting fees.

**(b) Remuneration paid to Non-Executive Directors:**

The Non-Executive Directors receive the sitting fees for attending the Board and Committee meetings, as case may be.

The details of remuneration paid to Non-Executive Directors for attending the meetings of Board of Directors and Committees are given below:

Name of Directors	Sitting Fees (Rs.)	No. of Stock Options Granted
Mr. Mukund Beriwala	40,000	Nil
Mrs. Rashmi Desai	40,000	Nil
Mr. Vikram Somani*	20,000	Nil

\*w.e.f 01.10.2023

**(c) Remuneration paid to Executive Directors:**

The details of remuneration paid to the Executive Directors for the Financial Year 2023-24 are as under:

(Rs. in Lakhs)

Name of Directors	Mr. Sanjeev Rungta	Mr. Aman Rungta
Designation	Executive Chairman	Whole Time Director Finance
Salary	52.80	39.60
Commission	10.23	Nil
Perquisites / Allowances	25.44	15.18
<b>Total</b>	<b>88.47</b>	<b>54.78</b>

**Notes:**

1. There is no provision for payment of severance fees.
2. The Company does not have any Stock Options Scheme.

**9. General Body Meetings:**

The details of the last 3 (three) Annual General Meetings are given below:

AGM and Financial Year	Date & Time	Location	Details of Special Resolutions
34 <sup>th</sup> 2022-23	September 29, 2023 at 11.00 a.m.	Through Video Conferencing (VC)	- Appointment of Shri. Vikram Somani (DIN:00054310) as Independent Director. - Appointment of Shri. S.S. Iyer (DIN: 10282513) as Independent Director.
33 <sup>rd</sup> 2021-22	September 26, 2022 at 11.00 a.m.	Through Video Conferencing (VC)	- Reappointment of Shri Aman Rungta (DIN: 03585306) as whole time Director from 1 <sup>st</sup> April, 2022 to 31 <sup>st</sup> March, 2025 and fix remuneration for the same. - Reappointment of Smt. Rashmi Desai (DIN: 02281570) as an Independent Non-Executive Director for a further term of 5 years w.e.f. 11 <sup>th</sup> November 2022.
32 <sup>nd</sup> 2020-21	September 29, 2021 at 11.00 a.m.	Through Video Conferencing (VC)	- To pay remuneration to Shri Sanjeev Rungta in case of company has no profit or the inadequate profit during the year as per Section 197 and Schedule V of companies act 2013.

During the year under review, no Extra Ordinary General Meeting was held and no resolutions were passed through Postal Ballot.

**10. Means of Communication:**

Quarterly Results	The Financial Results of the Company are uploaded on BSE Listing Centre in accordance with the requirements of SEBI Listing Regulations and then they are being published in the newspapers having wide coverage.
Newspapers wherein results normally published	The financial results are generally published in - Financial Express - Mumbai edition Mumbai Lakshadeep - Mumbai edition
Any website, where displayed	<a href="http://www.zenithfibres.com">www.zenithfibres.com</a>
Whether it also displays official news releases	No
The presentations made to institutional investors or to analysts	No

**11. General Shareholder Information:**
**(a) 35th Annual General Meeting:**

- Date : Friday, September 27, 2024  
 Time : 11.00 A.M.  
 Venue : The Meeting is being conducted through VC/OAVM.



**(b) Financial Year:**

April 1, 2024 to March 31, 2025

The Financial Results will be adopted as per the following tentative schedule:

First Quarter	On or before August 14, 2024.
Second Quarter	On or before November 14, 2024.
Third Quarter	On or before February 14, 2025.
Fourth Quarter	On or before May 30, 2025.

**(c) Dividend Payment date:**

The Dividend, will be paid as per the permitted mode after the AGM, but before the expiry of statutory period of 30 days from the date of AGM.

**(d) Listing of Equity Shares on Stock Exchanges and Stock Code:**

The Equity Shares of the Company are listed on:

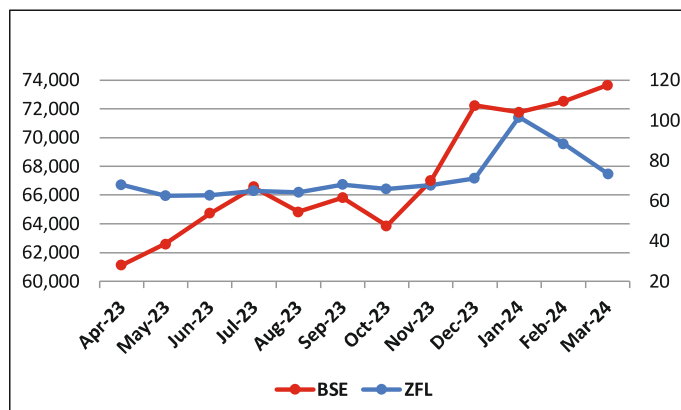
Name and address of the Stock Exchange	Stock Code
BSE Limited (BSE) Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai- 400001, Maharashtra, (India).	514266

The Company has paid Listing Fees to BSE Limited, where the equity shares of the Company are listed.

**(e) Market Price Data:**

The monthly high / low price of the Company's shares traded on the BSE Limited during the Financial Year 2023-24 are as follows:

Month	High Price (Rs.)	Low Price (Rs.)
April, 2023	69.95	62.50
May, 2023	71.40	60.00
June, 2023	64.50	60.00
July, 2023	67.00	60.05
August, 2023	72.50	61.25
September, 2023	72.00	62.45
October, 2023	71.34	63.49
November, 2023	69.50	64.61
December, 2023	78.99	67.00
January, 2024	116.99	70.12
February, 2024	104.95	78.30
March, 2024	88.40	66.00

**(f) Share Performance of the Company in comparison to BSE Sensex:**


**(g) In case the securities are suspended from trading, the Board's Report shall explain the reason thereof:**

Not applicable.

**(h) Registrar to an issue and Share Transfer Agents:**

Bigshare Services Pvt. Ltd.

Office No S6-2, 6<sup>th</sup> Floor, Pinnacle Business Park, Next to Ahura Centre, Mahakali Caves Road, Andheri (East) Mumbai - 400093.

Tel: +91 - 022 - 62638200; Fax: +91 - 022 - 62638299

Email: investor@bigshareonline.com

Website: [www.bigshareonline.com](http://www.bigshareonline.com)

**(i) Share Transfer System:**

As mandated by SEBI, securities of the Company can be transferred / traded only in dematerialised form. Shareholders who have the shares in physical form are advised to get their shares dematerialised.

**(j) Distribution of Shareholding:**

**i. Distribution of Shareholding by size as on March 31, 2024:**

No. of Shares	No. of Shareholders	% of total Shareholders	No. of Shares	% of total Shares
1-5000	3938	89.0950	450283	11.4165
5001-10000	247	5.5882	195004	4.9441
10001-20000	107	2.4208	159978	4.0561
20001-30000	40	0.9050	101547	2.5746
30001-40000	21	0.4751	75332	1.9100
40001-50000	14	0.3167	66182	1.6780
50001-100000	22	0.4977	159947	4.0553
100001-999999999	31	0.7014	2735863	69.3653
<b>Total</b>	<b>4420</b>	<b>100.00</b>	<b>3944136</b>	<b>100.00</b>

**ii. Category wise Shareholding Pattern as on March 31, 2024:**

Category	No. of Shares	% of shareholding
Promoters	1828636	46.36
Mutual Funds	4500	0.11
IEPF	124102	3.15
Corporate Bodies	58534	1.48
Non-resident Indian	50007	1.27
Public	1874330	47.52
Clearing member	4027	0.10
<b>Total</b>	<b>3944136</b>	<b>100.00</b>

**(k) Dematerialization of shares and liquidity:**

As on March 31, 2024, 97.20% shareholding representing 38,33,585 Equity Shares of the Company are held in dematerialized form by the shareholders. The Company has executed agreements with both NSDL and CDSL for dematerialisation of its shares.

ISIN numbers in NSDL and CDSL for equity shares INE106C01013

**(l) Outstanding GDRs/ADRs/Warrants or any Convertible instruments, conversion date and likely impact on equity:**

The Company has not issued any GDRs/ADRs/Warrants or any Convertible instruments.

**(m) Commodity price risk or foreign exchange risk and hedging activities:**

During the Financial Year 2023-24, the Company had managed the foreign exchange risk and hedged to the extent considered necessary. The Company enters into forward contracts and options for hedging foreign exchange exposures

against exports and imports. There is no direct hedgeable commodity risk that the Company has on any of its raw materials or finished products. The details of foreign currency exposure are disclosed in the Note No. 36.6 to the Financial Statements.

**(n) Plant Locations:**

1. Manufacturing of Manmade Fibre: Block 458, P.O. Tundav, Taluka: Savli, District: Vadodara - 391775, Gujarat, (India).
2. Power Generation - Wind Turbine: At the plot of land situated at site: Vejalpar, Village: Khakhrechi, Tal- Maniya- Miyana, District: Morbi ("Vejalpar Site") Gujarat, (India).

**(o) Address for Correspondence:**

Registered office	Corporate Office	Registrar and Share Transfer Agents
311, Marol Bhavan, Marol Co-Op. Ind. Estate Ltd., M.V. Road, Andheri (E), Mumbai - 400059, Maharashtra, (India) Tel: +91 - 22 - 40153860 E-mail: mumbai@zenithfibres.com	103 "Synergy House", Subhanpura Road, Vadodara - 390023, Gujarat, (India) Tel: +91 - 265 - 228 - 3744 E-mail: baroda@zenithfibres.com	<b>Bigshare Services Pvt. Ltd.</b> Office No S6-2, 6 <sup>th</sup> Floor, Pinnacle Business Park, Next to Ahura Centre, Mahakali Caves Road, Andheri (East) Mumbai - 400093, Maharashtra, (India) Tel: +91 - 022 - 62638200 Fax: +91 - 022 - 62638299 E-mail: investor@bigshareonline.com

**(p) List of credit ratings obtained:**

Not applicable.

**12. Other Disclosures:**

**(a) Related Party Transactions:**

During the Financial Year 2023-24, there was no materially significant related party transaction that may have potential conflict with the interests of the Company at large. Transactions with related parties are given in the Notes to the Financial Statements. The Company has policy on Related Party Transactions and the said policy is available on the Company's website at [www.zenithfibres.com](http://www.zenithfibres.com).

**(b) Statutory Compliance, Penalties and Strictures:**

During the Financial Year 2022-23, penalty of Rs. 2,06,500 was levied by BSE Limited for late compliance under Regulation 23(9) of the SEBI Listing Regulations for the half year ended 30.09.2022 for a period of 35 days due to non-filing of disclosure in XBRL Format whilst PDF format was filed within due date. The Company had also filed an application for waiver of the said penalty which was rejected by BSE Limited vide its e-mail dated 23.04.2024. In view of the above, the Company has made payment of fine on 03.05.2024.

Other than above, there was no instances of non-compliance by the Company and no penalties, strictures imposed on the Company by Stock Exchanges or SEBI or any statutory authority on any matter related to capital markets, during the last three years.

**(c) Vigil Mechanism / Whistle Blower Policy:**

Pursuant to Section 177(9) and 10 of the Act and the applicable provisions of the SEBI Listing Regulations, a Vigil Mechanism or Whistle Blower Policy for directors and employees to report genuine concerns has been established.

The Policy has been posted on the website of the Company and web-link to the same is as under: <https://zenithfibres.com/codes-policy/>

It is hereby affirmed that no personnel have been denied access to the Audit Committee.

**(d) Details of compliance with mandatory requirements and adoption of the non-mandatory requirements:**

**Mandatory Requirements:**

The Company complies with all the mandatory requirements of the SEBI Listing Regulations with regard to Corporate Governance.

**Non-Mandatory Requirements:**

The status of adoption of the non-mandatory requirements as specified under Part E of Schedule II of the SEBI Listing Regulations are as follows:

- i) The Board: The Chairman of the Company is Executive Chairman.
- ii) Shareholders Rights: Quarterly Financial Results are published in the newspapers and also uploaded on the Company's website at [www.zenithfibres.com](http://www.zenithfibres.com).
- iii) Modified opinion(s) in audit report: The Company's Financial Statements for the Financial Year 2023-24 do not contain any audit qualifications.
- iv) Reporting of Internal Auditor: The Internal Auditor presents its report on quarterly basis to the Audit Committee.

**(e) Policy for determining 'material' subsidiaries:**

The Company does not have any subsidiary company.

**(f) Policy on Related Party Transactions:**

In terms of Section 188 of the Act read with the Regulation 23 of the SEBI Listing Regulations, the Company had formulated a policy on materiality of Related Party Transactions and on dealing with Related Party Transactions.

The same has been placed on the website of the Company and web-link to the same is as under: <https://zenithfibres.com/codes-policy/>

**(g) Disclosure of commodity price risks and commodity hedging activities:**

As stated herein above.

**(h) Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A):**

The Company has not raised any funds through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A).

**(i) Certificate from a Company Secretary in practice:**

Certificate from Mr. Upendra Shukla, Practicing Company Secretaries confirming that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by the Securities and Exchange Board of India/Ministry of Corporate Affairs, is attached to this Report.

**(j) Instances of not accepting any recommendation of the Committee by the Board:**

There is no such instance where Board had not accepted any recommendation of any Committee of the Board whether mandatorily required or not, in the relevant financial year.

**(k) Fees paid to Statutory Auditors:**

The total fees for all services paid to the Statutory Auditors of the Company are given in Note No. 35 to the Financial Statements. The Company has not availed any services from the network firm/network entity of which the Statutory Auditors is a part.

**(l) Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:**

The disclosures for the Financial Year 2023-24 are as under:

Particulars	Number
No. of Complaints filed during the Financial Year	Nil
No. of Complaints disposed of during the Financial Year	N.A.
No. of Complaints pending as on end of the Financial Year	Nil

**(m) Disclosure by the Company and its subsidiaries of 'Loans and advances in the nature of loans to firms/companies in which directors are interested by name and amount':**

The disclosure relating to loans and advances as on March 31, 2024 made by the Company to firms/companies if any in which directors are interested, are set out in the financial statements for F.Y. 2023-24.

**(n) Details of material subsidiaries of the listed entity:**

The Company does not have any subsidiary company.

**(o) Disclosures of the Compliance with Corporate Governance Requirements specified in Regulations 17 to 27 and Clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the SEBI Listing Regulations:**

The Company has complied with the requirements specified in Regulations 17 to 27 and Regulation 46(2)(b) to (i) of the SEBI Listing Regulations.

**(p) Disclosure with respect to demat suspense account / unclaimed suspense account:**

Pursuant to Regulation 34(3) and Clause F of Schedule V of the SEBI Listing Regulations, there are no shares lying in the demat suspense account or unclaimed suspense account as on March 31, 2024.

**(q) Disclosure of certain types of agreements binding listed entities:**

Nil

There is no such agreement.

**13. Non-compliance of any requirement of corporate governance report of sub-paras (2) to (10) of Schedule V of the SEBI Listing Regulations:**

Nil

**14. Extent to which the Discretionary Requirements specified in Part E of Schedule II of the SEBI Listing Regulations have been adopted:**

As stated at Point No. 12 (d) of this report.

**15. CEO/CFO Certification:**

The Certificate in compliance with Regulation 17(8) of the SEBI Listing Regulations is annexed and forms part of the Annual Report.

**16. Auditors' Certificate on Corporate Governance:**

The Company has obtained a Certificate from the Statutory Auditors of the Company regarding compliance with the provisions relating to Corporate Governance prescribed under Schedule V of the SEBI Listing Regulations which is annexed with the report.

For and on behalf of the Board  
For Zenith Fibres Limited

Sd/-  
**Sanjeev Rungta**  
Executive Chairman  
DIN: 00053602

Place: Vadodara  
Date: 10.08.2024

**Declaration Regarding Compliance by Board Members and Senior Management Personnel with the Company's Code of Conduct**

I, Sanjeev Rungta, Executive Chairman of Zenith Fibres Limited hereby declare that all the members of the Board of Directors and Senior Management Personnel of the Company have affirmed compliance with Code of Conduct of the Company as laid down by the Company for the year ended March 31, 2024.

For Zenith Fibres Limited

Sd/-  
**Sanjeev Rungta**  
Executive Chairman  
DIN: 00053602

Place: Vadodara  
Date: 10.08.2024

## Compliance Certificate

(Regulation 17(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,  
The Board of Directors  
Zenith Fibres Limited

We, Sanjeev Rungta, Executive Chairman and Aman Rungta, Whole Time Director Finance of Zenith Fibres Limited, to the best of our knowledge and belief certify that:

- A. We have reviewed financial statements and the cash flow statement for the Financial Year 2023-24 and that to the best of our knowledge and belief:
- (1) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - (2) 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 our knowledge and belief, no transactions entered into by Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have 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 we have taken or propose to take to rectify 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 in accounting policies 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 herein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

For Zenith Fibres Limited

Date: 18.05.2024  
Place: Vadodara

Sd/-  
**Sanjeev Rungta**  
Executive Chairman  
DIN: 00053602

Sd/-  
**Aman Rungta**  
Whole Time Director Finance  
DIN: 03585306

**Certificate of Non-Disqualification of Directors**

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,  
The Members of  
Zenith Fibres Limited,  
311, Marol Bhavan,  
Marol Co-op Ind. Estate Ltd.,  
M.V. Road, Andheri (E),  
Mumbai - 400 059

I have examined the registers, records, books, forms, returns and disclosures received from the Directors of Zenith Fibres Limited, (CIN: L40100MH1989PLC054580), having Registered Office at 311, Marol Bhavan, Marol Co-Op. Ind. Estate Ltd., M.V. Road, Andheri (E), Mumbai - 400059, produced before me by the Company for the purpose of issuing this Certificate in pursuance to Regulation 34(3) read with Schedule V Para-C Sub-clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verification (including Director Identification Number (DIN) status at the portal ([www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations 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 31<sup>st</sup> March, 2024 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 Balkrishna Beriwal (DIN: 00053669)	Independent Director	15/04/2002
4)	Mrs. Rashmiben Samirbhai Desai (DIN: 02281570)	Independent Director	11/11/2017
5)	Mr. Vikram Krishnakumar Somani (DIN: 00054310)	Independent Director	01/10/2023

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

UDIN: F002727F000945438  
Peer Review Certificate No.1882/2022  
Place: Mumbai  
Date: 10.08.2024

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

## Independent Auditors Certificate on Corporate Governance

### TO THE MEMBERS OF ZENITH FIBRES LIMITED

1. This certificate is issued in accordance with the terms of our engagement letter dated May 18, 2024.
2. We have examined the compliance of conditions of Corporate Governance by **Zenith Fibres Limited** (“the Company”) for the year ended March 31, 2024 as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time (“the Listing Regulations”) pursuant to the Listing Agreement of the Company with Stock Exchanges.

### Management’s Responsibility

3. 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.
4. 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

5. 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.
6. 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 March 31, 2024.
7. We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India (the “ICAI”), the Standards on Auditing specified under Section 143(10) of the Companies Act 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
8. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audit and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

### Opinion

9. Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the Listing Regulations during the year ended March 31, 2024.

### Other matters and restriction on use

10. 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.
11. This report is addressed to and provided to the members of the Company solely for the purpose of enabling it to comply with its obligations under the Listing Regulations with reference to compliance with the relevant regulations of Corporate Governance and should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care or for any other purpose or to any other party to whom it is shown or into whose hands it may come without our prior consent in writing. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

**FOR SURENDRA MODIANI & ASSOCIATES**

Chartered Accountants  
Firm Registration No. 126307W

Sd/-

**SURENDRA MODIANI**

Partner

Membership No. 047966

UDIN: 24047966BKHIBB5630

Place : VADODARA  
Date : August 10, 2024



**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 Company:

Sr No.	Name of Associate	Rainy Properties Pvt Ltd
1	Latest audited Balance Sheet Date	31.03.2023
2	Shares of Associate held by the company on the year end	
	No. of Shares	10,00,000
	Amount of Investment in Associates	Rs. 1,00,00,000
	Extend of Holding (in %)	30.94%
3	Description of how there is significant influence	There is no Significant influence.
4	Reason why the associate is not consolidated	There is no Significant influence.
5	Net worth attributable to shareholding as per latest audited Balance Sheet	Rs. 80,91,119.40
6	Profit/(Loss) for the year	Rs. 15,779.40
	i) Considered in Consolidation	Not Consolidated
	ii) Not Considered in Consolidation	N.A.

**Note:**

- Part "A" of the Annexure is not applicable as the Company does not have any subsidiary company as on March 31, 2024.

For and on behalf of the Board  
For Zenith Fibres Limited

Sd/-  
**Sanjeev Rungta**  
Executive Chairman  
DIN: 00053602

Place: Vadodara  
Date: 10.08.2024

**FORM NO. MR-3****SECRETARIAL AUDIT REPORT****FOR THE FINANCIAL YEAR ENDED MARCH 31, 2024**

**[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]**

To,  
The Members,  
Zenith Fibres Limited,

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

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has during the audit period covering the financial year ended on 31<sup>st</sup> March, 2024 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 31<sup>st</sup> March, 2024 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 (Listing Obligations and Disclosure Requirements) Regulations, 2015;
  - c) 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 (Issue of Capital and Disclosure Requirements) Regulations, 2018;
  - b) The Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018.
  - c) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021;
  - d) Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021;
  - e) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;
  - f) The Securities and Exchange Board of India (Registrar to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with the client;
- (vi) The Acts / Guidelines specifically applicable to the Company: The management has confirmed that there is no specific law as identified and applicable to the Company.

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

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

- b) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Listing Agreement entered into by the Company with Stock Exchange.

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

I further report that –

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

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

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

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

UDIN: F002727F000945394  
Peer Review Certificate No.1882/2022  
Place: Mumbai  
Date: 10.08.2024

Sd/-  
**(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,

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: 10.08.2024

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

### Statement of Disclosure of Remuneration

#### Disclosure under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

- (i) The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the Financial Year 2023-24:
- (ii) The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the Financial Year 2023-24:

Name of Directors/KMP	Ratio of remuneration of each Director / to median remuneration of employees	% increase/decrease in Remuneration in the Financial Year 2023-24
<b>Executive Directors</b>		
Mr. Sanjeev Rungta	30:1	2
Mr. Aman Rungta	19:1	10
<b>Independent Directors<sup>1</sup></b>		
Mr. Mukund Beriwala	N.A.	N.A.
Mrs. Rashmi Desai	N.A.	N.A.
Mr. Vikram Somani	N.A.	N.A.
<b>Company Secretary</b>		
Mrs. Siddhi Shah <sup>2</sup>	N.A.	N.A.
Mrs. Dharati Bhavsar <sup>3</sup>	N.A.	N.A.

**Notes:**

- Independent Directors are paid only sitting fees.
- Resigned as Company Secretary w.e.f. close of business hours on October 14, 2023.
- Appointed as Company Secretary w.e.f. November 22, 2023.

- (iii) The percentage increase in the median remuneration of employees in the Financial Year 2023-24:  
Due to reduction in number of employees during the Financial Year 2023-24, the percentage increase in the median remuneration of employees in the Financial Year 2023-24 is (1.41%).
- (iv) The number of permanent employees on the rolls of Company as on March 31, 2024: 65 (sixty-five)
- (v) The average percentile increases already made in the salaries of employees other than 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:  
The average percentile increases in the salaries of the employees other than the managerial personnel is (3.96%), whereas the increase in managerial remuneration is 5.07%.
- (vi) Affirmation that the remuneration is as per the remuneration policy of the Company:  
Remuneration paid to Directors, Key Managerial Personnel and other employees is as per the remuneration policy of the Company.

For and on behalf of the Board  
For Zenith Fibres Limited

Sd/-  
**Sanjeev Rungta**  
Executive Chairman  
DIN: 00053602

Place: Vadodara  
Date: 10.08.2024

## Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo

**Information as per Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014**

**(A) Conservation of Energy:**

(i)	Steps taken or impact on conservation of energy	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.
(ii)	Steps taken by the Company for utilizing alternate sources of energy	The Company have wind turbine generators of 1.5 MW capacity installed at Location No. PVKH-20 WTG at the plot of land situated at Site: Vejalpar, Village: Khakhrechi, Tal- Maniya-Miyana, District: Morbi in the state of Gujarat. The energy generated from the said turbine is used by the Company for captive consumption and surplus generation is sold back to the power grid.
(iii)	The capital investment on energy conservation equipment	Nil

**(B) Technology Absorption:**

(i)	Efforts towards technology absorption, adaptation and innovation	Continuous efforts towards improvement of process equipment are made out to suit market requirements and to achieve optimum operational efficiency.
(ii)	Benefits derived as a result of the above efforts e.g. product improvement, cost reduction, product development, import substitution etc.	Product development, value addition and sustainable.
(iii)	In case of imported technology (imported during last 3 years reckoned from the beginning of the financial year)	The Company has not imported any technology during the last three financial years.
	(a) details of technology imported	N.A.
	(b) year of import	N.A.
	(c) whether the technology been fully absorbed	N.A.
	(d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof	N.A.
(iv)	the expenditure incurred on Research and Development	Nil

**(C) Foreign Exchange Earnings and Outgo:**

The Foreign Exchange earned in terms of actual inflows during the year and the Foreign Exchange outgo during the year in terms of actual outflows is provided below:

Foreign Exchange earned: Rs. 1365.61 Lakhs

Foreign Exchange outgo: Rs. 393.07 Lakhs

For and on behalf of the Board  
For Zenith Fibres Limited

Sd/-  
**Sanjeev Rungta**  
Executive Chairman  
DIN: 00053602

Place: Vadodara  
Date: 10.08.2024

## INDEPENDENT AUDITOR’S REPORT

### TO THE MEMBERS OF ZENITH FIBRES LIMITED

#### Report on the Audit of the Standalone 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, 2024, the Statement of Profit and Loss, including Other Comprehensive Income, the Statement of Changes in Equity and the Statement of Cash Flows for the year ended and notes to the financial statements, including material 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, 2024 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 Standalone 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, obtained by us, 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
<p><b>Valuation of Investments</b></p> <p>We refer to the accounting policies and the notes given at 3.6 and 7.</p> <p>Significant amount of company’s resources are invested in financial assets.</p> <p>Development in financial markets have posed a risk realisability and impairment of investments, both in equity and other funds.</p> <p>The accounting of carrying value of equity investments, determination of fair value of investments and assessment of impairment involves management judgement, estimates on future expected level of operations, forecast of cash flows, market conditions etc.</p>	<p>Our audit procedures included, among others, more detailed review of investment portfolio, published and 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.</p> <p>The procedures and the detailed review did not identify any material differences.</p>

#### Information Other than the Financial Statements and Auditor’s Report Thereon

The Company’s Board of Directors is responsible for the other information. The other information comprises the information included in company’s Annual Report, but does not include the Standalone financial statements and our auditor’s report thereon. The Company’s annual report is expected to be made available to us after the date of this auditor’s report.

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 during the course of our audit or otherwise appears to be materially misstated.

When we read the Company's annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take necessary actions, as applicable under the relevant laws and regulations.

### **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 with reference to Standalone Financial Statements 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 the 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, 2020 ( '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, Statement of Cash Flow 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, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2024 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 of 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, as amended, 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 36.1.1 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;
    - iv)
      - (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
      - (b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
      - (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

- v) The dividend proposed in the previous year, declared and paid during the year is in accordance with the provisions of section 123 of the Companies Act, 2013, as applicable.
- vi) Based on our examination, which included test checks, the company has used such accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has been operated throughout the year for all transactions recorded in the software and the audit trail feature has not been tampered with and the audit trail has been preserved by the company as per the statutory requirements for record retention.

As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from April 1, 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the financial year ended March 31, 2024.

**FOR SURENDRA MODIANI & ASSOCIATES**

Chartered Accountants  
Firm Registration No. 126307W

Sd/-

**SURENDRA MODIANI**

Partner

Membership No. 047966

UDIN: 24047966BKHIAW6285

Place: VADODARA  
Date : May 18, 2024

**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 31<sup>st</sup> March, 2024**

- i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, plant and equipment.
- (B) The Company has maintained proper records showing full particulars of Intangible assets.
- (b) The Company has a program of physical verification of Property, Plant and Equipment and right-of-use assets so to cover all the assets every year which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, Property, Plant and Equipment were physically verified by the Management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- (c) Based on our examination of the property registered sale deed / transfer deed / conveyance deed provided to us, the title deeds of immovable properties (other than immovable properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) disclosed in the standalone financial statements are held in the name of the Company.
- (d) The Company has not revalued any of its Property, Plant and Equipment (including right-of-use assets) and intangible assets during the year.
- (e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- ii) (a) The inventory has been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable and procedures and coverage as followed by management were appropriate. No discrepancies were noticed on verification between the physical stocks and the book records that were 10% or more in the aggregate for each class of inventory.
- (b) The Company has not been sanctioned working capital limits in excess of Rs. 5 crore, in aggregate, at any points of time during the year, from banks or financial institutions on the basis of security of current assets and hence reporting under clause 3(ii)(b) of the Order is not applicable.
- iii) The Company has not made investments in companies, provided guarantee or security during the year. The company has granted unsecured loan to companies during the year, details of the loan are given in sub-clause (a) below. The Company has not granted any loans, secured or unsecured, to firms, limited liability partnerships or any other parties during the year.
- (a) A. The Company has not granted any loans or advances and guarantees or provided securities to subsidiaries, joint ventures and associates during the year.
- B. The aggregate amount of loan granted to companies, other than subsidiaries, is Rs. 875/- lakhs during the year and balance outstanding as at the Balance sheet date is Rs. 1795/- lakhs.
- (b) In our opinion, the investments made and the terms and conditions of the grant of loans, during the year are, prima facie, not prejudicial to the Company's interest.
- (c) In respect of loans granted by the Company, the schedule of repayment of principal and payment of interest has been stipulated and the repayments of principal amounts and receipts of interest are generally been regular as per stipulation.
- (d) In respect of loans granted by the Company, there is no overdue amount remaining outstanding as at the balance sheet date.
- (e) Loans granted to companies, which have fallen due during the year, have been renewed. The aggregate amount of such dues renewed is Rs. 520 lakhs which is 31% of total loans.
- (f) The Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment during the year. Hence, reporting under clause 3(iii)(f) is not applicable.
- iv) The Company has complied with the provisions of Section 186 of the Companies Act, 2013 in relation to loans given and investments made. The Company has not given any loans, or provided any guarantee or security as specified under Section 185 of the Companies Act, 2013 and the Company has not provided any guarantee or security as specified under Section 186 of the Companies Act, 2013.
- v) The Company has not accepted any deposit or amounts which are deemed to be deposits. Hence, reporting under clause 3(v) of the Order is not applicable.

vi) The maintenance of cost records has not been specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013 for the business activities carried out by the Company. Hence, reporting under clause (vi) of the Order is not applicable to the Company.

vii) In respect of statutory dues:

(a) In our opinion, the Company has generally been regular in depositing undisputed statutory dues, including Goods and Services tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, Cess and other material statutory dues applicable to it with the appropriate authorities.

There were no undisputed amounts payable in respect of Goods and Service tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, Cess and other material statutory dues in arrears as at March 31, 2024 for a period of more than six months from the date they became payable.

(b) Details of statutory dues referred to in sub-clause (a) above which have not been deposited as on March 31, 2024 on account of disputes are given below:

Name of the statute	Amount involved (Rs.)	Period to which amount relates	Forum where dispute is pending
The Income Tax Act, 1961	42,620	Assessment year 2020-21	Commissioner of Income Tax (Appeals)

viii) There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).

ix) (a) The Company has not taken any loans or other borrowings from any lender. Hence reporting under clause 3(ix)(a) of the Order is not applicable.

(b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

(c) The Company has not taken any term loan during the year and there are no outstanding term loans at the beginning of the year and hence, reporting under clause 3(ix)(c) of the Order is not applicable.

(d) On an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.

(e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries.

(f) The Company has not raised any loans during the year and hence reporting on clause 3(ix)(f) of the Order is not applicable.

x) (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable.

(b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause 3(x)(b) of the Order is not applicable.

xi) (a) No fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

(b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.

(c) We have taken into consideration the whistle blower complaints received by the Company during the year (and upto the date of this report), while determining the nature, timing and extent of our audit procedures.

xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable. Hence, clause 3(xii) of the Order is not applicable.

xiii) In our opinion, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 with respect to applicable transactions with the related parties and the details of related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.

xiv) (a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.

(b) We have considered, the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures.

- xv) In our opinion during the year the Company has not entered into any non-cash transactions with its Directors or persons connected with its directors. and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
- xvi) (a) In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(a), (b) and (c) of the Order is not applicable.
- (b) In our opinion, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable.
- xvii) The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- xviii) There has been no resignation of the statutory auditors of the Company during the year.
- xix) On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- xx) (a) The company does not have net worth of rupees five hundred crore or more, or turnover of rupees one thousand crore or more or a net profit of rupees five crore or more during the immediately preceding financial year and there are no unspent amounts towards Corporate Social Responsibility (CSR) on other than ongoing projects requiring a transfer to a Fund specified in Schedule VII to the Companies Act in compliance with second proviso to sub-section (5) of Section 135 of the said Act. Accordingly, reporting under clause 3(xx)(a) of the Order is not applicable for the year.
- (b) There is no amount remaining unspent under section (5) of section 135 of Companies Act, pursuant to any ongoing project. Accordingly, reporting under clause 3(xx)(b) of the Order is not applicable for the year.

**FOR SURENDRA MODIANI & ASSOCIATES**

Chartered Accountants  
Firm Registration No. 126307W

Sd/-  
**SURENDRA MODIANI**  
Partner

Membership No. 047966  
UDIN: 24047966BKHIAW6285

Place: VADODARA  
Date : May 18, 2024

## 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 31<sup>st</sup> March, 2024]

### 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, 2024 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 with reference to financial statements based on the internal control over financial reporting criteria established by the Company on considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### Auditors’ Responsibility

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

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

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

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

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

#### Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

**Opinion**

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls 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, 2024, 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.

**FOR SURENDRA MODIANI & ASSOCIATES**

Chartered Accountants  
Firm Registration No. 126307W

Sd/-

**SURENDRA MODIANI**

Partner

Membership No. 047966  
UDIN: 24047966BKHIAW6285

Place: VADODARA  
Date : May 18, 2024

**BALANCE SHEET AS AT 31<sup>ST</sup> MARCH, 2024**
**(Rs. in Lakhs)**

Particulars	Note No.	As at 31 <sup>st</sup> March, 2024	As at 31 <sup>st</sup> March, 2023
<b>ASSETS</b>			
<b>(1) Non-Current Assets</b>			
(a) Property, Plant and Equipment	4	1,154.01	1,163.87
(b) Right-of-Use Assets	5	12.49	24.66
(c) Other Intangible Assets	6	0.30	0.30
(d) Financial Assets			
(i) Investments	7	163.70	199.97
(ii) Loans	8	700.00	400.00
(iii) Other Financial Assets	9	18.18	24.14
<b>Total Non-Current Assets</b>		<b>2,048.68</b>	<b>1,812.95</b>
<b>(2) Current Assets</b>			
(a) Inventories	10	560.96	438.02
(b) Financial assets			
(i) Trade receivables	11	195.74	166.96
(ii) Cash and cash equivalents	12	1,781.47	1,466.68
(iii) Bank balances other than (ii) above	13	50.44	54.69
(iv) Loans	14	1,096.37	1,500.59
(v) Other financial assets	15	162.73	94.46
(c) Current tax assets (Net)	16	10.66	16.67
(d) Other current assets	17	46.92	252.08
<b>Total Current Assets</b>		<b>3,905.29</b>	<b>3,990.15</b>
<b>TOTAL ASSETS</b>		<b>5,953.97</b>	<b>5,803.10</b>
<b>EQUITY AND LIABILITIES</b>			
<b>(1) Equity</b>			
(a) Equity share capital	18	394.41	394.41
(b) Other equity	19	5,105.70	5,025.39
<b>Total Equity</b>		<b>5,500.11</b>	<b>5,419.80</b>
<b>(2) Liabilities</b>			
<b>Non-Current Liabilities</b>			
(a) Financial liabilities			
- Lease liabilities	20	2.25	16.97
(b) Provisions	21	66.59	74.15
(c) Deferred tax liabilities (Net)	22	145.11	144.45
<b>Total Non-Current Liabilities</b>		<b>213.95</b>	<b>235.57</b>
<b>Current Liabilities</b>			
(a) Financial liabilities			
(i) Lease liabilities	23	13.51	12.57
(ii) Trade payables	24		
- Dues of Small Enterprises and Micro Enterprises		28.62	8.18
- Dues of creditors other than Small Enterprises and Micro Enterprises		93.14	55.89
(iii) Other financial liabilities	25	8.94	13.19
(b) Current tax liabilities (Net)	26	0.09	-
(c) Other current liabilities	27	82.04	44.06
(d) Provisions	28	13.57	13.84
<b>Total Current Liabilities</b>		<b>239.91</b>	<b>147.73</b>
Material accounting policies	2&3		
The accompanying notes form an integral part of the standalone financial statements	36		
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>5,953.97</b>	<b>5,803.10</b>

As per our report of even date

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

**Surendra Modiani**  
Partner  
Membership No. 047966

Date : 18-05-2024  
Place : Vadodara

**For and on behalf of Board of Directors**
**Aman Rungta**  
Whole Time Director Finance  
DIN : 03585306

**Dharati Bhavsar**  
Company Secretary

**Sanjeev Rungta**  
Executive Chairman  
DIN : 00053602

**Vikram Somani**  
Independent Director  
DIN : 00054310



**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2024**
**(Rs. in Lakhs)**

Particulars	Note No.	Year ended 31 <sup>st</sup> March, 2024	Year ended 31 <sup>st</sup> March, 2023
<b>INCOME</b>			
I Revenue from Operations	29	3,428.11	5,015.20
II Other Income	30	290.98	264.23
<b>III TOTAL INCOME (I + II)</b>		<b>3,719.09</b>	<b>5,279.43</b>
<b>IV EXPENSES</b>			
Cost of raw materials consumed	31	2,155.03	3,440.01
Changes in inventories of finished goods, work-in-progress and stock-in-trade	32	51.25	(84.67)
Employee benefit expenses	33	498.70	479.43
Finance costs	34	5.10	9.83
Depreciation and amortization expense	4 to 6	81.27	88.86
Other expenses	35	754.31	963.61
<b>TOTAL EXPENSES (IV)</b>		<b>3,545.66</b>	<b>4,897.07</b>
<b>V Profit Before Exceptional Items and Tax (III - IV)</b>		<b>173.43</b>	<b>382.36</b>
VI Exceptional and Extraordinary Items		-	-
<b>VII Profit Before Tax (V-VI)</b>		<b>173.43</b>	<b>382.36</b>
<b>VIII Tax Expenses</b>			
Current Tax		47.50	90.00
Adjustment of Tax relating to earlier Periods		(3.89)	1.54
Deferred Tax		(1.93)	7.00
<b>Total Tax Expenses</b>		<b>41.68</b>	<b>98.54</b>
<b>IX Profit for the Year (VII-VIII)</b>		<b>131.75</b>	<b>283.82</b>
<b>X Other Comprehensive Income</b>			
Items that will not be reclassified to Statement of Profit & Loss			
(i) Re-measurement of Defined Benefit Obligation		10.31	(5.09)
(ii) Income Tax effect relating to items that will not be reclassified to profit & loss		(2.59)	1.28
<b>XI Total Comprehensive Income for the Year (IX + X)</b>		<b>139.47</b>	<b>280.01</b>
<b>XII Earning Per Equity Share (Basic and Diluted)</b>		<b>3.34</b>	<b>7.2</b>
Material accounting policies			
The accompanying notes form an integral part of the standalone financial statements			

As per our report of even date

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

**Surendra Modiani**  
Partner  
Membership No. 047966

Date : 18-05-2024  
Place : Vadodara

**For and on behalf of Board of Directors**
**Aman Rungta**  
Whole Time Director Finance  
DIN : 03585306

**Dharati Bhavsar**  
Company Secretary

**Sanjeev Rungta**  
Executive Chairman  
DIN : 00053602

**Vikram Somani**  
Independent Director  
DIN : 00054310

**STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2024**
**(Rs. in Lakhs)**

Particulars	Year ended 31 <sup>st</sup> March, 2024	Year ended 31 <sup>st</sup> March, 2023
<b>I. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before tax for the year	173.43	382.36
Adjustments for :		
Depreciation and amortization expenses	81.27	88.86
(Gain) / Loss on sale of investments and revaluation of mutual fund measured at FVTPL	5.81	20.12
(Gain) / Loss on disposal of Property, Plant and Equipment	-	0.21
Unrealized foreign exchange (gain) / loss	(2.93)	(6.08)
Interest income	(258.15)	(189.55)
Income from Units in Investment Funds	(1.44)	(12.73)
Finance cost	5.10	9.83
	<b>3.09</b>	<b>293.02</b>
<b>Changes in Operating Assets and Liabilities</b>		
(Increase) / Decrease in Inventories	(122.94)	(85.73)
(Increase) / Decrease in Trade Receivables	(25.85)	322.11
(Increase) / Decrease in Loans and Other Financial Assets	(20.71)	6.57
(Increase) / Decrease in Other Assets	209.42	(188.99)
Increase / (Decrease) in Trade Payables	57.70	(22.82)
Increase / (Decrease) in Other Financial Liabilities	(4.25)	(28.06)
Increase / (Decrease) in Other Liabilities	37.99	(20.35)
Increase / (Decrease) in Provisions	2.48	(9.58)
<b>Cash generated from operations</b>	<b>136.93</b>	<b>266.18</b>
Income Tax Paid	37.52	85.04
	<b>99.41</b>	<b>181.14</b>
<b>II. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Interest Received	215.77	152.72
Income from Units in Investment Funds	1.44	12.73
Expenditure on Property, Plant and Equipment and Intangible Assets	(59.24)	(19.50)
Sale proceeds of Property, Plant and Equipment and Intangible Assets	-	3.59
Loans and deposits given to companies	(875.00)	(650.00)
Loans and deposits repaid by the companies	980.00	480.00
Proceeds from Sales of Investments	30.46	2.80
	<b>293.43</b>	<b>(17.65)</b>
<b>III. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Payment of lease liabilities	(13.79)	(12.09)
Finance cost	(5.10)	(9.83)
Dividend (including tax on dividend) paid	(59.16)	(59.16)
	<b>(78.05)</b>	<b>(81.09)</b>
Net change in Cash and Cash Equivalents	314.79	82.40
Cash and cash equivalents at the beginning of the year	1,466.68	1,384.28
	<b>1,781.47</b>	<b>1,466.68</b>

As per our report of even date

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

**Surendra Modiani**  
Partner  
Membership No. 047966

Date : 18-05-2024  
Place : Vadodara

For and on behalf of Board of Directors

**Aman Rungta**  
Whole Time Director Finance  
DIN : 03585306

**Dharati Bhavsar**  
Company Secretary

**Sanjeev Rungta**  
Executive Chairman  
DIN : 00053602

**Vikram Somani**  
Independent Director  
DIN : 00054310

**STATEMENT OF CHANGES IN EQUITY**
**A. Equity share capital**
**(Rs. in Lakhs)**

Particulars	31st March, 2024		31st March, 2023	
	No. of Shares	Amount	No. of Shares	Amount
Balance at the beginning of the year	39,44,136	394.41	39,44,136	394.41
Changes in equity share capital during the year	-	-	-	-
<b>Balance at the end of the year</b>	<b>39,44,136</b>	<b>394.41</b>	<b>39,44,136</b>	<b>394.41</b>

**B. Other Equity**
**(1) Current reporting period**
**(Rs. in Lakhs)**

Particulars	Capital Reserve	Share Premium Reserve	Capital Redemption Reserve	General Reserve	Retained Earning	Other Comprehensive Income	Total
Balance as at April 1, 2023	91.94	-	47.82	2,938.82	1,978.48	(31.67)	5,025.39
Profit for the year	-	-	-	-	131.75	-	131.75
Other comprehensive income / (losses)	-	-	-	-	-	7.72	7.72
Dividend (2022-23)	-	-	-	-	(59.16)	-	(59.16)
Transfer to retained earnings	-	-	-	-	-	-	-
<b>Balance as at March 31, 2024</b>	<b>91.94</b>	<b>-</b>	<b>47.82</b>	<b>2,938.82</b>	<b>2,051.07</b>	<b>(23.95)</b>	<b>5,105.70</b>

**(2) Previous reporting period**
**(Rs. in Lakhs)**

Particulars	Capital Reserve	Share Premium Reserve	Capital Redemption Reserve	General Reserve	Retained Earning	Other Comprehensive Income	Total
Balance as at April 1, 2022	91.94	-	47.82	2,938.82	1,753.82	(27.86)	4,804.55
Profit for the year	-	-	-	-	283.82	-	283.82
Other comprehensive income / (losses)	-	-	-	-	-	(3.81)	(3.81)
Dividend (2021-22)	-	-	-	-	(59.16)	-	(59.16)
Transfer to retained earnings	-	-	-	-	-	-	-
<b>Balance as at March 31, 2023</b>	<b>91.94</b>	<b>-</b>	<b>47.82</b>	<b>2,938.82</b>	<b>1,978.48</b>	<b>(31.67)</b>	<b>5,025.39</b>

As per our report of even date

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

**Surendra Modiani**  
Partner  
Membership No. 047966

Date : 18-05-2024  
Place : Vadodara

**For and on behalf of Board of Directors**
**Aman Rungta**  
Whole Time Director Finance  
DIN : 03585306

**Dharati Bhavsar**  
Company Secretary

**Sanjeev Rungta**  
Executive Chairman  
DIN : 00053602

**Vikram Somani**  
Independent Director  
DIN : 00054310

## Notes Forming Part of Financial Statements

### 1. Corporate Information

Zenith Fibres Limited (“the Company”), having Corporate Identification Number (CIN) L40100MH1989PLC054580, is a public limited company incorporated and governed by the Companies Act, 2013 (“Act”). The Company is engaged in the manufacturing of Manmade Fibres as well as Green Energy generation. The equity shares of the Company are listed on the Bombay Stock Exchange of India.

The Company’s registered office is located at 311, Marol Co-operative Industrial Estate Limited, M.V. Road, Andheri (E), Mumbai – 400059.

### 2. Basis of Preparation and Measurement

#### 2.1 Basis of preparation

The 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 accrual and on going concern basis, under historical cost convention, except for certain class of assets and liabilities, defined benefit plans 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.

The financial statements of the Company for the year ended 31st March, 2024 were approved for issue in accordance with the resolution of the Board of Directors on 18th May, 2024.

#### 2.2 Key Accounting estimates and judgements

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. Estimates and underlying assumptions are reviewed on an ongoing basis. Appropriate changes in estimates are made as the Management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which the changes are made and, if material, their effects are disclosed in the notes to the financial statements.

Information about critical judgements in applying accounting policies, as well as estimates and assumptions that have the 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. 2.5
- (b) Useful life of property plant and equipment – Note No. 3.2
- (c) Measurement and impairment of Investment and Financial assets – Note No. 3.6
- (d) Measurement of Employee benefits – Note No. 3.13
- (e) Provision for Income tax and recognition of deferred tax – Note No. 3.15
- (f) Measurement of Lease liabilities and Right of Use Asset (ROUA) – Note No. 3.19
- (g) Measurement and likelihood of occurrence of provisions and contingencies – Note No. 3.20

### 2.3 Functional Currency

The functional currency of the company is the Indian Rupees (INR). These financial statements are presented in Indian Rupees in lakhs rounded to nearest digits, except when otherwise indicated.

### 2.4 Classification of current or non-current assets and liabilities

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

Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification.

**An asset is treated as current when it is:**

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

All other assets are classified as non-current.

**A liability is current when it is:**

- Expected to be settled in normal operating cycle
- Held primarily for the purpose of trading
- 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, respectively.

### 2.5 Fair Value Measurement

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

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

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

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

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

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

#### **3.1 Property, Plant and Equipment (PPE)**

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

The cost of an item of 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 Intangible Assets

Intangible Assets are stated at cost of acquisition less accumulated amortization and accumulated impairment, if any. Amortization is done over their estimated useful life on straight line basis from the date that they are available for intended use, subjected to impairment test.

### 3.5 Amortization

Software, which is not an integral part of the related hardware is classified as an intangible asset and is amortized over the useful life of 6 years.

### 3.6 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 the statement of 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.

**3.7 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.

**3.8 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.

**3.9 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;
- Recognize revenue when or as an entity satisfies performance obligation.

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The Company has generally concluded that it is the principal in its revenue arrangements, because it typically controls the goods or services before transferring them to the customer. Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, commission, price concessions, incentives and returns, if any, as specified in the contracts with the customers.

Revenue excludes amounts collected on behalf of third parties.

**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 recognized 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 0-45 days. The Company considers the effects of variable consideration, the existence of significant financing components, non-cash consideration and consideration payable to the customer/discount (if any).

#### **Variable consideration**

If the consideration in a contract includes a variable amount, the company 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**

Costs to obtain a contract are generally expensed as incurred. Costs to fulfil 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.

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

### 3.10 Other Income

#### 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.

#### Dividend Income

Dividend income from investments is recognized when the Company's right to receive payment is established.

### 3.11 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.

### 3.12 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.

### 3.13 Employee Benefits

#### Short-Term Employee Benefits

Short-term employee benefits are recognized as an expense on accrual basis. Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognized in respect of employee's services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

#### Defined Contribution Plans

Contribution towards provident fund and employee state insurance for employees is made to the regulatory authorities, where the Company has no further obligations. Such benefits are classified as Defined Contribution Schemes as the Company does not carry any further obligations, apart from the contributions made on a monthly basis.

#### Compensated Absences

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, as per eligible rules and statutory provisions 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.

### 3.14 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.

### 3.15 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 recognized 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 recognized on temporary differences between the carrying amounts of assets and liabilities in the Financial Statements and the corresponding tax bases used in the computation of taxable profit under Income tax Act, 1961.

Deferred tax assets and liabilities are generally recognized for all deductible and taxable temporary differences respectively. However, in case of temporary differences that arise from initial recognition of assets or liabilities in a transaction (other than business combination) that affect neither the taxable profit nor the accounting profit or does not give rise to equal taxable and deductible temporary differences, deferred tax assets or liabilities are not recognized. Also, for temporary differences, if any that may arise from initial recognition of goodwill, deferred tax liabilities are not recognized.

Deferred tax assets are recognized to the extent it is probable that taxable profits will be available against which those deductible temporary difference can be utilized.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow the benefits of part or all of such deferred tax assets to be utilized.

Deferred tax assets and liabilities are measured at the tax rates that have been enacted or substantively enacted by the Balance Sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled.

#### Uncertain Tax position:

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. The provision is estimated based on one of two methods, the expected value method (the sum of the probability weighted amounts in a range of possible outcomes) or the single most likely amount method, depending on which is expected to better predict the resolution of the uncertainty.

Presentation of current and deferred tax:

Current and deferred tax are recognized as income or an expense in the Statement of Profit and Loss, except when they relate to items that are recognized in Other Comprehensive Income. The Company offsets tax assets and liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

The Company offsets tax assets and liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

### **3.16 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.

### **3.17 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.

#### **Cash Flow Statements**

The Statement of Cash Flows has been prepared under the "Indirect Method" as set out in the Indian Accounting Standard (Ind AS 7) - Statement of Cash Flows.

### **3.18 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.

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

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

### 3.20 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.

### 3.21 Recent accounting pronouncements

New Standards, Interpretations and Amendments Adopted by the Company Ministry of Corporate Affairs ('MCA') notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended 31st March, 2024, MCA has not notified any new standards or amendments to the existing standards applicable to the Company.

**Notes Forming Part of Financial Statements**
**4 PROPERTY, PLANT AND EQUIPMENT**
**(Rs. in Lakhs)**

Particulars	GROSS CARRYING AMOUNT				ACCUMULATED DEPRECIATION				Net Carrying Amount as at 31-03-2024
	As at 01-04-2023	Additions	Disposals	As at 31-03-2024	As at 01-04-2023	Additions	Deductions	As at 31-03-2024	
Land	63.86	-	-	63.86	-	-	-	-	63.86
Building	253.80	9.13	-	262.93	64.42	7.86	-	72.28	190.65
Plant and Machinery	1,107.81	49.19	-	1,157.00	272.37	49.27	-	321.65	835.35
Furniture & Fixtures	33.19	0.04	-	33.23	14.80	3.04	-	17.84	15.39
Office Equipments	14.34	0.88	-	15.22	10.25	1.12	-	11.36	3.86
Electric Fittings	0.68	-	-	0.68	0.40	0.05	-	0.45	0.24
Vehicles	80.23	-	-	80.23	28.99	7.26	-	36.25	43.98
Computers	5.27	-	-	5.27	4.10	0.50	-	4.60	0.68
<b>TOTAL</b>	<b>1,559.20</b>	<b>59.24</b>	<b>-</b>	<b>1,618.44</b>	<b>395.33</b>	<b>69.10</b>	<b>-</b>	<b>464.43</b>	<b>1,154.01</b>

Particulars	GROSS CARRYING AMOUNT				ACCUMULATED DEPRECIATION				Net Carrying Amount as at 31-03-2023
	As at 01-04-2022	Additions	Disposals	As at 31-03-2023	As at 01-04-2022	Additions	Deductions	As at 31-03-2023	
Land	63.86	-	-	63.86	-	-	-	-	63.86
Building	253.80	-	-	253.80	56.20	8.22	-	64.42	189.38
Plant and Machinery	1,103.06	5.12	0.37	1,107.81	219.68	52.96	0.26	272.37	835.44
Furniture & Fixtures	31.50	1.69	-	33.19	11.89	2.91	-	14.80	18.39
Office Equipments	13.50	1.91	1.06	14.34	8.07	2.86	0.69	10.24	4.10
Electric Fittings	0.68	-	-	0.68	0.35	0.05	-	0.40	0.29
Vehicles	77.77	10.39	7.93	80.23	23.64	9.97	4.62	28.99	51.24
Computers	4.89	0.39	-	5.27	3.57	0.53	-	4.10	1.18
<b>TOTAL</b>	<b>1,549.07</b>	<b>19.50</b>	<b>9.37</b>	<b>1,559.20</b>	<b>323.40</b>	<b>77.50</b>	<b>5.57</b>	<b>395.33</b>	<b>1,163.87</b>

**5 RIGHT OF USE ASSETS**
**(Rs. in Lakhs)**

Particulars	GROSS CARRYING AMOUNT				ACCUMULATED DEPRECIATION				Net Carrying Amount as at 31-03-2024
	As at 01-04-2023	Additions	Disposals	As at 31-03-2024	As at 01-04-2023	Additions	Deductions	As at 31-03-2024	
Right of Use Assets	71.32	-	-	71.32	46.66	12.18	-	58.84	12.49
<b>TOTAL</b>	<b>71.32</b>	<b>-</b>	<b>-</b>	<b>71.32</b>	<b>46.66</b>	<b>12.18</b>	<b>-</b>	<b>58.84</b>	<b>12.49</b>

Particulars	GROSS CARRYING AMOUNT				ACCUMULATED DEPRECIATION				Net Carrying Amount as at 31-03-2023
	As at 01-04-2022	Additions	Disposals	As at 31-03-2023	As at 01-04-2022	Additions	Deductions	As at 31-03-2023	
Right of Use Assets	64.84	6.48	-	71.32	35.30	11.36	-	46.66	24.66
<b>TOTAL</b>	<b>64.84</b>	<b>6.48</b>	<b>-</b>	<b>71.32</b>	<b>35.30</b>	<b>11.36</b>	<b>-</b>	<b>46.66</b>	<b>24.66</b>

**Notes Forming Part of Financial Statements**
**6 OTHER INTANGIBLE ASSETS**
**(Rs. in Lakhs)**

Particulars	GROSS CARRYING AMOUNT				ACCUMULATED AMORTIZATION				Net Carrying Amount as at 31-03-2024
	As at 01-04-2023	Additions	Disposals	As at 31-03-2024	As at 01-04-2023	Additions	Deductions	As at 31-03-2024	
Software	5.35	-	-	5.35	5.05	-	-	5.05	0.30
<b>TOTAL</b>	<b>5.35</b>	<b>-</b>	<b>-</b>	<b>5.35</b>	<b>5.05</b>	<b>-</b>	<b>-</b>	<b>5.05</b>	<b>0.30</b>

Particulars	GROSS CARRYING AMOUNT				ACCUMULATED AMORTIZATION				Net Carrying Amount as at 31-03-2023
	As at 01-04-2022	Additions	Disposals	As at 31-03-2023	As at 01-04-2022	Additions	Deductions	As at 31-03-2023	
Software	5.35	-	-	5.35	5.05	-	-	5.05	0.30
<b>TOTAL</b>	<b>5.35</b>	<b>-</b>	<b>-</b>	<b>5.35</b>	<b>5.05</b>	<b>-</b>	<b>-</b>	<b>5.05</b>	<b>0.30</b>

**(Rs. in Lakhs)**

Particulars	As at 31 <sup>st</sup> March, 2024	As at 31 <sup>st</sup> March, 2023
<b>7 NON-CURRENT INVESTMENTS</b>		
<b>Investments in equity instruments</b>		
<b>Unquoted equity shares in associate company - at cost</b>	<b>100.00</b>	<b>100.00</b>
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)		
<b>Quoted equity shares measured at fair value through Profit &amp; Loss A/c</b>	<b>22.77</b>	<b>10.73</b>
	<b>As at 31-03-2024</b>	<b>As at 31-03-2023</b>
	Eq. Shares Qty. Fair Value	Eq. Shares Qty. Fair Value
Maharashtra Seamless Ltd.	1000 8.46	1000 3.58
Styrenix Performance Materials Ltd.	1000 14.31	1000 7.15
	<b>22.77</b>	<b>10.73</b>
<b>Investments in Government Bonds carried at amortized cost</b>	<b>13.03</b>	<b>13.03</b>
National Highway Authority of India (1303 Bonds of Rs. 1000/- each) (Previous Year 1303 Bonds of Rs. 1000/- each)		
<b>Investments (unquoted) measured at fair value through profit &amp; loss A/c</b>		
<b>Investments in mutual funds</b>	<b>0.35</b>	<b>14.38</b>
	<b>31<sup>st</sup> March, 2024</b>	<b>31<sup>st</sup> March, 2023</b>
	<b>(No. of Units)</b>	<b>(No. of Units)</b>
Franklin - India ST Income Plan Ret (G)	<b>6.74</b>	<b>243.00</b>

The company has invested an amount of **Rs. 0.23 Lakh** in **6.74 units** of Franklin India Mutual Fund in short term income plan. These investments in Mutual Fund are valued at **Rs. 0.35 Lakh** considering the Net Asset Value as on **31-03-2024**. Franklin Templeton Mutual Fund has wound up this scheme w.e.f. 23rd April, 2020 and it is in the process of

**Notes Forming Part of Financial Statements**
**(Rs. in Lakhs)**

Particulars	As at 31 <sup>st</sup> March, 2024	As at 31 <sup>st</sup> March, 2023					
<i>realizing its assets. The company will be able to realise the value of this investment only as and when the values of the assets of the Scheme are realized by Mutual Fund.</i>							
<b>Alternate investments fund (Indiabulls High Yield Fund)</b>	<b>27.55</b>	61.84					
	<b>163.70</b>	<b>199.97</b>					
	<b>31<sup>st</sup> March, 2024</b>	<b>31<sup>st</sup> March, 2023</b>					
Aggregate amount of unquoted investments	173.57	208.66					
Aggregate amount of impairment in value of investments	(9.87)	(8.68)					
	<b>163.70</b>	<b>199.97</b>					
<b>8 LOANS</b>							
Loans to related parties	<b>500.00</b>	-					
Other loans	<b>200.00</b>	400.00					
	<b>700.00</b>	<b>400.00</b>					
<b>9 OTHER FINANCIAL ASSETS</b>							
Interest receivables	<b>12.29</b>	18.18					
Security deposit	<b>5.89</b>	5.96					
	<b>18.18</b>	<b>24.14</b>					
<b>CURRENT ASSETS</b>							
<b>10 INVENTORIES (at lower of cost and net realisable value)</b>							
Raw materials (Includes raw materials in transit Rs. 24.59 Lakhs) (As at 31 <sup>st</sup> March, 2023 Rs. 27.92 Lakhs)	<b>420.65</b>	246.80					
Work-in-progress	<b>7.46</b>	8.06					
Finished goods	<b>126.36</b>	177.01					
Stores and spares	<b>1.97</b>	2.39					
Loose tools	<b>0.89</b>	0.76					
Other - Packing materials	<b>3.63</b>	3.00					
	<b>560.96</b>	<b>438.02</b>					
<b>11 TRADE RECEIVABLES (Considered good - Unsecured)</b>	<b>195.74</b>	166.96					
<b>Ageing of Trade Receivables for the year ended 31<sup>st</sup> March, 2024</b>							
Particulars	Not due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	more than 3 years	
Undisputed Trade receivables – considered good	195.71	-	0.04	-	-	-	195.74
<b>Ageing of Trade Receivables for the year ended 31<sup>st</sup> March, 2023</b>							
Undisputed Trade receivables – considered good	166.93	-	0.03	-	-	-	166.96
							<b>195.74</b>
							166.96



**Notes Forming Part of Financial Statements**
**(Rs. in Lakhs)**

Particulars	As at 31 <sup>st</sup> March, 2024	As at 31 <sup>st</sup> March, 2023
<b>12 CASH AND CASH EQUIVALENTS</b>		
Balance with Banks - (In Current Accounts)	15.23	20.86
Balance with Banks - (In EEFC Account)	0.00	26.94
Fixed Deposit with Banks with maturity from date of Balance Sheet		
- More than 12 months	279.02	460.00
- Less than 12 months	1,486.21	958.48
Cash on Hand	1.01	0.41
Fixed deposits with banks comprise of time deposits which can be withdrawn by the company at any point without prior notice or penalty on the principal and therefore shown under Current Assets.		
	<b>1,781.47</b>	<b>1,466.68</b>
<b>13 BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS</b>		
Earmarked Balances		
- In Unclaimed Dividend Accounts	8.94	13.19
- Deposits held as margin money against bank guarantee	41.50	41.50
	<b>50.44</b>	<b>54.69</b>
<b>14 LOANS (Unsecured, Considered good)</b>		
Inter corporate deposits	695.00	1,200.00
Other loans	400.00	300.00
Loans to Employees	1.37	0.59
	<b>1,096.37</b>	<b>1,500.59</b>
<b>15 OTHER FINANCIAL ASSETS</b>		
Interest Receivables	141.80	93.53
Interest Receivables on Tax Free Bonds	0.93	0.93
Security Deposits	20.00	-
	<b>162.73</b>	<b>94.46</b>
<b>16 CURRENT TAX ASSETS</b>		
Income tax refund receivables	10.66	16.67
	<b>10.66</b>	<b>16.67</b>
<b>17 OTHER CURRENT ASSETS (Unsecured, considered good)</b>		
Advances recoverable in cash or kind or for value to be received	41.29	246.96
Pre-Paid Expenses	5.63	5.12
	<b>46.92</b>	<b>252.08</b>

**Notes Forming Part of Financial Statements**
**(Rs. in Lakhs)**

Particulars	As at 31 <sup>st</sup> March, 2024	As at 31 <sup>st</sup> March, 2023
<b>18 EQUITY SHARE CAPITAL</b>		
<b>AUTHORISED</b>		
60,00,000 Equity Shares of Rs. 10/- each (Previous year : 60,00,000 Equity Shares of Rs. 10/- each)	<b>600.00</b>	600.00
<b>ISSUED, SUBSCRIBED AND PAID-UP</b>		
39,44,136 Equity Shares of Rs. 10/- each (Previous year : 39,44,136 Equity Shares of Rs. 10/- each)	<b>394.41</b>	394.41

(a) Reconciliation of number of shares outstanding at the beginning and at the end of reporting period	As at 31-03-2024		As at 31-03-2023	
	No. of Shares	Amount	No. of Shares	Amount
At the beginning of the year	39,44,136	394.41	39,44,136	394.41
Changes during the year	-	-	-	-
<b>At the end of the year</b>	<b>39,44,136</b>	<b>394.41</b>	<b>39,44,136</b>	<b>394.41</b>

(b) Details of shares held by each shareholder holding more than 5% of shares in the Company	As at 31-03-2024		As at 31-03-2023	
	No. of Shares	% Holding	No. of Shares	% Holding
Alpha Stitch-Art Private Limited	14,91,600	37.82%	10,41,600	26.41%
Shark Barter Private Limited	-	0.00%	4,50,000	11.41%

- The Company has one class of equity shares having a par value of INR 10 per share. Each shareholder is entitled to one vote per equity share held. In the event of liquidation of the Company, the equity shareholders are eligible to receive remaining assets of the Company.
- The Company bought back 4,78,210 equity shares of Rs. 10/- each during the year ended 31<sup>st</sup> March, 2020.

Sr. No.	Name of promoter	Shares held by promoters at the end of the year				% change during the year
		As at 31-03-2024		As at 31-03-2023		
		No. of shares	% of total shares	No. of shares	% of total shares	
1	Mr. Aman Rungta	20070	0.51%	20070	0.51%	<b>0.00%</b>
2	Mrs. Pinky Rungta	6800	0.17%	6800	0.17%	<b>0.00%</b>
3	Mr. Sanjeev Rungta	2800	0.07%	2800	0.07%	<b>0.00%</b>
4	Mrs. Aarti B. Aggarwal	2000	0.05%	2000	0.05%	<b>0.00%</b>

**Notes Forming Part of Financial Statements**
**(Rs. in Lakhs)**

Particulars	As at 31 <sup>st</sup> March, 2024	As at 31 <sup>st</sup> March, 2023
<b>19 OTHER EQUITY</b>		
<b>(a) Capital Reserve</b>		
- <b>Subsidy</b> The Company has recognized subsidy in earlier years towards new project capital investment from Government of Gujarat	25.00	25.00
- <b>Cancellation of Forfeited Shares</b> The Company has recognized this reserve out of money received on cancellation of & forfeited shares against unpaid balance from right issues	66.60	66.60
- <b>On reissue of forfeited shares</b> The Company has recognized this reserve on forfeiting the application money received on re-issue of originally forfeited shares	0.34	0.34
	<b>91.94</b>	<b>91.94</b>
<b>(b) Capital Redemption Reserve</b>	<b>47.82</b>	47.82
	<b>47.82</b>	<b>47.82</b>
<b>(c) General Reserve</b>		
- Opening Balance of General Reserve	2,938.82	2,938.82
- Transfer from Profit & Loss A/c	-	-
Less : Paid for Equity Shares buy-back	-	-
	<b>2,938.82</b>	<b>2,938.82</b>
<b>(d) Retained earnings</b>		
- Balance Brought Forward from Last Year Profit	1,978.48	1,753.82
- Amount of past re-measurement cost	-	-
- Adjustment due to Change in Accounting Policy	-	-
- Transfer from Current Year Profit	131.75	283.82
	<b>2,110.23</b>	<b>2,037.64</b>
<b>Less : Appropriations</b>		
(a) Dividend paid	59.16	59.16
(b) Tax on Dividend paid	-	-
	<b>2,051.07</b>	<b>1,978.48</b>
<b>(e) Other Comprehensive Income</b>		
The Company has recognised the gain or loss on re-measurement of defined benefit obligation through Other Comprehensive (OCI) reserve	<b>(23.95)</b>	(31.67)
<b>Total Reserve and Surplus (a)+(b)+(c)+(d)+(e)</b>	<b>5,105.70</b>	<b>5,025.39</b>

**Notes Forming Part of Financial Statements**
**(Rs. in Lakhs)**

Particulars	As at 31 <sup>st</sup> March, 2024	As at 31 <sup>st</sup> March, 2023
<b>NON-CURRENT LIABILITIES</b>		
<b>20 FINANCIAL LIABILITIES</b>		
Lease Liabilities	2.25	16.97
	<b>2.25</b>	<b>16.97</b>
<b>21 PROVISIONS</b>		
Provision for Gratuity	63.72	67.18
Provision for Compensated absence	2.87	6.97
	<b>66.59</b>	<b>74.15</b>
<b>22 DEFERRED TAX LIABILITIES (NET)</b>		
Details of Net Deferred Tax (Assets) / Liabilities as under:		
Deferred Tax Liabilities	170.21	174.93
Deferred Tax Assets	(25.10)	(30.48)
	<b>145.11</b>	<b>144.45</b>

**The movement of deferred tax account is as follows :**

Year ended 31st March, 2024	Opening Balance	Recognized in Profit & Loss A/c	Recognized in Other Comprehensive Income	Closing Balance
<b>Deferred Tax Assets</b>				
Expenses Allowable on Payments	0.90	0.06	-	0.96
Provision for Employee Benefits	22.15	0.62	(2.59)	20.17
Other Temporary Differences	7.43	(3.47)	-	3.96
<b>Total Deferred Tax Assets</b>	<b>30.48</b>	<b>(2.79)</b>	<b>(2.59)</b>	<b>25.10</b>
<b>Deferred Tax Liabilities</b>				
Depreciation and Amortization	178.69	1.24	-	179.93
Fair Valuation of Mutual Fund	(3.76)	(5.96)	-	(9.72)
<b>Total Deferred Tax Liabilities</b>	<b>174.93</b>	<b>(4.72)</b>	<b>-</b>	<b>170.21</b>
<b>NET DEFERRED TAX ASSETS / (LIABILITIES)</b>	<b>(144.45)</b>	<b>1.93</b>	<b>(2.59)</b>	<b>(145.11)</b>
<b>Year ended 31st March, 2023</b>				
	Opening Balance	Recognized in Profit & Loss A/c	Recognized in Other Comprehensive Income	Closing Balance
<b>Deferred Tax Assets</b>				
Expenses Allowable on Payments	1.03	(0.13)	-	0.90
Provision for Employee Benefits	24.53	(3.67)	1.28	22.15
Other Temporary Differences	8.85	(1.41)	-	7.43
<b>Total Deferred Tax Assets</b>	<b>34.41</b>	<b>(5.21)</b>	<b>1.28</b>	<b>30.48</b>
<b>Deferred Tax Liabilities</b>				
Depreciation and Amortization	171.25	7.45	-	178.69
Fair Valuation of Mutual Fund	1.90	(5.66)	-	(3.76)
<b>Total Deferred Tax Liabilities</b>	<b>173.15</b>	<b>1.79</b>	<b>-</b>	<b>174.93</b>
<b>NET DEFERRED TAX ASSETS / (LIABILITIES)</b>	<b>(138.73)</b>	<b>(7.00)</b>	<b>1.28</b>	<b>(144.45)</b>

**Notes Forming Part of Financial Statements**
**(Rs. in Lakhs)**

Particulars	As at 31 <sup>st</sup> March, 2024	As at 31 <sup>st</sup> March, 2023				
<b>FINANCIAL LIABILITIES</b>						
<b>23 LEASE LIABILITIES</b>						
Lease Liabilities	13.51	12.57				
	<u>13.51</u>	<u>12.57</u>				
<b>24 TRADE PAYABLES</b>						
- Dues of small enterprises and micro enterprises	28.62	8.18				
- Dues of creditors other than small enterprises and micro enterprises	93.14	55.89				
<b>Ageing of Trade Payable for the year ended 31<sup>st</sup> March, 2024</b>						
	<b>Outstanding for following periods from due date of Payment</b>					
<b>Particulars</b>	<b>Not due</b>	<b>Less than 1 year</b>	<b>1-2 years</b>	<b>2-3 years</b>	<b>More than 3 years</b>	<b>Total</b>
MSME	28.62	-	-	-	-	28.62
Others	93.14	-	-	-	-	93.14
Disputed dues - MSME	-	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-	-
MSME	28.62	-	-	-	-	28.62
MSME	5.76	2.42	-	-	-	8.18
Others	55.89	-	-	-	-	55.89
Disputed dues - MSME	-	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-	-
						<u>121.76</u>
						<u>64.07</u>
<b>25 OTHER FINANCIAL LIABILITIES</b>						
Unclaimed Dividend	8.94	13.19				
	<u>8.94</u>	<u>13.19</u>				
<b>26 CURRENT TAX LIABILITIES (NET)</b>						
Income Tax Provision less Advance Tax and TDS	0.09	-				
	<u>0.09</u>	<u>-</u>				
<b>27 OTHER CURRENT LIABILITIES</b>						
Statutory Liabilities	15.65	10.38				
Advance from Customers	3.25	0.68				
Employee Benefits	25.01	21.12				
Others	38.13	11.87				
	<u>82.04</u>	<u>44.06</u>				
<b>28 PROVISIONS</b>						
Provision for Gratuity	12.03	12.12				
Provision for Compensated Absence	1.54	1.72				
	<u>13.57</u>	<u>13.84</u>				

**Notes Forming Part of Financial Statements**
**(Rs. in Lakhs)**

Particulars	Year ended 31 <sup>st</sup> March, 2024	Year ended 31 <sup>st</sup> March, 2023
<b>29 REVENUE FROM OPERATIONS</b>		
Sale of Products	3,426.15	5,010.92
	<b>3,426.15</b>	<b>5,010.92</b>
<b>OTHER OPERATING REVENUE</b>		
Scrap Sales	1.57	4.28
Liabilities/Provisions no longer required written back	0.39	-
	<b>1.96</b>	<b>4.28</b>
<b>TOTAL REVENUE FROM OPERATIONS</b>	<b>3,428.11</b>	<b>5,015.20</b>
<b>30 OTHER INCOME</b>		
Interest	258.15	189.55
Dividend Received	0.99	0.80
Net gain on foreign currency transaction and translation	30.40	61.14
Income from Units in Investment Funds	1.44	12.73
	<b>290.98</b>	<b>264.23</b>
<b>31 COST OF RAW MATERIALS AND COMPONENTS CONSUMED</b>		
Opening Stock	246.80	247.05
Add : Purchases	2,328.88	3,439.76
	<b>2,575.68</b>	<b>3,686.81</b>
Less : Closing Stock	420.65	246.80
	<b>2,155.03</b>	<b>3,440.01</b>
<b>32 CHANGES IN STOCK OF FINISHED GOODS AND WORK-IN-PROGRESS</b>		
<b>Opening Stock</b>		
Finished Goods	177.01	91.90
Work-in-Progress and Scrap	8.06	8.50
	<b>185.07</b>	<b>100.40</b>
<b>Closing Stock</b>		
Finished Goods	126.36	177.01
Work-in-Progress and Scrap	7.46	8.06
	<b>133.82</b>	<b>185.07</b>
	<b>51.25</b>	<b>(84.67)</b>
<b>33 EMPLOYEE BENEFIT EXPENSES</b>		
Salaries and Wages	457.60	440.72
Contribution to Provident Fund and other Funds	31.15	33.16
Staff Welfare Expenses	9.95	5.55
	<b>498.70</b>	<b>479.43</b>

**Notes Forming Part of Financial Statements**
**(Rs. in Lakhs)**

Particulars	Year ended 31 <sup>st</sup> March, 2024	Year ended 31 <sup>st</sup> March, 2023
<b>34 FINANCE COSTS</b>		
Interest expense on Lease Liability	2.63	2.98
Other Interest cost	2.47	6.85
	<b>5.10</b>	<b>9.83</b>
<b>35 OTHER EXPENSES</b>		
Stores Consumed	5.91	8.17
Packing Consumed	23.15	28.95
Power and Fuel	68.25	140.73
Repairs to Machineries	35.53	84.14
Repairs to Buildings	36.73	14.05
Repairs to Others	13.12	22.81
Rent & Service Charges	11.46	0.57
Rates and Taxes	1.45	1.47
Insurance	8.40	6.46
Legal and Professional Charges	28.25	21.56
Processing Charges	106.59	123.31
Loss on Fixed Assets Discarded	-	0.21
Security Service Charges	21.37	15.09
Transportation charges on Job work	15.49	11.86
Commission	92.19	69.25
Donation	0.83	2.49
Travelling, Conveyance and Taxi Hire Charges	102.44	71.13
Auditors' Remuneration	-	-
Audit Fees (Including Quarterly review)	3.50	3.50
Taxation matter	0.50	0.50
Other Services	0.50	0.50
Freight & Forwarding charges-Export	90.84	228.67
Transmission & Maintenance (WTG)	39.58	37.85
Net loss on realization / revaluation of Mutual Funds	5.81	20.12
Miscellaneous Expenses	42.41	50.22
	<b>754.31</b>	<b>963.61</b>

## Notes Forming Part of Financial Statements

### 36. OTHER NOTES:

#### 36.1.1 Contingent Liabilities

(Rs. in Lakhs)

Particulars	As at 31 <sup>st</sup> March, 2024	As at 31 <sup>st</sup> March, 2023
Bank Guarantee	53.88	53.88

#### Claims against the Company not acknowledged as debts:

The Central Excise and Service Tax department has raised demand (including penalty) vide Show Cause Notice dated 4th February, 2014 on the Company for an amount of Rs. 360 lakhs pertaining to the period from 01-04-2010 to 31-03-2011.

The said demand was contested by the Company before the Commissioner, Central Excise and Customs who vide Orders dated 21st August, 2014 and 28th August, 2014 reduced the total demand to a sum of Rs. 90.49 lakhs (including penalty).

The Company challenged the aforesaid Orders dated 21<sup>st</sup> August, 2014 and 28th August, 2014 by preferring an Appeal before the Hon'ble CESTAT Tribunal thereby, challenging the demand and penalty sought to be levied.

The Hon'ble Tribunal has vide Order dated 2nd August, 2023 held that the demand raised by the Department is not sustainable and accordingly, quashed the demand so raised and allowed the Company's Appeal.

#### 36.1.2 Commitments

##### Capital commitments

Capital expenditure contracted for at the end of the reporting period but not recognized as liabilities is Rs. Nil (Previous year: Rs. Nil).

#### 36.1.3 Proposed Dividend

The Board of Directors in their meeting held on May 18, 2024 recommended dividend of Rs. 1.00 at the rate of 10% (Previous year : Rs. 1.5 at the rate of 15%) per equity share for the financial year ended 31<sup>st</sup> March, 2024. This payment is subject to the approval of shareholders in the Annual General Meeting (AGM) of the company and approved would result in a net cash outflow of approximately Rs. 39.44 lakhs (Previous year : Rs. 59.16 lakhs).

The company declares and pays dividends in Indian rupees. Companies are required to pay / distribute dividend after deducting applicable withholding income taxes wherever applicable.

#### 36.1.4 Trade Payables

On the basis of intimation received from the vendors, the company has identified micro and small enterprise. There are no overdue amounts payable to these Micro and Small Enterprises registered under Micro, Small and Medium Enterprises Development Act; 2006 ('MSMED Act') as at 31<sup>st</sup> March, 2024. There is no interest payable under MSMED Act for the year ended 31<sup>st</sup> March, 2024.

### 36.2 Related Party Disclosures

#### (a) Names of related parties and nature of relationships:

Name	Nature of Relationship
Mr. Sanjeev Rungta	Promoter - Executive Chairman
Mr. Aman Rungta	Promoter - Whole Time Director (Finance)
Mr. Mukund Beriwala	Non-Executive - Independent Director
Mr. Vikram Somani	Non-Executive - Independent Director
Mrs. Rashmi Desai	Non-Executive - Independent Director
Mrs. Dharati Bhavsar	Company Secretary and Compliance Officer
Mrs. Siddhi Shah	Company Secretary and Compliance Officer
Rainy Properties Pvt. Ltd.	Associate Company
Alpha Stitch Art Pvt. Ltd.	Relatives of KMP are Directors of the Company - Promoter Group



## Notes Forming Part of Financial Statements

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

(Rs. in Lakhs)

Name of Related Parties	Nature of Transaction	Transactions during the year ended		Amount outstanding as at	
		31-03-2024	31-03-2023	31-03-2024	31-03-2023
Mr. Sanjeev Rungta	Remuneration, perquisites and commission	107.93	67.05	11.88	0.81
Mr. Aman Rungta	Remuneration, perquisites and commission	54.78	49.80	0.17	1.61
Mr. Mukund Beriwal	Sitting Fees	0.40	0.40	-	-
Mr. Vikram Somani	Sitting Fees	0.20	-	-	-
Mrs. Rashmi Desai	Sitting Fees	0.40	0.40	-	-
Mrs. Siddhi Shah	Remuneration	2.80	4.94	-	0.41
Mrs. Dharati Bhavsar	Remuneration	2.40	-	0.56	-
Alpha Stitch Art Pvt. Ltd.	Inter Corporate Deposit	500.00	-	500.00	-
Alpha Stitch Art Pvt. Ltd.	Interest Income	11.11	-	10.00	-
Rainy Properties Pvt. Ltd.	Investment in Equity Shares	-	-	100.00	100.00

### 36.3 Leases

The Company has incurred expenditure on short term leases of Rs. 11.46 Lakhs (Previous year: Rs. 0.57 lakhs) during the year. There are Rs. Nil (Previous year: Rs. Nil) commitments relating to such leases as on 31st March, 2024.

### 36.4 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 31<sup>st</sup> March, 2024

(Rs. in Lakhs)

Particulars	Carrying Value		Fair Value	
	31-03-2024	31-03-2023	31-03-2024	31-03-2023
<b>Financial assets</b>				
Investments	163.70	163.70	199.97	199.97
Loans	1796.37	1796.37	1900.59	1900.59
Other financial assets	180.91	180.91	118.61	118.61
Trade receivables	195.74	195.74	166.96	166.96
Cash and cash equivalents	1781.47	1781.47	1466.68	1466.68
Bank balances other than cash and cash equivalents	50.44	50.44	54.69	54.69
<b>Financial Liabilities carried at amortized cost</b>				
Lease Liabilities	15.75	15.75	29.54	29.54
Trade Payables	121.76	121.76	64.07	64.07
Other Financial liabilities	8.94	8.94	13.19	13.19

For trade receivables and trade payables and other assets and payables maturing within one year from the Balance Sheet date, the carrying amounts approximate the fair value due to the short maturity of these instruments.

## Notes Forming Part of Financial Statements

### 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. Level 3 – Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).
3. Company has financial instruments that falls in the category of Level 1 and Level 3 hence categorization for Level 2 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:

**The fair value hierarchy of assets and liabilities as at 31<sup>st</sup> March, 2024 and 31<sup>st</sup> March, 2023 is as follows:**

(Rs. in Lakhs)

Particulars	31-03-2024	Fair value measurement at the end of the year using		
		Level-1	Level-2	Level-3
Investments in tax free bonds	13.03	13.03	-	-
Investments in liquid mutual fund units	0.35	0.35	-	-
Equity Shares	22.77	22.77	-	-
Other investments	127.55	-	-	127.55

Particulars	31-03-2023	Fair value measurement at the end of the year using		
		Level-1	Level-2	Level-3
Investments in tax free bonds	13.03	13.03	-	-
Investments in liquid mutual fund units	14.38	14.38	-	-
Equity Shares	10.73	10.73	-	-
Other investments	161.83	-	-	161.83

### 36.5 Component of Other Comprehensive Income (OCI)

The amount for the year ended 31<sup>st</sup> March, 2024 and 31<sup>st</sup> March, 2023 recognized in the statement of other comprehensive income are as follows:

(Rs. in Lakhs)

Re-measurements of the net defined benefit liability/ (asset)	As at 31 <sup>st</sup> March, 2024	As at 31 <sup>st</sup> March, 2023
Actuarial (gains)/losses on obligations due to change in financial assumptions	0.78	(6.67)
Actuarial (gains)/losses on obligations due to change in demographic assumptions -	-	(2.44)
Actuarial (gains)/losses on obligations due to Experience Adjustments	(8.81)	15.08
(Return) / loss on plan assets excluding amounts included in the net interest on the net defined benefit liability/(asset)	(2.28)	(0.86)
<b>Amounts recognized in Other Comprehensive (Income) / Expense</b>	<b>(10.31)</b>	<b>5.09</b>

## Notes Forming Part of Financial Statements

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

#### Credit Risk

Credit risk is the risk of financial loss arising from counterparty failure to repay or service debt according to the contractual terms or obligations. Credit risk encompasses of both, the direct risk of default and the risk of deterioration of credit worthiness as well as concentration of risks. Credit risk is controlled by analyzing credit limits and credit worthiness of customers on a continuous basis to whom the credit has been granted after obtaining necessary approvals for credit. Financial instruments that are subject to concentrations of credit risk principally consist of trade receivables, loans, investments, derivative financial instruments, cash and cash equivalents, bank deposits and other financial assets.

Inter-corporate deposits are primarily with financial institutions having high credit-rating assigned by credit-rating agencies and short term loans to companies also with sound ratings. Bank deposits are held with different banks.

The other exposure to the credit risk at the reporting date is primarily from trade receivables. Trade receivables are typically unsecured. Credit risk has always been managed by the Company through credit approvals, establishing credit limits and continuously monitoring the credit worthiness of the customers to which the Company grants credit terms in the normal course of business. Credit is normally extended to very limited number of domestic customers having dealings of over two decades with the company and huge conglomerates in the international market.

The Company's credit period generally ranges from 0-45 days. Counterparty credit limits are reviewed by the Company's Directors handling operations. The limits are set to minimize the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments or repay the deposits.

#### Commodity risk

The company is partly impacted by the price volatility of commodities towards contracts already entered into and delivery is pending. Company manufacture PP (Polypropylene) Fibre for which PP (Polypropylene) Resin is the key raw material for its manufacture. Due to significant volatility of the price of PP (Polypropylene) Resin, the company has developed and enacted risk management strategy of procuring the materials from domestic market as well as international market. Generally, the company has pending deliveries of up to one month. The company has also entered into MOU with the designated vendor for supply of materials to mitigate commodity price 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 more or less irreplaceable by any other synthetic fibre.

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.

### Notes Forming Part of Financial Statements

(i) **The foreign currency risk from financial assets and liabilities is as follows:**

Re-measurements of the net defined benefit liability/ (asset)	(Rs. in Lakhs)	
	US Dollars As at 31 <sup>st</sup> March, 2024	US Dollars As at 31 <sup>st</sup> March, 2023
Net Current Assets	86.02	88.16
Net Current Liabilities	-	-
<b>Total (INR)</b>	<b>86.02</b>	<b>88.16</b>

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

The following table demonstrates 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.

(ii) **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, 2024 and 31st March, 2023.

Change in USD Rate	(Rs. in Lakhs)	
	Impact on Profit before Tax	
	As at 31 <sup>st</sup> March, 2024	As at 31 <sup>st</sup> March, 2023
INR / USD – Increase by 1%	0.86	0.88
INR / USD – Decrease by 1%	(0.86)	(0.88)

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

The fluctuation in foreign currency exchange rates does not have significant potential adverse impact on the statement of profit and loss and other comprehensive income and equity, accordingly does not hedge foreign currency risks using derivative financial instruments.

#### Liquidity Risk

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time.

The Company's principal sources of liquidity are cash and cash equivalents and the cash flow that is generated from operations. The Company has no outstanding borrowings. The Company believes that the working capital is sufficient to meet its current requirements.

As at 31<sup>st</sup> March, 2024, the Company had a cash and cash equivalent of Rs. 1781.47 lakhs and as at 31<sup>st</sup> March, 2023 Rs. 1466.68 lakhs.

The details regarding the contractual maturities of significant financial liabilities as at 31<sup>st</sup> March, 2024 are as follows:  
(Rs. in Lakhs)

Particulars	On Demand	0-3 Months	3-6 Months	6-12 Months	More than 1 Year	Total
<b>As at 31-03-2024</b>						
Trade Payables	-	121.76	-	-	-	121.76
Lease Liability	-	3.38	3.38	6.74	2.25	15.75
Other Financial Liabilities	8.94	-	-	-	-	8.94
<b>As at 31-03-2023</b>						
Trade Payables	-	64.07	-	-	-	64.07
Lease Liability	-	3.16	3.16	6.25	16.97	29.54
Other Financial Liabilities	13.19	-	-	-	-	13.19

## Notes Forming Part of Financial Statements

### 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.

Particulars	(Rs. in Lakhs)	
	As at 31 <sup>st</sup> March, 2024	As at 31 <sup>st</sup> March, 2023
<b>Equity</b>		
Equity share capital	394.41	394.41
Other Equity	5105.70	5025.39
<b>Total Equity (Net of Debt)</b>	<b>5500.11</b>	<b>5419.80</b>

### 36.7 Employee Benefits

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

#### (a) Defined Contribution Plan – Provident Fund

During the year, the company has recognized the Company's Contribution to Employees Provident Fund amounting to Rs. 13.35 lakhs (Previous year : Rs. 14.18 lakhs) as part of Remuneration and other benefits to the employees.

#### (b) Defined Benefit Plan

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

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

The following table sets out the funded status of the gratuity plan. The amount recognized in the company's financial statement as at 31<sup>st</sup> March, 2024.

Particulars	(Rs. in Lakhs)	
	As at 31 <sup>st</sup> March, 2024	As at 31 <sup>st</sup> March, 2023
Discount Rate	7.15%	7.30%
Salary Growth Rate	5.00%	5.00%
Withdrawal Rate	10% at all ages	10% at all ages

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

Particulars	(Rs. in Lakhs)	
	As at 31 <sup>st</sup> March, 2024	As at 31 <sup>st</sup> March, 2023
Present Value of defined benefit obligation	168.46	164.45
Fair value of plan assets	(92.71)	(85.15)
<b>Net Liability (Asset)</b>	<b>75.75</b>	<b>79.30</b>

### Notes Forming Part of Financial Statements

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

Particulars	(Rs. in Lakhs)	
	As at 31 <sup>st</sup> March, 2024	As at 31 <sup>st</sup> March, 2023
<b>Opening defined benefit obligation</b>	<b>164.45</b>	<b>151.58</b>
Current service cost	10.91	10.75
Interest cost	9.35	8.39
Actuarial (gain) / loss on:		
(a) Change in financial assumption	0.77	(6.69)
(b) Change in demographic assumption	-	(2.44)
(c) Experience adjustment and past service cost	(8.81)	15.08
(d) Past Service cost	-	-
Benefit paid	(8.21)	(12.22)
<b>Closing defined benefit obligation</b>	<b>168.46</b>	<b>164.45</b>

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

Particulars	(Rs. in Lakhs)	
	As at 31 <sup>st</sup> March, 2024	As at 31 <sup>st</sup> March, 2023
<b>Opening fair value of plan asset</b>	<b>85.15</b>	<b>64.22</b>
Interest Income	4.00	3.29
Return on plan asset	2.27	0.86
Contribution paid	9.50	29.00
Benefit paid	(8.21)	(12.22)
<b>Closing fair value of plan asset</b>	<b>92.71</b>	<b>85.15</b>

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 Rs.6.28 lakhs (Previous year : Rs. 4.15 lakhs).

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.

Particulars	(Rs. in Lakhs)	
	As at 31 <sup>st</sup> March, 2024	As at 31 <sup>st</sup> March, 2023
Increased by 0.5%	165.92	161.73
decreased by 0.5%	171.11	167.28
Salary growth rate sensitivity		
Increased by 0.5%	171.01	167.23
decreased by 0.5%	165.99	161.60

### Notes Forming Part of Financial Statements

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

(Rs. in Lakhs)		
Expenses Charged to Statement of Profit & Loss	As at 31 <sup>st</sup> March, 2024	As at 31 <sup>st</sup> March, 2023
<b>Gratuity</b>		
Service Cost:		
Current service cost	10.91	10.75
Net interests cost	5.35	5.10
<b>Total Charged to Statement of Profit &amp; Loss under the head 'Employee Benefit Expense'</b>	<b>16.26</b>	<b>15.85</b>
Expenses recognized in Other Comprehensive Income Actuarial (gain) / loss on Obligation:		
Due to change in financial assumption	0.77	(6.69)
Due to change in demographic assumption	-	(2.44)
Due to experience adjustment	(8.81)	15.07
Return on plan assets	(2.27)	(0.86)
<b>Amount recognized in other comprehensive (income)/Expense</b>	<b>(10.31)</b>	<b>5.09</b>

**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. In such cases, the present value of the assets is independent of the future discount rate. This can result in wide fluctuations in the net liability or the funded status if there are significant changes in the discount rate during the inter valuation period.
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 liabilities or reduction in the plan assets due to change in the legislation/regulation. The government may amend the Payment of Gratuity Act thus requiring the companies to pay higher benefits to the employees. This will directly affect the present value of the Defined Benefit Obligation and the same will have to be recognized immediately in the year when any such amendment is effective.

**Notes Forming Part of Financial Statements**
**36.8 Earning Per Share**

Particulars	As at 31 <sup>st</sup> March, 2024	As at 31 <sup>st</sup> March, 2023
Profit after tax (Rs. in Lakhs)	131.75	283.82
Weighted average number of shares (Nos.)	39,44,136	39,44,136
Earnings Per Share (Basic and Diluted) (Rs.)	3.34	7.20
Face value per share (Rs.)	10	10

**36.9 Revenue from operations**

Disaggregated revenue information

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

(Rs. in Lakhs)		
Particulars	As at 31 <sup>st</sup> March, 2024	As at 31 <sup>st</sup> March, 2023
<b>Type of Goods</b>		
Sale of Goods	3404.75	5009.49
Electric Power Energy	23.36	5.71
<b>Total revenue from contracts with customers</b>	<b>3428.11</b>	<b>5015.20</b>
India	2033.93	1811.24
Outside India	1394.18	3203.96
<b>Total revenue from contracts with customers</b>	<b>3428.11</b>	<b>5015.20</b>
<b>Timing of revenue recognition</b>		
Goods transferred at a point in time	3428.11	5015.20
Total revenue from contracts with customers	3428.11	5015.20
<b>Type of Customers</b>	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

(Rs. in Lakhs)		
Particulars	As at 31 <sup>st</sup> March, 2024	As at 31 <sup>st</sup> March, 2023
Trade receivables	195.74	166.96
Contract liabilities:		
Advance from customers	3.25	0.68

\* Trade receivables are generally non-interest bearing and are usually on credit terms of up to 45 days.



## Notes Forming Part of Financial Statements

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

Particulars	(Rs. in Lakhs)	
	As at 31 <sup>st</sup> March, 2024	As at 31 <sup>st</sup> March, 2023
Revenue as per contracted price	3444.31	5018.40
<b>Less: Adjustments</b>		
Sales Return	16.20	3.20
<b>Revenue from contracts with customers</b>	<b>3428.11</b>	<b>5015.20</b>

The transaction price allocated to the remaining performance obligation (unsatisfied or partially unsatisfied) as at 31<sup>st</sup> March, 2024 and as at 31<sup>st</sup> March, 2023 are as follows:

Particulars	(Rs. in Lakhs)	
	As at 31 <sup>st</sup> March, 2024	As at 31 <sup>st</sup> March, 2023
Advance from customers	3.25	0.68

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.

### 36.10 Additional Regulatory Information:

- (a) The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
- (b) The Company did not have any transactions with companies struck off under Section 248 of the Companies Act, 2013 or Section 560 of Companies Act, 1956 during the financial years 2023-24 and 2022-23.
- (c) The Company does not have any charges or satisfaction which is yet to be registered with Registrar of Companies (ROC) beyond the statutory period.
- (d) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.
- (e) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
  - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
  - (b) Provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- (f) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
  - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
  - (b) Provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (g) The Company has not any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961)

## Notes Forming Part of Financial Statements

### RATIOS

Ratio	Numerator	Denominator	Current Year	Previous Year
Current Ratio (in times)	Total Current Assets	Total Current Liabilities	16.28	27.01
Debt-Equity Ratio (in times)	Debt consists of borrowings and lease liabilities	Total equity	0.003	0.005
Debt Service coverage Ratio	Earning for Debt Service = Net Profit after taxes + Non-cash operating expenses + Interest + Other non-cash adjustments	Debt service = Interest and lease payments + Principal repayments	13.91	22.59
Return on Equity Ratio	Net Profit after tax	Average total equity	0.02	0.05
Inventory Turnover Ratio	Cost of Products	Average Inventory	6.86	12.68
Trade Receivable turnover Ratio (in times)	Net Sales	Average Trade Receivables	18.89	15.42
Trade Payable turnover Ratio (in times)	Purchase of goods and other expense	Average Trade Payables	25.41	46.13
Net Capital Turnover Ratio	Net Sales	Average Working Capital	0.91	1.22
Net Profit Ratio (in %)	Net Profit after tax	Net Sales	3.85	5.66
Return on Capital Employed (in %)	Profit before tax and finance cost	Capital employed = Net worth + Lease liabilities + Deferred tax liabilities	3.15	7.01
Return on Investments Ratio (in %)	Income generated from invested funds	Average invested funds	0.01	0.06

Reasons for major variations in ratios as compared to previous year:

- Variation in current ratio is mainly due to decrease in the advances given shown under other current asset and increase in trade payable and other current liabilities.
- Variation in debt-equity ratio is mainly due to decrease of lease liabilities and increase in equity on account of retained profit.
- Variation in return on equity ratio is mainly due to decrease in net profit after tax and increase in other equity on account of retained profit.
- Variation in inventory turnover ratio is mainly due to decrease in sales in revenue from operation and increase of average value of inventories held in current assets.
- Variation in trade payable turnover ratio is mainly due to increase in the average trade payables while the cost of raw materials has decreased.
- Variation in net capital turnover and net profit ratio is mainly due to decrease in sales in revenue from operation.
- Variation in return on capital employed is mainly due to decrease in profit before tax and financial cost while the capital employed has increased on account of retained profit.
- Variation in return on investment ratio is mainly due to decrease in income from investment funds.

### 36.11 Foreign exchange earnings / outgo

(Rs. in Lakhs)

	Particulars	As at 31 <sup>st</sup> March, 2024	As at 31 <sup>st</sup> March, 2023
Value of Import of CIF Basis	Raw Materials	359.42	6.55
Expenditure in Foreign Currency	Travelling	33.65	7.29
F.O.B. Value	Export Sales	1365.61	3002.58

## Notes Forming Part of Financial Statements

### 36.12 Reconciliation of tax expenses and the accounting profit multiplied by tax rate

(Rs. in Lakhs)

Particulars	As at 31 <sup>st</sup> March, 2024	As at 31 <sup>st</sup> March, 2023
Net profit before taxation	173.43	382.36
Tax effect of profit @ 25.168%	43.65	96.23
Tax effect of disallowances / additions	4.11	0.65
Tax effect of allowances / deductions	(0.26)	(6.88)
Effect of deferred tax	(1.93)	7.00
Tax effect of earlier year provision written back	(3.89)	1.54
<b>TOTAL TAX</b>	<b>41.68</b>	<b>98.54</b>

### 36.13 Segment Reporting

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

#### (1) Manufacturing of 'Manmade Fibre'(2) Power Generation - Wind Turbine

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 un-allocable assets and liabilities. Common costs attributable to Wind Mill are insignificant and hence not allocated to this unit.

#### Information about Business Segments:

(Rs. in Lakhs)

Sr. No.	Particulars	As at 31 <sup>st</sup> March, 2024	As at 31 <sup>st</sup> March, 2023
	<b>Segment Revenues and Profit and Loss</b>		
(1)	<b>Segment Revenues</b>		
	(a) Manmade Fibre	3404.75	5,009.48
	(b) Wind Mill	177.34	185.31
		<b>3582.09</b>	<b>5,194.79</b>
	Less : Inter Segment Revenue	153.98	179.59
	<b>Revenue from operations</b>	<b>3428.11</b>	<b>5,015.20</b>
(2)	<b>Segment Results</b>		
	(a) Manmade Fibre	(198.48)	45.88
	(b) Wind Mill	91.85	102.20
		<b>(106.63)</b>	<b>148.08</b>
	Less : Financial Cost	(5.10)	(9.83)
	Add : Other unallocable income	285.16	244.11
	<b>Profit before tax</b>	<b>173.43</b>	<b>382.36</b>
(3)	<b>Segments Assets</b>		
	(a) Manmade Fibre	3137.24	2,867.61
	(b) Wind Mill	690.97	723.79
	Unallocable	2125.76	2,211.70
	<b>Total</b>	<b>5953.97</b>	<b>5,803.10</b>
(4)	<b>Segments Liabilities</b>		
	(a) Manmade Fibre	306.40	236.63
	(b) Wind Mill	2.25	2.21
	Unallocable	145.20	144.45
	<b>Total</b>	<b>453.85</b>	<b>383.29</b>
(5)	<b>Depreciation and amortization</b>		
	(a) Manmade Fibre	47.70	55.40
	(b) Wind Mill	33.57	33.46
	<b>Total</b>	<b>81.27</b>	<b>88.86</b>

## Notes Forming Part of Financial Statements

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.

**36.14** Figures for the comparative periods have been regrouped wherever necessary in conformity with present classification.

As per our report of even date

**FOR SURENDRA MODIANI & ASSOCIATES**

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

**Surendra Modiani**

Partner

Membership No. 047966

Date : 18-05-2024

Place : Vadodara

**For and on behalf of Board of Directors**

**Aman Rungta**

Whole Time Director Finance

DIN : 03585306

**Dharati Bhavsar**

Company Secretary

**Sanjeev Rungta**

Executive Chairman

DIN : 00053602

**Vikram Somani**

Independent Director

DIN : 00054310



# Zenith Fibres Limited

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CIN: L40100MH1989PLC054580

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