



ZENITH FIBRES LIMITED

**30th ANNUAL REPORT
2018-19**

BOARD OF DIRECTORS**Executive Chairman**

SHRI SANJEEV RUNGTA

Directors

SHRI AMITABHA GHOSH

SMT. RASHMI DESAI

SHRI MUKUND BERIWALA

MANAGEMENT**Chief Executive Officer**

SHRI S. S. IYER

Chief Financial Officer

SHRI PRATIP PATEL

Company Secretary

MS. SIDDHI SHAH

REGD. OFFICE

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

WORKS

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

SHARE TRANSFER AGENT

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

AUDITORS

M/s. Surendra Modiani & Associates
Chartered Accountants

BANKERS

Standard Chartered Bank

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URL : www.zenithfibres.com

ZENITH FIBRES LIMITED NOTICE FOR THIRTIETH ANNUAL GENERAL MEETING

CIN: L17120MH1989PLC054580

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

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

Ordinary Business:

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

By order of the Board of Directors

Date: 14/08/2019
Place: Mumbai

Siddhi Shah
Company Secretary

NOTES:

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

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

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

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

For Members holding shares in Demat and Physical Form

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

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

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

Dividend Bank Details Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.

OR Date of Birth (DOB)

- If both the details are not recorded with the depository or company, please enter the member id/folio number in the Dividend Bank details field as mentioned in instruction (iv).

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to

mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the relevant Company Name i.e Zenith Fibres Limited on which you choose to vote.
- (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution, you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xvii) If a demat account holder has forgotten the login password then enter the user ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. iPhone and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- (xix) Note for Non - Individual Shareholders and Custodians
 - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing

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

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

transfer of said amount to IEPF, any person claiming to be entitled to the amount will have to apply to IEPF authority for refund of dividend. The following are the details of dividend paid by the Company, which has remained unclaimed/unpaid and their respective due dates of transfer to IEPF:

Date of declaration of Dividend	Dividend for the year	Due date of transfer to the Govt.
28.07.2012	2011-12	27.08.2019
29.07.2013	2012-13	28.08.2020
30.07.2014	2013-14	29.08.2021
29.09.2015	2014-15	28.10.2022
29.09.2016	2015-16	28.10.2023
29.09.2017	2016-17	28.10.2024
28.09.2018	2017-18	27.10.2025

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

DIRECTORS' REPORT

Dear Members,

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

(₹ in Lacs)

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

DIVIDEND AND RESERVE

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

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

PERFORMANCE

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

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

PLANT OPERATIONS

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

SHARE CAPITAL

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

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

APPOINTMENT/REAPPOINTMENT/CESSATION OF DIRECTORS/ KMP

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

BOARD EVALUATION

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

SUBSIDIARY / JOINT VENTURE / ASSOCIATE COMPANY

Please refer Form AOC 1 at "Annexure A".

COMPANY'S POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION

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

FINANCE/ACCOUNTS

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

CORPORATE GOVERNANCE

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

CORPORATE SOCIAL RESPONSIBILITY

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

FIXED DEPOSITS

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

PARTICULARS OF LOANS, GUARANTEES, SECURITIES OR INVESTMENTS

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

DECLARATION GIVEN BY INDEPENDENT DIRECTORS

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

DIRECTORS' RESPONSIBILITY STATEMENT

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

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

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

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

AUDIT COMMITTEE RECOMMENDATIONS

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

AUDITORS

- a) Independent Auditor
The Independent Auditor M/s. Surendra Modiani & Associates, Chartered Accountant having F.R.N.126307W were appointed as Independent Auditors of the Company in the 28th Annual General Meeting of the Company for a period of five consecutive years, based upon the declaration of their eligibility, consent and terms of engagement. The Independent Auditors have not reported any incident of fraud to the Audit Committee of the Company for Financial Year 2018-19.
- b) Internal Auditor
The Board of Directors has appointed M/s. Keyur Patel & Company, as Internal Auditors of the Company.

EXTRACT OF ANNUAL RETURN

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

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

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

CODE OF CONDUCT

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

WHISTLE BLOWER POLICY/VIGIL MECHANISM

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

PREVENTION OF INSIDER TRADING

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

MEETINGS OF THE BOARD

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

SECRETARIAL AUDITOR

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

and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 the Company has appointed Dhruvalkumar D. Baladha, Company Secretary in practice to undertake the Secretarial Audit of the Company. The Secretarial Audit Report for the financial year ended 31st March, 2019 is annexed herewith marked as "Annexure B" to this Report. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

RISK MANAGEMENT

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

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

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

PREVENTION OF SEXUAL HARASSMENT AT WORKPLACE

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

PARTICULARS OF EMPLOYEES

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

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

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

MANAGEMENT DISCUSSION AND ANALYSIS

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

1. Industry Structure and Development

During the year under review, there was no significant improvement in the off take of Polypropylene Fibre in the country. However, not only does the potential loom large, there is certain movement in this direction which augurs well for the future. The management hopes the same will bear fruit at the earliest.

2. Segment wise Operational Performance

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

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

(Quantity in MT)

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

(₹ in Lacs)

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

Exports and sales of Yarn were 383.65 (599.21MT) and 478.54 (681MT) respectively.

3. Quality & Future Outlook

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

4. Threats and Concerns

The Company is committed to manufacture and deliver quality products strictly as per requirement of the customer. Constant feedback from the customers are received and all efforts made for continuous improvement in process performance and product quality, wherever required. With established production base of almost three decades, the Company is in a position to maintain production and supply of quality products smoothly. This testifies to the fact that there is virtually nil rejections of the Company's products. The Company has benefit of its long standing with its customers and can match the prices suitably as per pricing policy as and when required. For the above reasons, no major threat is overseen and the Company is confident to face any threat from the competition. The Company is also maintaining healthy liquidity to meet any unforeseen exigencies.

5. Internal Control Systems and their adequacy

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

6. Human Resources and Industrial Relations

The Company has adequate and qualified human resources and enjoys cordial relations with its employees. Numbers of employees were 90 as on 31st March, 2019. The Board of Directors wishes to place on record its appreciation for the