

26th Annual Report  
2014-2015



Zenith Fibres Limited

कर्मण्येवाधिकारस्ते मा फलेषु कदाचन ।  
मा कर्मफलहेतुर्भूर्मा ते सङ्गोऽस्त्वकर्मणि ॥

**RESPECTFUL HOMAGE TO OUR  
LATE CHAIRMAN**



**SHRI AJAY KUMARJI RUNGTA  
(MAY, 1939 – FEB., 2015)**

**BOARD OF DIRECTORS**

SHRI SANJEEV RUNGTA	Chairman
SHRI AMITABHA GHOSH	Director
SHRI RAJEEV RUNGTA	Director
SHRI ABHISHAKE RUNGTA	Director
SHRI MUKUND BERIWALA	Director
DR. S. R. VENGSARKER	Director
MS. SHRADDHA MOOKIM	Director

**MANAGEMENT**

SHRI S.S. IYER	CEO
SHRI K.D SHARMA	CFO
SHRI SHAILESH PANDEY	COO
SHRI PRAVEEN BUKYALKAR	CMO

**AUDITORS**

M/s. JAIN & HINDOCHA

**BANKERS**

HDFC BANK LTD.

**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  
Ph. No. : 022-28599428  
Fax. No. : 022-28599429  
E-mail : mumbai@zenithfibres.com

**WORKS**

Block 458  
Village Post Tundav,  
Taluka Savli  
Dist. Vadodara - 391 775

**REGISTRAR & SHARE TRANSFER AGENT**

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

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## ZENITH FIBRES LIMITED NOTICE FOR TWENTYSIXTH ANNUAL GENERAL MEETING

CIN: L17120MH1989PLC054580

Regd. Office: 205, Marol Bhavan, 2nd Floor, Marol Co-op. Ind. Estate Ltd.

M.V.Road, J.B. Nagar, Post Andheri East, Mumbai-400059

E-Mail: mumbai@zenithfibres.com | Web: www.zenithfibres.com

Ph#: 022-28599428 | Fax#: 022-28599429

**Notice** is hereby given that the Twenty Sixth Annual General Meeting of the members of Zenith Fibres Limited will be held on Tuesday, the 29th September of 2015 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, 2015 together with Directors' Report and Auditor's Report thereon.
2. To declare Dividend.
3. To appoint a Director in place of Mr. Rajeev Rungta, (DIN: 00122221) who retires by rotation, and being eligible, offers himself for re-appointment.
4. To appoint statutory auditors of the Company, to hold office until the conclusion of 27th Annual General Meeting, and to fix their remuneration.

### Special Business:

5. **Appointment of Dr. Satishchandra Ramrao Vengsarker (DIN: 05307037) as an Independent Director of the Company.**

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

**"Resolved That** pursuant to the provisions of Section 149, 150, 152 and other applicable provisions, if any, of the Companies Act 2013 ("the Act") and Rules framed thereunder and Clause 49 of the Listing Agreement entered into with Stock Exchange (including any statutory modifications or amendments or re-enactment thereof for the time being in force read with Schedule IV of the Act), Dr. Satishchandra Ramrao Vengsarker (DIN:05307037), Director of the Company, in respect of whom the Company has received a notice in writing pursuant to section 160 of the Act from a Member proposing his candidature for the office of Independent Director, and who has submitted a declaration that he meets the criteria for Independence as provided under Section 149(6) of the Companies Act, 2013, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a period of five

consecutive years from the date of this Annual General Meeting."

6. **Appointment of Mr. Abhishake Rungta (DIN: 0053730) as an Independent Director of the Company.**

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

**"Resolved That** pursuant to the provisions of Section 149, 150, 152 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and Rules framed thereunder and Clause 49 of the Listing Agreement entered into with Stock Exchange (including any statutory modifications or amendments or re-enactment thereof for the time being in force read with Schedule IV of the Act), Mr. Abhishake Rungta (DIN: 0053730), Director of the Company, in respect of whom the Company has received a notice in writing pursuant to section 160 of the Act from a Member proposing his candidature for the office of Independent Director, and who has submitted a declaration that he meets the criteria for independence as provided under Section 149(6) of the Companies Act 2013, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a period of five consecutive years from the date of this Annual General Meeting."

7. **Appointment of Ms. Shraddha Mookim (DIN: 06948233) as an Independent Director of the Company.**

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

**"Resolved That** pursuant to the provisions of Section 149, 150, 152 and other applicable provisions, if any, of the Companies Act 2013 ("the Act") and Rules framed thereunder and Clause 49 of the Listing Agreement entered into with Stock Exchange (including any statutory modifications or amendments or re-enactment thereof for the time being in force read with Schedule IV of the Act), Ms. Shraddha Mookim (DIN: 06948233), who was appointed as an Additional Director of the Company with effect from 08th November 2014 by the Board of Directors to hold office upto the date of forthcoming Annual General Meeting, under Section 161 of the

Companies Act, 2013 and who is eligible for appointment and in respect of whom the Company has received a notice in writing pursuant to section 160 of the Act from a Member proposing her candidature for the office of Independent Director, and who has submitted a declaration that she meets the criteria for Independence as provided under Section 149(6) of the Companies Act 2013, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a period of five consecutive years from the date of this Annual General Meeting."

#### **8. Cancellation of Equity Shares forfeited by the Company**

To consider and if thought fit, to pass with or without modification, the following resolution as special resolution:

**"Resolved That** pursuant to the provisions of Section 61(1)(e), and any applicable provisions of the Companies Act, 2013 ("the Act") including any statutory modification(s) or re-enactment thereof for the time being in force and Rules made under the Act, and in exercise of the powers conferred under Article 9 of the Articles of Association of the Company, consent of the Company be and is hereby accorded to the cancellation of 13,32,181 equity shares issued out of the authorised share capital of the Company, which were forfeited by the Company, and which have neither been re-issued nor have been taken up or agreed to be taken up by any person and that the amount of issued share capital be and is hereby diminished by an amount of Rs.66,60,905 being the amount paid up on the forfeited shares so cancelled.

**Resolved Further** That Board of Directors of the Company be and are hereby authorised to take all such further and other steps as are necessary and expedient for implementation of the aforesaid decision."

By Order of the Board of Directors

Place : Mumbai  
Date : 08.08.2015

**SANJEEV RUNGTA**  
(DIN: 00053602)  
CHAIRMAN

#### **NOTES :**

1. 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.
2. Proxies submitted on behalf of limited companies, societies, etc., must be supported by an appropriate resolution /authority, as applicable.
2. The Register of Members and Share Transfer Books of the Company will remain closed from Wednesday 23rd September 2015 to Tuesday, 29th September 2015 (both days inclusive).
3. 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 29th September, 2015 in case of physical shares and to those members as per the beneficiary position given by NSDL and CDSL.
4. 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.
5. 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 (E) Mumbai-400093.
6. As a 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 encouraged that members support green initiative and update desired email address. Please let us know 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 are being sent by the permitted modes. The notice of the meeting shall also be posted on the website of the Company at [www.zenithfibres.com](http://www.zenithfibres.com)
7. Pursuant to section 108 of the Companies Act, 2013, read with rule 20 of the Companies (Management & Administration) Rules, 2014, as amended Clause 35B of the Listing Agreement, the Company is pleased to provide e-voting facility to the Members to cast their votes electronically for the businesses to be transacted at 26th Annual General Meeting of the company, to be held on 29th September, 2015.

### Details of E-voting Schedule:

Particulars	Schedules
Date & time of commencement voting through electronic means	25th September, 2015 at 09.30 a.m
Date & time of end of voting through electronic means	27th September, 2015 at 5.00 p.m

- 1) During this period shareholders of the Company, may cast their vote electronically. The e-voting module shall be disabled for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.
- 2) The voting rights of Shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on, 22nd September, 2015 being Cut off date.
- 3) The Company has appointed Mr. A.R. Jain, Practicing Chartered Accountant, to act as the scrutinizer, to scrutinize the entire e-voting process in fair and transparent manner. The members desiring to vote through e-voting are requested to refer to the detailed procedure given hereinafter:
- 4) The procedure of e-voting is as under:
  - i. Launch internet browser by typing the URL: <https://evotingindia.com>
  - ii. Click on "**Shareholders**" tab to cast your votes.
  - iii. Select the Electronic Voting Sequence Number (EVSN)0150818050 along with Company Name (Zenith Fibres Limited) from the drop down menu and click on "SUBMIT"
  - iv. After entering the details mentioned in the table appropriately, click on "SUBMIT" tab

- v. Members holding shares in demat form will enter the login credentials (i.e. User ID and Password mentioned above). However, if you are already registered for e-voting, you can use your existing User ID and password for logging in.
- vi. After entering these details appropriately, click on "LOGIN".
- vii. You will now reach password change Menu wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character (@,#,\$, etc.). The system will prompt you to change your password and update your contact details like mobile number, email ID, etc. on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.
- viii. You need to login again with the new password.
- ix. On successful login, the system will prompt you to select the "EVENT" i.e. Zenith Fibres Limited
- x. On the voting page, enter the number of shares (which represents the number of votes as on the cut off date) under "FOR/ AGAINST/ ABSTAIN" or alternatively, you may partially enter any number of votes in "FOR" and partially

	For members holding shares in Demat form	For members holding shares in Physical Form
User ID	For NSDL: 8 character DP ID followed by 8 Digits client ID	For CDSL: 16 digit beneficiary ID Folio number Registered with the Company.
PAN@	Enter your 10 digit alpha- numeric *PAN issued by the Income Tax Department when prompted by the system while E-Voting (applicable for both demat shareholders as well as physical shareholders)	
DOB*	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.	
Dividend Bank Details *	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio	

@ Members, who have not updated their PAN with the Company/Depository Participant, are requested to use the default number "CTLEV1234Z" in the PAN Field.

\* CDSL users can enter any one of the details viz. dividend bank details or date of birth, in order to login; however, NSDL users mandatorily have to mention their bank account number in order to login. In case bank details are not recorded with the depository, please enter the number of shares held by you as on the cut-off date

in "AGAINST" such that the total number of votes cast "FOR/AGAINST" taken together should not exceed your total shareholding. In case you do not wish to cast your vote you may choose the option "ABSTAIN".

- xi. Voting has to be done for each item of the Notice separately. In case you do not cast your vote on any specific item it will be treated as abstained.
  - xii. Click on the 'Resolution File Link' if you wish to view the entire Resolutions.
  - xiii. Members holding multiple demat accounts / folios shall choose the voting process separately for each demat account / folio.
  - xiv. You may then cast your vote by selecting an appropriate option and click on "SUBMIT". A confirmation box will be displayed. Click "OK" to confirm else "CANCEL" to modify. Once you confirm, you will not be allowed to modify your vote. During the voting period, members can login any number of times till they have voted on the Resolution(s).
  - xv. Note for Non - Individual Shareholders and Custodians.
    - Non-Individual shareholders (i.e. other than Individuals, HUF, and NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporate.
    - 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.
    - A scanned copy of the Board Resolution or Power of Attorney (POA) which they have issued in favor of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
    - 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](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com)
- 5) 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 favor or against, if any, forthwith to the Chairman of the Company or any other officer authorized by Chairman.

- 6) 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 favor of the Resolutions.
- 7) The Results declared along with the Scrutinizer's Report(s) will be available on the website of the Company ([www.zenithfibres.com](http://www.zenithfibres.com)) and on Service Provider's website ([www.evotingindia.com](http://www.evotingindia.com)) within 2 (two) days of declaration of the results and would also be communicated to the BSE Limited.
8. Members are requested to note that as per Section 205A of the Companies Act, 1956, dividend(s) not encashed/claimed within seven years from the date of declaration will be transferred to Investor Education and Protection Fund (IEPF). After transfer of said amount to IEPF, no claims in this respect shall lie against IEPF or the Company.

The following are the details of dividend paid by the Company and their respective due dates of transfer to such fund of the Central Government, which remain unpaid:

<b>Date of declaration of Dividend</b>	<b>Dividend for the year</b>	<b>Due date of transfer to the Govt.</b>
29.09.2008	2007-08	28.10.2015
23.09.2009	2008-09	22.10.2016
28.09.2010	2009-10	27.10.2017
29.09.2011	2010-11	28.10.2018
28.07.2012	2011-12	27.08.2019
29.07.2013	2012-13	28.08.2020
30.07.2014	2013-14	29.08.2021

9. The Securities and Exchange Board of India (SEBI) has mandated submission of Permanent Account Number (PAN) by every participant in security market. Members holding shares in demat form are therefore, requested to submit PAN details to the Depository Participants with whom they are maintaining their Demat Accounts.
10. Members desiring any information relating to the accounts are requested to write to the Company at least seven working days in advance of the AGM so as to enable the management to keep the information ready.



11. In accordance with the Articles of association of the Company, Mr. Rajeev Rungta, (DIN: 00122221) Director of the Company is liable to retire by rotation and being eligible offers himself for re-appointment. A brief resume and shareholding of Mr. Rajeev Rungta, is provided in the Corporate Governance Report.

### **An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 relating to the Special Business**

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

The Board of Directors of the Company recommended to appoint Dr. Satishchandra Ramrao Vengsarker (DIN:05307037), Director of the Company, in respect of whom the Company has received a notice in writing pursuant to Section 160 of the Act from a Member alongwith deposit of the prescribed amount proposing his candidature for the office of Independent Director, and who has submitted a declaration that he meets the criteria for Independence as provided under Section 149(6) of the Companies Act, 2013 and the Listing Agreement for appointment as an Independent Director of the Company. A copy of the Draft Letter of Appointment for Independent Directors setting out terms and conditions of appointment of Independent Directors is available for inspection at the registered office of Company during the business hours on any working day and shall also be available on the website of the Company.

A brief resume and shareholding of Dr. Satishchandra Ramrao Vengsarker, Director of the Company who is proposed to be appointed as an Independent Director has been included in the Corporate Governance Report.

None of the Directors or key managerial personnel and their relatives except Dr. Satishchandra Ramrao Vengsarker, are concerned or interested in this Resolution. The Board recommends the ordinary resolution set out in Item No. 5 for approval of the Members.

#### **Item No. 6**

The Board of Directors of the Company recommended to appoint Mr. Abhishake Rungta (DIN: 0053730), Director of the Company, in respect of whom the Company has received a notice in writing pursuant to Section 160 of the Act from a Member alongwith deposit of the prescribed amount proposing his candidature for the office of Independent Director, and who has submitted a declaration that he meets the criteria for Independence as provided under Section 149(6) of the Companies Act, 2013 and the Listing Agreement for appointment as an Independent Director of the Company. A copy of the Draft Letter of Appointment for Independent Directors setting out terms and conditions of appointment of Independent Directors is available for inspection at the

registered office of Company during the business hours on any working day and shall also be available on the website of the Company.

A brief resume and shareholding of Mr. Abhishake Rungta, Director of the Company who is proposed to be appointed as an Independent Director has been included in the Corporate Governance Report.

None of the Directors or key managerial personnel and their relatives except Mr. Abhishake Rungta, are concerned or interested in this Resolution. The Board recommends the ordinary resolution set out in Item No. 6 for approval of the Members.

#### **Item No. 7**

The Board of Directors of the Company had appointed Ms. Shraddha Mookim (DIN: 06948233), as an Additional Director of the Company with effect from 08th November, 2014 to hold office upto the date of forthcoming Annual General Meeting, under Section 161 of the Companies Act, 2013. Ms. Shraddha Mookim is eligible for appointment and in respect of whom the Company has received a notice in writing pursuant to Section 160 of the Act from a Member along with deposit of the prescribed amount proposing her candidature for the office of Independent Director. Ms. Shraddha Mookim has submitted a declaration that she meets the criteria for Independence as provided under Section 149(6) of the Companies Act, 2013 and the Listing Agreement for appointment as an Independent Director of the Company. A copy of the Draft Letter of Appointment for Independent Directors setting out terms and conditions of appointment of Independent Directors is available for inspection at the registered office of Company during the business hours on any working day and shall also be available on the website of the Company.

A brief resume and shareholding of Ms. Shraddha Mookim, Additional Director of the Company who is proposed to be appointed as an Independent Director has been included in the Corporate Governance Report.

None of the Directors or key managerial personnel and their relatives except Ms. Shraddha Mookim is concerned or interested in this Resolution. The Board recommends the ordinary resolution set out in Item No. 7 for approval of the Members.

In pursuance to Rule 8 of the Companies (Appointment & Qualification of Directors) Rules, 2014 the Company has received Form DIR-2 and Form DIR-8 from all three Independent Directors as consent in writing to act as a Director and that they are not disqualified under Sub-section (2) of Sec.164 of the Companies Act, 2013.

**Item No. 8**

The Company's Authorised Share Capital as of 31 March 2015 is Rs 6,00,00,000 divided into 60,00,000 equity shares of Rs 10 each. The issued share capital of the Company as of 31 March 2015 was Rs 5,75,45,270 divided into 57,54,527 equity shares of Rs 10 each. Out of the issued capital, the 44,22,346 equity shares of Rs.10/- each were fully paid and 13,32,181 equity shares of Rs.5/- partly paid up. Your Company had in 2003 forfeited 13,32,181 equity shares in respect of which the concerned members and shareholders failed to pay the amounts due. The decision of forfeiture was duly communicated to the concerned shareholders and to the Bombay Stock Exchange. Your Company does not propose to re-issue the shares so forfeited. No person has taken up or agreed to take up any of the forfeited shares. The Board of Directors has therefore decided to cancel the forfeited shares in accordance with the

applicable provisions of the Companies Act, 2013. As a result of this cancellation of forfeited shares, the amount of issued share capital be and is hereby diminished by an amount of Rs.66,60,905 being the amount paid up on the forfeited shares so cancelled and the said amount shall be transferred to the capital reserve in accordance with the applicable accounting policy.

The resolution is recommended by the Board for approval of the shareholders as a special Resolution.

None of the Directors, key managerial personnel or their respective relatives are financially or otherwise concerned or interested in this resolution.

Place : Mumbai  
Date : 08.08.2015

By Order of the Board of Directors  
**SANJEEV RUNGTA**  
(DIN: 00053602)  
CHAIRMAN

## DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting the Twenty Sixth Annual Report together with Audited Financial Statements for the year ended March 31, 2015.

### FINANCIAL RESULTS

(₹ in Lacs)

PARTICULARS	2014-15	2013-14
Gross Revenue from Operations	6921	5747
Profit before tax	887	516
Profit for the year	591	339
Add: Balance brought forward	1010	798
<b>Total</b>	<b>1601</b>	<b>1137</b>
<b>Appropriations</b>		
• Transfer to General Reserve	1000	50
• Proposed Dividend	111	66
• Corporate Dividend tax	23	11
• Adjustment for depreciation of earlier years	11	--
<b>Profit &amp; Loss Account Balance C/F</b>	<b>456</b>	<b>1010</b>

### DIVIDEND

Enthused with the working of the Company, your Directors have pleasure to recommend a higher dividend of Rs.2.50/- on equity share of face value of Rs. 10/- each (25%) for the fiscal year ended 31st March, 2015 as against Rs.1.50 per Share (15%) for the previous financial year. The dividend, if approved by the Members in the ensuing Annual General Meeting, would absorb Rs.133.06 Lacs including dividend distribution tax of Rs. 23 Lacs out of the distributable profits available.

### PERFORMANCE

The Company has achieved total revenue of Rs. 6921 Lacs as compared to last year's revenue of Rs.5747 Lacs. Profit before tax is Rs.887 Lacs and profit after tax stands at Rs. 591 Lacs during the year under review as against Rs. 516 Lacs and Rs. 339 Lacs respectively in the previous year.

### PLANT OPERATIONS

Company's Plant situated at Block 458, Village Post Tundav, Taluka Savli, Gujarat is running well and continues to operate satisfactorily.

### SHARE CAPITAL

The paid up equity capital as on March 31, 2015 was Rs. 442.23 Lacs consisting of 44,22,346 Equity Shares of Rs.10/- each. During the year under review, the Company has not issued any bonus shares, equity shares nor any Right Shares with differential voting rights etc., neither granted any stock options or sweat equity.

### APPOINTMENT/REAPPOINTMENT/CESSATION OF DIRECTORS/ KMP

The following directors are appointed /reappointed /ceased during the year

Name of Director/KMP	DIN/PAN	Appointment/ Reappointment/ Cessation
Mr. Ajay Kumar Rungta who was liable to retire by rotation	00053500	Reappointed in 25th AGM
Ms. Shraddha Mookim	06948233	Appointed w.e.f 8th Nov, 2014
Mr. Ajay Kumar Rungta	00053500	Ceased due to death w.e.f. 24th Feb, 2015

It is indeed with a deep sense of sorrow we note the passing away of Mr. Ajay Kumar Rungta, founder Chairman of the Company and has thus ceased from the directorship of the Company w.e.f. February 24, 2015. The Board takes on record the invaluable guidance provided by the late Chairman since inception of the Company. His guiding principles and good governance in the Management of the Company will continue to be the guiding principles for future and he leaves behind a legacy that will be probably difficult to match. Nonetheless, the entire team of the Company shall endeavour to do its best.

### BOARD EVALUATION

Pursuant to the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Independent Directors have carried out an evaluation of Board as well as the evaluation of the working of its Audit, Nomination & Remuneration Committees. The manner in which the evaluation has been carried out has been explained in the Corporate Governance Report.

**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, Senior Management and their remuneration. The Remuneration Policy is spelt out in the Corporate Governance Report.

**FINANCE / ACCOUNTS**

Your Company continued to focus on improved cash generation without any compromise in the quality of its product. The focus on managing optimal levels of inventory, sound capacity utilization of each line in operation and cost saving/cutting across the organisation helped generate healthy cash flow. Your Company kept surplus funds prudently without any undue risk so as to ensure safety and liquidity of the funds.

Your Company was able to raise the short-term/long-term funds, if and as and when required at reasonable rates and repaid strictly on due date as per terms.

**CORPORATE GOVERNANCE**

The Company is committed to maintain the highest standards of corporate governance and adhere to the corporate governance requirements set out by SEBI. The report on Corporate Governance as stipulated under the Listing Agreement 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 been formulated and recommended to the Board, a Corporate Social Responsibility Policy (CSR Policy) indicating the activities to be undertaken by the Company, which has been approved by the Board and shall be hosted on the Company's website.

The Annual Report on CSR activities is annexed herewith marked as "Annexure A".

**FIXED DEPOSITS**

Your Company has not accepted any deposits 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 ("the Act"). However, the aggregate of loans and advances granted as also investments are within the limits of Section 186 of the Act.

**A STATEMENT ON THE DECLARATION GIVEN BY INDEPENDENT DIRECTORS PURSUANT TO SECTION 149(6) OF THE ACT**

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) the directors 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) the directors 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) the directors have prepared the annual accounts on a going concern basis; and
- e) the directors 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) the directors have devised proper system to ensure compliance with the provisions of all applicable laws and that such system 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, Key Managerial Personnel or other designated persons which may have potential conflict with interest of the Company at large. The details are mentioned as per "Annexure B".

**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 non acceptance of the recommendation of the Audit Committee by the Board.

**AUDITORS**

The auditors, M/s. JAIN & HINDOCHA, Chartered Accountants, retire at the ensuing Annual General Meeting. They have furnished their consent and requisite certificate pursuant to the Companies Act, 2013 in respect of their proposed appointment for the year 2015-16.

**EXTRACT OF ANNUAL RETURN**

The extract of the Annual Return in form MGT-9 is annexed herewith as "Annexure C".

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

Since there was 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 code laid down by the Board is known as "Code of Business Conduct" which forms an Appendix to the Code.

The Code lays down the standard procedure of business conduct which is expected to be followed by the Directors and the designated employees in their business dealings and in particular on matters relating to integrity in the work place in business practices and in dealing with stakeholders. All the Board Members and the Senior Management personnel have confirmed compliance with the Code. All Key Managerial Personnel 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 new SEBI (Prohibition & Insider Trading) Regulation 2015 in place of SEBI (Prohibition & Insider Trading) Regulation 1992 with a view to regulate trading in securities by the Directors and designated employees of the Company. The Code requires pre-clearance for dealing in the Company's shares and prohibits the purchase or sale of Company shares by the Directors and the designated employees while in possession of unpublished price sensitive information in relation to the Company and during the period when the 'Trading Window' is closed. The Board is responsible for implementation of the Code. All Directors and the designated employees have confirmed compliance with the Code.

## **MEETINGS OF THE BOARD**

Four meetings of the Board of Directors were held during the year. For further details, please refer report on Corporate Governance of this Annual 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 Mr. Upendra C. Shukla, Company Secretary in practice to undertake the Secretarial Audit of the Company. The Secretarial Audit Report for the financial year ended March 31, 2015 is annexed herewith marked as "Annexure D" to this Report. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

## **RISK MANAGEMENT POLICY**

The Company has identified elements of any possible risk threatening the existence of the Company and has put in place adequate measures to control it.

## **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 company has proper system to receive the complaint and constituted Internal Complaints Committees. During the year no complaint was received from any employee.

## **PARTICULARS OF EMPLOYEES**

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

## **MANAGEMENT DISCUSSION AND ANALYSIS**

Management Discussion and Analysis Report for the year under review as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges in India is as under.

### **1. Industry Structure and Development**

In the year 2014 the seeds of much needed sustainable economic stability were shown, with a Government enjoying clear majority coming to power at the Centre after two decade long of coalition politics. With this change, the future could be viewed with a certain degree of optimism.

As regards opening of new avenues for geotextiles mandatorily in construction, it may take some more time. In other sectors such as nonwoven, carpet etc. the demand is likely to be stable.

### **2. Segment wise Operational Performance**

Your Company operates only into one segment, manufacturing of Manmade Fibres.

In spite of all odds, your company could deliver highest ever financial performance in terms of production, sales, top and bottom line growth. This significant achievement was possible due to combination of

various measures such as product sales mix, purchase/import of Inputs, pricing policy and favorable exchange rate for Export realization.

During the year under Review, your company's performance improved on YOY basis. Production of fibre was higher at 4758 MT (3884 MT), yarn conversion was 948 MT (865 MT), fibre sales including self consumption for yarn conversion was 4743 MT (3921 MT) Exports (included in Fibre Sales) was 1550 MT (1353 MT).

Gross Sales Turnover was higher at Rs. 7197 Lacs (Rs. 5957 Lacs), Cash Profit was Rs. 905.27 Lacs (Rs. 627.69 Lacs) PBT and prior period items stood at Rs. 824.19 Lacs (Rs. 516.42 Lacs) PAT and prior period items stood at Rs. 590.62 Lacs (Rs. 339.17 Lacs).

### 3. Quality & Future Outlook

Your Company is focusing on continuously improving quality, developing new grades of fibres for certain critical as well as new applications and hopes to have a brighter future. Of course new developments do take their own time to be fully absorbed in the market but then there is definitely steady progress towards new frontiers. Certain novel uses have been found in some sectors where use of PP fibre cannot be replaced and this augurs well for PP fibre industry and it should definitely reflect in the growth in the future.

### 4. Threats and Concerns

Your Company is committed to manufacture and deliver quality products strictly as per requirement of the customer and have the system to continuously get the feedback from customers and endeavour to bring continuous improvement in process performance and product quality. The Company also meets international quality standards and product specifications as required by foreign buyers. All repeat orders are being placed by the customers in domestic as well as export markets. With established production base of almost 25 years we are in a position to maintain production and supply of quality products smoothly. The Company has benefit of lower cost of production, its long standing and can match the prices suitably as per pricing policy as and when required.

For the above reasons, no major threat is overseen and your Company is confident to face any threat from competitors. The Company is also maintaining 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.

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 all its employees. Numbers of employees were 97 as on 31st March 2015. The Board of Directors wishes to place on record its appreciation for the contribution made by all the employees during the year.

### 7. Cautionary Statement

Statements in the Annual Report, particularly those which relate to Management Discussion and Analysis may constitute forward looking statements within the meaning of applicable laws and regulations. Although the expectations are based on the reasonable assumption, the actual results might differ.

### INDUSTRIAL RELATIONS

Industrial relations at all levels have remained cordial throughout the year in the Company.

### CONSERVATION OF ENERGY/ TECHNOLOGY ABSORPTION AS WELL AS FOREIGN EXCHANGE EARNINGS AND OUTGO

The Company has not imported any foreign technology and hence, the Company does not have any information to offer in respect of Technology absorption. However, information in respect of Conservation of Energy & Foreign Exchange earnings and outgo are as per "Annexure- F".

### MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY, IF ANY, DURING THE PERIOD FROM 31ST MARCH, 2015 TO THE DATE OF THE REPORT

There has been no material change/ commitment affecting the financial position of the Company during the period from the end of the financial year on 31st March, 2015 to the date of the Report.

### ACKNOWLEDGEMENTS

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

By Order of the Board of Directors

Place : Mumbai  
Date : 08.08.2015

**SANJEEV RUNGTA**  
(DIN: 00053602)  
CHAIRMAN

## Annexure - A

### ANNUAL REPORT ON CSR ACTIVITIES FOR THE FINANCIAL YEAR 2014-15

A brief outline of the Company's CSR Policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR Policy and projects or programs	Company's vision on CSR is to enhance the quality of life and the economic well being of communities. For detailed policy, please refer our website <a href="http://www.zenithfibres.com">www.zenithfibres.com</a>
Composition of CSR Committee	Mr. Rajeev Rungta - Chairman Mr. Mukund Beriwal - Member Ms. Shraddha Mookim - Member
Average Net profits of the company for the last three Financial years	Rs.5,62,27,870/-
Prescribed CSR expenditure (Two percent of the above amount)	Rs.11,24,557/-
Details of CSR Spent during the Financial year:	Budgeted Amount for the year 2014-15: 15,00,000/- Amount spent upto 31.03.2015 : NIL Amount Unspent if any : 15,00,000*/-
Reason for Unspent amount if any	Projects are being identified and evaluated and amounts will be spent as per the need and cash flow availability of the Company.
Responsibility Statement	The CSR Committee confirms that the Implementation and monitoring of CSR activities are in compliance with CSR Objectives and policy of the Company

\* The Company strongly believes in Welfare of all parts of society such as Health, Education, Poverty, Malnutrition, Sr. Citizens etc. The company is associated with the organizations performing these activities in full swing. The Company for more than a decade is generously donating for these causes to the organizations performing above activities. The Company has donated Rs.26 Lacs during the year which is more than the prescribed limit U/Sec.135 of the Companies Act 2013. All above activities are very well covered within the guidelines of CSR Activities. However, due to technicalities of legal interpretation of opinion the same cannot be described under CSR and hence claimed as donation.

**Terms of Reference of the Committee, inter alia, includes the following:**

- To formulate and recommend to the Board, a Corporate Social Responsibility (CSR) Policy indicating activities to be undertaken by the Company in compliance with provisions of the Companies Act, 2013 and rules made thereunder.
- To recommend the amount of expenditure to be incurred on the CSR activities.
- To monitor the implementation of the CSR Policy of the Company from time to time.
- To approve the Corporate Sustainability Reports and oversee the implementation of sustainability activities.
- To advise the Board periodically with respect to significant developments in the law and practice of Corporate Governance and to make recommendations to the Board for appropriate revisions to the Company's Corporate Governance Guidelines.

Place : Mumbai  
Date : 08.08.2015

**RAJEEV RUNGTA**  
(DIN: 00122221)  
CHAIRMAN OF CSR COMMITTEE

**SANJEEV RUNGTA**  
(DIN: 00053602)  
CHAIRMAN

**Annexure - B**  
Form No. AOC-2

[Pursuant to clause (h) of sub-section (3) of Section 134 of the Act and Rule 8(2)  
of the Companies (Accounts) Rules, 2014]

**This Form is for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the companies Act, 2013 including certain arms length transaction under third proviso thereto**

**1. Details of contracts or arrangements or transactions not at arm's length basis**

There was no contract or arrangement or transaction entered into by the Company with related parties referred to in Sub-Section (1) of Section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto.

**2. Details of material contracts or arrangement or transactions at arm's length basis:**

Sr. No.	Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements/ transaction	Duration of the contracts/ arrangements/ transactions	Salient terms, if any	Amount (Rs. In Lacs)
1.	Mr. Abhishake Rungta Whole Time Director of Navigator Software Pvt. Ltd.	Web Hosting Charges	Yearly Bill Payment	N.A	0.13
2.	Mr. Ajaykumar Rungta Member of Hind Wire Industries Ltd.	Rent for office	Yearly Fix Rent	N.A	1.08
3.	Mr. Ajaykumar Rungta Member of Hind Wire Industries Ltd.	One time Deposit for Rent on 20th May 2009	--	N.A	0.54

Place : Mumbai  
Date : 08.08.2015

**SANJEEV RUNGTA**  
(DIN: 00053602)  
CHAIRMAN



## ANNEXURE - C

FORM NO. MGT.9

EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31st March, 2015

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

### I. REGISTRATION AND OTHER DETAILS:

- i) CIN : L17120MH1989PLCO54580
- ii) Registration Date : 12/12/1989
- iii) Name of the Company : ZENITH FIBRES LIMITED
- iv) Category / Sub-Category of the Company : Public Company Limited by shares
- v) Address of the registered office and contact details : 205, Marol Bhavan, 2nd Floor, Marol Co-op ind.  
Estate Ltd., M.V. Road J.B Nagar Post, Andheri (E),  
Mumbai-400059.  
Ph# 022-28599428 Fax# 022-28599429
- vi) Whether listed company Yes / No : Yes
- vii) Name, Address and Contact details of Registrar and : M/S Universal Capital Securities Pvt.Ltd  
Transfer Agent, if any : 21 Shakil Niwas, Opp. Sai Baba Temple,  
Mahakali Caves Road, Andheri (E),  
Mumbai-400093.  
Ph# 022-28207203-05 Fax# 022-28207207

### II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sr. No.	Name and Description of main products / services	NIC Code of the Product / service	% to total turnover of the company
1	Company's operations comprised of only one segment i.e. "manufacturing of manmade fibres"	24302	100%

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

Sr. No.	Name and Address of the Company	CIN/GLN	HOLDING/ SUBSIDIARY /ASSOCIATE	% of shares held	Applicable Section
Not Applicable					

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

#### i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
1) Indian									
a) Individual/ HUF	1600	75730	77330	1.75	3600	75730	79330	1.79	0.04
b) Central Govt	--	--	--	--	--	--	--	--	--
c) State Govt (s)	--	--	--	--	--	--	--	--	--
d) Bodies Corp.	3000	2140776	2143776	48.48	3000	2140776	2143776	48.48	--
e) Banks/FI	--	--	--	--	--	--	--	--	--
f) Any Other	--	--	--	--	--	--	--	--	--
<b>Sub-total (A) (1):-</b>	<b>4600</b>	<b>2216506</b>	<b>2221106</b>	<b>50.23</b>	<b>6600</b>	<b>2216506</b>	<b>2223106</b>	<b>50.27</b>	<b>0.04</b>

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
2) Foreign									
a) NRIs - Individuals	--	--	--	--	--	--	--	--	--
b) Other - Individuals	--	--	--	--	--	--	--	--	--
c) Bodies Corp.	--	--	--	--	--	--	--	--	--
d) Banks / FI	--	--	--	--	--	--	--	--	--
e) Any Other...	--	--	--	--	--	--	--	--	--
<b>Sub-total (A) (2):-</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>
<b>Total shareholding of Promoter (A) = (A)(1)+(A)(2)</b>	<b>4600</b>	<b>2216506</b>	<b>2221106</b>	<b>50.23</b>	<b>6600</b>	<b>2216506</b>	<b>2223106</b>	<b>50.27</b>	<b>0.04</b>
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	20000	7600	27600	0.62	20000	7600	27600	0.62	--
b) Banks/FI	--	--	--	--	--	--	--	--	--
c) Central Govt	--	--	--	--	--	--	--	--	--
d) State Govt(s)	--	--	--	--	--	--	--	--	--
e) Venture Capital Funds	--	--	--	--	--	--	--	--	--
f) Insurance Companies	--	--	--	--	--	--	--	--	--
g) FIs	--	--	--	--	--	--	--	--	--
h) Foreign Venture Capital Funds	--	--	--	--	--	--	--	--	--
i) Others (specify)	--	--	--	--	--	--	--	--	--
<b>Sub-total (B)(1):-</b>	<b>20000</b>	<b>7600</b>	<b>27600</b>	<b>0.62</b>	<b>20000</b>	<b>7600</b>	<b>27600</b>	<b>0.62</b>	<b>--</b>
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	281972	800	282772	6.39	277711	800	278511	6.30	(0.09)
ii) Overseas	24656	--	24656	0.56	34784	--	34784	0.79	0.23
b) Individuals									
i) • Individual shareholders holding nominal share capital upto Rs. 1 lakh	1000595	301771	1300366	29.45	903882	292066	1195948	27.04	(2.37)
• Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	548691	--	548691	12.41	618547	--	618547	13.99	1.58
C. Others (specify)									
Clearing Members	15155	--	15155	0.34	43850	--	43850	0.99	0.65
<b>Sub-total (B)(2):-</b>	<b>1871069</b>	<b>302571</b>	<b>2171640</b>	<b>49.15</b>	<b>1878774</b>	<b>292866</b>	<b>2171640</b>	<b>49.11</b>	<b>--</b>
<b>Total Public Shareholding (B) = (B)(1) + (B)(2)</b>	<b>1891069</b>	<b>310171</b>	<b>2199240</b>	<b>49.73</b>	<b>1898774</b>	<b>300466</b>	<b>2199240</b>	<b>49.73</b>	<b>--</b>
C. Shares held by Custodian for GDRs & ADRs	--	--	--	--	--	--	--	--	--
<b>Grand Total (A+B+C)</b>	<b>1895669</b>	<b>2526677</b>	<b>4422346</b>	<b>100</b>	<b>1905374</b>	<b>2516972</b>	<b>4422346</b>	<b>100</b>	<b>--</b>

(ii) Shareholding of Promoters

Sr. No.	Shareholders' Name	Shareholding at the beginning of the year			Share holding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	%of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the company	%of Shares Pledged/ encumbered to total shares	
1	Aarti B Aggarwal	2000	0.05	0	2000	0.05	0	0
2	Abhishake Rungta	10530	0.24	0	10530	0.24	0	0
3	Ajay Kumar Rungta	4500	0.1	0	Nil	-	-	-0.1
4	Ajay Rungta HUF	3000	0.07	0	Nil	-	-	-0.07
5	Aman Rungta	4100	0.09	0	5600	0.13	0	+0.04
6	Ashok kumar Rungta HUF	2400	0.05	0	2400	0.05	0	0
7	Ashok Rungta	4900	0.11	0	4900	0.11	0	0
8	Avantika S Rungta	2000	0.05	0	3500	0.08	0	+0.03
9	Madhuridevi Rungta	31200	0.71	0	31200	0.71	0	0
10	Pinky Rungta	200	0	0	200	0	0	0
11	Pratik Rungta	4100	0.09	0	5600	0.13	0	+0.04
12	Rajeev Rungta	5000	0.11	0	6000	0.14	0	+0.03
13	Sanjeev Rungta	1800	0.04	0	1800	0.04	0	0
14	Vinita Rungta	1600	0.04	0	1600	0.04	0	0
15	Alpha Overseas International Pvt Ltd	166700	3.77	0	166700	3.77	0	0
16	Classic Steels Pvt Ltd	3000	0.07	0	3000	0.07	0	0
17	Demris Finvest Pvt Ltd	481500	10.89	0	481500	10.89	0	0
18	Galaxy Dealers Pvt Ltd	325810	7.37	0	325810	7.37	0	0
19	Rainy Fiscal Services (P) Ltd	560100	12.67	0	560100	12.67	0	0
20	Shark Barter Pvt Ltd	450000	10.18	0	450000	10.18	0	0
21	South Park Promoters Pvt Ltd	138166	3.12	0	138166	3.12	0	0
22	Vinita Investment Ltd	18500	0.42	0	18500	0.42	0	0
23	Purvi Rungta	Nil	--	0	3000	0.07	0	+0.07
24	Rajeev Rungta (HUF)	Nil	--	0	1000	0.02	0	+0.02

(iii) Change in Promoters' Shareholding (please specify, if there is no change) -As per Annexure C1

(iv) Shareholding Pattern of top ten Shareholders(other than Directors, Promoters and Holders of GDRs and ADRs): - As per Annexure -C2

(v) Shareholding of Directors and Key Managerial Personnel: As per Annexure C3

**V. INDEBTEDNESS**

Indebtedness of the Company including interest outstanding/accrued but not due for payment

(Amount in Rs.)

		Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
	<b>Indebtedness at the beginning of the financial year</b>				
i)	Principal Amount	3,38,34,952	Nil	Nil	3,38,34,952
ii)	Interest due but not paid	Nil	Nil	Nil	Nil
iii)	Interest accrued but not due	Nil	Nil	Nil	Nil
	<b>Total (i+ii+iii)</b>	<b>3,38,34,952</b>	<b>Nil</b>	<b>Nil</b>	<b>3,38,34,952</b>
	Change in Indebtedness during the financial year				
	Addition	39,00,000	Nil	--	39,00,000
	Reduction	-3,02,24,402	Nil	--	-3,02,24,402
	<b>Net Change</b>	<b>-2,63,24,402</b>	<b>Nil</b>	<b>Nil</b>	<b>-2,63,24,402</b>
	<b>Indebtedness at the end of the financial year</b>				
i)	Principal Amount	75,10,550	Nil	Nil	75,10,550
ii)	Interest due but not paid	Nil	Nil	Nil	Nil
iii)	Interest accrued but not due	Nil	Nil	Nil	Nil
	<b>Total (i+ii+iii)</b>	<b>75,10,550</b>	<b>Nil</b>	<b>Nil</b>	<b>75,10,550</b>

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

No remunerations is paid to the Managing Director, Whole-time Directors and/or Manager

**B. Remuneration to other directors:**

(Amount in Rs.)

Particulars of Remuneration	Name of Directors								Total Amount
	Sanjeev Rungta	Abhishake Rungta	Mukund Beriwal	Amitabha Ghosh	Shraddha Mookim	Rajeev Rungta	S.R. Vengsarker	Ajay kumar Rungta	
1. Independent Directors									
• Fee for attending board/ committee meetings	N.A	5,000	20,000	10,000	2,500	N.A	20,000	N.A	57,500
• Commission									
• Others, please specify	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A
N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A
<b>Total (1)</b>	<b>N.A</b>	<b>5,000</b>	<b>20,000</b>	<b>10,000</b>	<b>2,500</b>	<b>N.A</b>	<b>20,000</b>	<b>N.A</b>	<b>57,500</b>
2. Other Non- Executive Directors									
• Fee for attending board/committee meetings	20,000	N.A	N.A	N.A	N.A	10,000	N.A	2,500	32,500
• Commission									
• Others, please specify	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A
N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A
<b>Total (2)</b>	<b>20,000</b>	<b>N.A</b>	<b>N.A</b>	<b>N.A</b>	<b>N.A</b>	<b>10,000</b>	<b>N.A</b>	<b>2,500</b>	<b>32,500</b>
<b>Total (B) = (1+2)</b>	<b>20,000</b>	<b>5,000</b>	<b>20,000</b>	<b>10,000</b>	<b>2,500</b>	<b>10,000</b>	<b>20,000</b>	<b>2,500</b>	<b>90,000</b>

**C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD (Amount in Rs.)**

Sr. No.	Particulars of Remuneration	Key Managerial Personnel CEO - Mr. S.S Iyer & CFO - Mr. K.D Sharma
1.	Gross salary	
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	22,88,900
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	N.A
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	N.A
2.	Stock Option	N.A
3.	Sweat Equity	N.A
4.	Commission	
	- as % of profit	
	- Others, specify...	N.A
5.	Others, please specify	N.A
	<b>Total</b>	<b>22,88,900</b>

**VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:**

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

Place : Mumbai  
Date : 08.08.2015

**SANJEEV RUNGTA**  
(DIN: 00053602)  
CHAIRMAN

**Annexure C1**
**Change in Promoter's Shareholding**

Sr. No	Name of Promoter	No. of share at the beginning of the year		Increase/ Decrease	Reason for Increase/ decrease	No. of Shares at the end of the year	
		No. of Shares	%			No. of Shares	%
1	Aarti B Aggarwal	2000	0.05	--	--	2000	0.05
2	Abhishake Rungta	10530	0.24	--	--	10530	0.24
3	Ajay Kumar Rungta	4500	0.1	-4500	Transmitted	Nil	-
4	Ajay Rungta HUF	3000	0.07	-3000	Transmitted	Nil	-
5	Aman Rungta	4100	0.09	+1500	Transmitted	5600	0.13
6	Ashok kumar Rungta HUF	2400	0.05	--	--	2400	0.05
7	Ashok Rungta	4900	0.11	--	--	4900	0.11
8	Avantika S Rungta	2000	0.05	+1500	Transmitted	3500	0.08
9	Madhuridevi Rungta	31200	0.71	--	--	31200	0.71
10	Pinky Rungta	200	0	--	--	200	0
11	Pratik Rungta	4100	0.09	+1500	Transmitted	5600	0.13
12	Rajeev Rungta	5000	0.11	+1000	Open Market Purchase	6000	0.14
13	Sanjeev Rungta	1800	0.04	--	--	1800	0.04
14	Vinita Rungta	1600	0.04	--	--	1600	0.04
15	Alpha overseas International Pvt Ltd	166700	3.77	--	--	166700	3.77
16	Classic Steels Pvt Ltd	3000	0.07	--	--	3000	0.07
17	Demris Finvest Pvt Ltd	481500	10.89	--	--	481500	10.89
18	Galaxy Dealers Pvt Ltd	325810	7.37	--	--	325810	7.37
19	Rainy Fiscal Services (P) Ltd	560100	12.67	--	--	560100	12.67
20	Shark Barter Pvt Ltd	450000	10.18	--	--	450000	10.18
21	South Park Promoters Pvt Ltd	138166	3.12	--	--	138166	3.12
22	Vinita Investment Ltd	18500	0.42	--	--	18500	0.42
23	Purvi Rungta	Nil	--	+3000	Transmitted	3000	0.07
24	Rajeev Rungta (HUF)	Nil	--	+1000	Open Market Purchase	1000	0.02
	<b>Total</b>	<b>2221106</b>		<b>2000</b>		<b>2223106</b>	

**Annexure C2**

**Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs)**

Sr. No	Name of Shareholder	No of Share at the beginning		Increase/ Decrease	Reason for Increase/ decrease	No of Share at the end of the year	
		No. of Shares	% of total capital			No. of Shares	% of total capital
1	Wallfort Financial Service Ltd.	Nil	--	+100,000	Open Market Purchase	100,000	2.26
2	Integrated Financial Services Ltd	85000	1.92	-13000	Open Market Sell	72000	1.63
3	Sandeep B Jhaveri	Nil	--	+60995	Open Market Purchase	60995	1.38
4	Rajeev Jawahar	Nil	--	+59686	Open Market Purchase	59686	1.35
5	Mahendra Girdharilal	46580	1.05	+6539	Open Market Purchase	53119	1.20
6	Sujata	Nil	--	+46723	Open Market Purchase	46723	1.06
7	Indianivesh Securities	Nil	--	+39342	Open Market Purchase	39342	0.89
8	Meenum Mohan	37802	0.85	-5000	Open Market Sell	32802	0.74
9	Rajaram Sathish	17470	0.40	+11099	Open Market Purchase	28569	0.65
10	Sangeetha	15077	0.34	+11555	Open Market Purchase	26632	0.60

**Annexure C3**

**Shareholding of Directors and Key Managerial Personnel:**

Sr. No	Name of Director/KMP	No. of Shares at the beginning		Increase/ Decrease	Reason for Increase/ decrease	No. of Shares at the end	
		No. of Shares	%			No. of Shares	%
1	Mr. Ajay Kumar. Rungta	4500	0.1	-4500	Transmitted	Nil	--
2	Mr. Sanjeev Rungta	1800	0.04	--	--	1800	0.04
3	Mr. Abhishake Rungta	10530	0.24	--	--	10530	0.24
4	Mr. Rajeev Rungta	5000	0.11	+1000	Open Market Purchase	6000	0.14
	<b>Total</b>	<b>21830</b>	<b>0.49</b>			<b>18330</b>	<b>0.42</b>

Place : Mumbai  
Date : 08.08.2015

**SANJEEV RUNGTA**  
(DIN: 00053602)  
CHAIRMAN

**Annexure - D****SECRETARIAL AUDIT REPORT  
FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2015**

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

To,  
The Members,  
Zenith Fibres Limited,

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

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has during the audit period covering the financial year ended on 31st March, 2015 complied with the statutory provisions listed hereunder and also that the Company has proper Board process and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Zenith Fibres Limited for the financial year ended on 31st March, 2015 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial borrowing;
- (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) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
  - c) 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 : NIL

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

- (i) Secretarial Standard issued by The Institute of Company Secretaries of India.
- (ii) Listing Agreement entered into by the Company with the BSE Ltd.

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

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 and Listing of Debts Securities) Regulations, 2008



- (b) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
- (c) The Securities and Exchange Board of India (Buy-back of Securities) Regulations, 1998;
- (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
- (e) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;

**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 Internal Auditors' report on compliances, taken on record by the Audit Committee, in my opinion adequate systems and processes and control mechanism exists in the Company to monitor and ensure compliance with applicable general laws like labour laws, competition law, environmental law.

**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** 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 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** there are adequate systems and processes in the company commensurate with the size and operation of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

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

Place : Mumbai  
Date : 30.05.2015

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

### Annexure - E

Employees Information as per Section 197 and Rule 5 of Appointment & Remuneration of Managerial Personnel

1.	The ratio of the remuneration of each director to the median remuneration of the employees	No remuneration is paid to Directors' except sitting fees	
2.	increase in remuneration of Mr. K.D Sharma - CFO Mr. S.S.Iyer - CEO, CS/Manager,-N.A if any	5.62%	
3.	the percentage increase in the median remuneration of employees in the financial year	11.20%	
4.	the number of permanent employees on the rolls of company	97 Employees were permanent on the rolls of Company as on 31st March, 2015	
5.	the explanation on the relationship between avg. increase in remuneration and company performance on Total Revenue basis	13.64% over previous year 20.42% over previous year	Actual increase in Remuneration is based on the efforts and scales of each employee and individual performance.
6.	comparison of the remuneration of the Key Managerial Personnel and the performance of the company	5.62% rise in KMP performance 20.42% rise in revenue	In case of workers it is as per periodic settlement. Therefore it is impracticable to compare with company performance.
7.	variations in the market capitalisation of the company, • PE ratio as at the closing date of the current financial year and previous financial year and • percentage increase over decrease in the market quotations of the shares of the company in comparison to the rate at which the company came out with the last public offer in case of listed companies, and in case of unlisted companies, the variations in the net worth of the company as at the close of the current financial year and previous financial year	PE Ratio as on 31.03.2015 was 4.12 and as on 31.03.2014 was 3.49	N.A
8.	average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration	11.94%	No Managerial remuneration paid by Company as the company has not appointed any MD/WTD/ Manager
9.	comparison of the each remuneration of the Key Managerial Personnel against the performance of the company	20.42% rise in revenue as against 5. 62% increase in the remuneration of CFO	
10.	the key parameters for any variable component of remuneration availed by the directors	No Variable Component	
11.	the ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year.	No remuneration is paid to Directors' except sitting fees	
12.	Information as per Rule 5(2)and 5(3)of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014	There are no Employees who receive the remuneration in excess of limits set out in the said rules.	

Place : Mumbai  
Date : 08.08.2015

**SANJEEV RUNGTA**  
(DIN: 00053602)  
CHAIRMAN

**Annexure - F**

Information under section 134(3)(m) of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014 and forming part of Directors' Report for the year ended on 31st March, 2015.

**A. CONSERVATION OF ENERGY**

- The Company utilizes several systems to conserve the energy.
- Total energy consumption and energy consumption per unit of production is as under.

**FORM - A**

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

		<b>Current Year (2014-15)</b>	Previous Year (2013-14)
<b>A</b>	<b>Power and Fuel Consumption</b>		
<b>1</b>	<b>Electricity</b>		
	<b>a. Purchased Units (KWH)</b>	<b>4356125</b>	3201265
	Total Amount (Rs.)	<b>3,08,88,136</b>	2,40,83,775
	Rate / Unit (Rs.)	<b>7.09</b>	7.52
	<b>b. Own Generation</b>		
	I Through diesel Generator Unit (KWH)	<b>18489</b>	27821
	Total Amount (Rs.)	<b>477842</b>	617974
	Rate/ Unit (Rs.)	<b>25.84</b>	22.21
	ii Through steam turbine generator	<b>N.A</b>	N.A
	lii Through wind farm project Units	<b>N.A</b>	N.A
<b>2</b>	<b>Coal</b>	<b>N.A</b>	N.A
<b>3</b>	<b>Furnace Oil</b>	<b>N.A</b>	N.A
<b>4</b>	<b>Other Internal Generation (Natural Gas)</b>	<b>N.A</b>	N.A
<b>B</b>	<b>Consumption per Unit of Production</b>		
	Polypropylene Staple Fibre(MT)	<b>4758</b>	3884
	Electricity (Rs.)/kg	<b>6.49</b>	6.20
	Diesel & Oil(Rs.)/kg	<b>0.09</b>	0.16

**B. FOREIGN EXCHANGE EARNINGS AND OUTGO :**

Particulars	Rs. In Lacs
<ul style="list-style-type: none"> <li>• Earnings in Foreign Currency</li> <li>F.O.B. Value of Exports</li> </ul>	<b>1999.35</b>
<ul style="list-style-type: none"> <li>• Expenditure in Foreign Currency</li> <li>CIF Value of imports</li> </ul>	<b>108.05</b>

Place : Mumbai  
Date : 08.08.2015

**SANJEEV RUNGTA**  
(DIN: 00053602)  
CHAIRMAN

## CORPORATE GOVERNANCE REPORT

Pursuant to Clause 49 of the Listing Agreement, a Report on Corporate Governance is given below:

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

The Company believes that good Corporate Governance is essential to achieve long-term corporate goals and to enhance shareholders' value. In this pursuit, the Company is committed to conducting business in accordance with the highest legal and ethical standards, superior product quality and services to its customers. The Company has adhered to such policies to fulfill its corporate responsibilities and achieve its financial objectives.

### 2. Board of Directors

i. None of the Directors on the Board is a Member of more than 10 committees or a Chairman of more than 5 committees (as stipulated in Clause

49 of the Listing Agreement), across all the Indian Public Companies, in which he/she is a Director. The necessary disclosure regarding the committee position has been made by the Directors.

ii. The names and categories of the Directors on the Board, their attendance at Board Meetings and last Annual General Meeting held during the year and number of directorships held by them in Indian Public Companies and Private Companies and Committee Chairmanship/ Membership held by them in Indian Public Companies are given herein below. For reckoning the maximum number of Chairmanships/ Memberships, only two committees viz. 'Audit Committee' and 'Stakeholders Relationship Committee' of the Board are considered.

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

Name of Director	DIN	Category	No. of Directorships	No. of Membership in Committees (Chairmanship)	Attendance in Board Meetings held in 2014-15 (physical) out of 4 Meetings	Attendance at the last AGM
Mr. A. K. Rungta (Upto 24th Feb 2015)	00053500	*NED & **PD	–	–	1 out of 4	A
Mr. Sanjeev Rungta	00053602	NED & PD	4	3	4 out of 4	P
Mr. Rajeev Rungta	00122221	NED & PD	9	(1)#	4 out of 4	P
Mr. Amitabha Ghosh	00055962	NED & ***ID	7	2(1)	4 out of 4	P
Dr. S.R. Vengsarker	05307037	NED & ID	1	2	4 out of 4	P
Mr. Abhishake Rungta	00053730	NED & ID	8	–	2 out of 4	A
Mr. Mukund Beriwala	00053669	NED & ID	5	(2)	4 out of 4	P
Ms. Shraddha Mookim (Appointed w.e.f 8th Nov.2014)	06948233	NED & ID	2	1	1 out of 1	N.A.

\*NED : Non-Executive Director    \*\*PD: Promoter Director    A: Absent  
 \*\*\*ID : Independent Director    # ( ) indicates Chairmanship P: Present

### Independent Directors

The company provides suitable training to Independent Directors to familiarize with the company, their roles, rights, responsibilities in the company, nature of the

industry in which the company operates, and business model of the company.

- Mr. Abhishake Rungta is a Bachelor of Commerce and has been associated with various types of

industries viz steel, finance, and information technology for about 20 years, is a Non Executive and Independent Director.

- Dr. S.R.Vengsarker has been associated with the textile Industry for the past over five decades, and the major part of it has been spent in the Synthetic Fibre Industry. He is a Non Executive and Independent Director.
- Mr. Mukund Beriwalla is B.A in Economics and has done advance course in Finance from the New York University, is a Non Executive and Independent Director.
- Mr. Amitabha Ghosh, is retired Governor of Reserve Bank of India having vast experience in banking field and has very wide experience in Finance, Banking and Management. He is Fellow member of the Indian Institute of Bankers and F.C.A, is a Non Executive and Independent Director.

- Ms. Shraddha Mookim joined as Non Executive and Independent Director since 08th November, 2014 she has very vast experience in banking.

#### Non-independent Directors

- Mr. A. K. Rungta (up to 24th February 2015), Mr. Sanjeev Rungta and Mr. Rajeev Rungta functioned as Non Executive Directors of the company during the year 2014-15 and are related to each other They are promoters of the Company. Except these, none of the Directors of the Company are inter-se-related to each other.

The Board of Directors is constituted with appropriate combination of Independent, Non-independent Directors, Woman Director and Non-executive Directors as per Clause 49 of the Listing Agreement with the Stock Exchange.

### 3. Board Meeting(s) held During the year 2014-15

In all, four Board Meetings were held during 2014-15 on the following dates:

Board Meeting (s)	I	II	III	IV
Dates	29.05.2014	30.07.2014	08.11.2014	07.02.2015
Venue	Mumbai	Mumbai	Mumbai	Mumbai

The details of attendance of each of the Directors at the Board Meeting(s) are given at Para no. 2 above.

### 4. Profile of Directors seeking Appointment / Re-appointment in 26th Annual General Meeting

Name	Mr. Rajeev Rungta	Dr. S.R.Vengsarker	Mr. Abhishake Rungta	Ms. Shraddha Mookim
Father's Name	Mr. Ajaykumar Rungta	Mr. Ramrao Vengsarker	Mr. Ashok Rungta	Mr. Arun Kumar Bagla
Date of Birth	10.08.1961	01.10.1937	27.03.1971	21.03.1977
DIN	00122221	05307037	00053730	06948233
Qualification	B.Com, PGD in Business Mgmt	B.Sc(Hons) from Mumbai University M.Text. from V. J.T. I. Mumbai, Ph.D from Leeds University, UK	B.Com	B.A (Hons.) in Economics from Kolkata. PGD in Mgmt (Fin) from IIM, Bangalore International Exchange Prog. from Germany
Category	Non Executive Director & Promoter	Non Executive Director & Independent Director	Non Executive Director & Independent Director	Non Executive Director & Independent Director
Shareholding in the Company	6000	NIL	10530	NIL
Directorships	1. Aaekay Investment Centre Ltd. 2. Zenith Products Ltd. 3. Vinita Investment Ltd. 4. Pearl Industries Ltd. 5. Purvi Iron Ltd. 6. Naga Dhunseri Group Ltd. 7. Zenith Ropes Pvt. Ltd. 8. Zenith Fibres Ltd. 9. Noddy Properties Pvt. Ltd.	1. Zenith Fibres Ltd.	1. Zenith Products Ltd. 2. Galaxy Dealers Pvt. Ltd. 3. Classic Steels Pvt. Ltd 4. Dalit Marketing Pvt. Ltd. 5. Navigators Software Pvt. Ltd. 6. Zenith Fibres Ltd. 7. Aaekay Investment Centre Ltd. 8. YPO (Kolkatta)	1. Dhunseri Petrochem Ltd. 2. Zenith Fibres Ltd.

Committee Membership(M) /Chairmanship(C)	Zenith Fibres Ltd. • CSR Committee (C)	Zenith Fibres Ltd. • Audit Committee(M) • Nomination & Remuneration Committee(M) • Stakeholder Relationship Committee(M)		Zenith Fibres Ltd. • CSR Committee(M) Dhunseri Petrochem Ltd. • Audit Committee(M)
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## 5. Composition of Committees

Category	Audit Committee	Nomination & Remuneration Committee	Stakeholder Relationship Committee	Corporate Social Responsibility Committee
Chairman	Mr. Mukund Beriwal (ID &NED)	Mr. Mukund Beriwal (ID &NED)	Mr. Mukund Beriwal (ID &NED)	Mr. Rajeev Rungta (NED)
Member	Mr. Sanjeev Rungta (NED)	Mr. Sanjeev Rungta (NED)	Mr. Sanjeev Rungta (NED)	Ms. Shraddha Mookim (ID & NED)
Member	Dr. S.R. Vengsarker (ID & NED)	Dr. S.R. Vengsarker (ID & NED)	Dr. S.R. Vengsarker (ID& NED)	Mr. Mukund Beriwal (ID & NED)

## 6. Audit Committee

The Company has an Audit Committee at the Board level, with the powers and roles in accordance with the requirements of the Listing Agreement and the Companies Act, 2013. The Committee acts as a link between the Auditors, Key Managerial Personnel and the Board of Directors. The existing Audit Committee has all the power as per Companies Act, 2013 and rules made there under as well as per Listing Agreement. The members of Audit Committee are as per para 5:

All the members of Audit Committee are financially literate and majority of them have accounting and financial management expertise. The Chairman of the Audit Committee, Mr. Mukund Beriwal, attended the 25th Annual General Meeting held on Wednesday, July 30, 2014. Details of the Audit Committee Meetings held during 2014-15 are as per table mentaion below.

The audit committee mandatorily reviews:-

- Management discussion and analysis of financial condition and results of operations.
- Statement of significant related party transactions (as defined by the Audit Committee), submitted by the Management.
- Management letters / letters of internal control weaknesses issued by the statutory auditors.
- Internal audit reports relating to internal control weaknesses.
- The appointment, removal and terms of remuneration of the Internal Auditor and Statutory Auditors.

### The terms of reference

The terms of reference of this Committee include matters specified in the Companies Act, 2013, Rules

Quarters	I	II	III	IV
Dates	29.05.2014	30.07.2014	08.11.2014	07.02.2015
Venue	Mumbai	Mumbai	Mumbai	Mumbai
Attended by Members	Mr. Mukund Beriwal Chairman	Mr. Mukund Beriwal Chairman	Mr. Mukund Beriwal Chairman	Mr. Mukund Beriwal Chairman
	Mr. Sanjeev Rungta Member	Mr. Sanjeev Rungta Member	Mr. Sanjeev Rungta Member	Mr. Sanjeev Rungta Member
	Dr. S.R. Vengsarker Member	Dr. S.R. Vengsarker Member	Dr. S.R. Vengsarker Member	Dr. S.R. Vengsarker Member
		Mr. K.D.Sharma Invitee		

made thereunder, Listing Agreements. The Committee may investigate any activity within its terms of reference, seek information from any employee, secure attendance of outsiders with relevant expertise, or obtain legal or other professional advice from external sources, whenever required.

The terms of reference shall include;

- 1) Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible including;
  - a) Matters required to be included in the 'Director's Responsibility Statement'.
  - b) Changes, if any, in accounting policies and practices and reasons for the same.
  - c) Major accounting entries involving estimates based on the exercise of judgment by Management.
  - d) Significant adjustments made in the financial statements arising out of audit findings.
  - e) Compliance with listing and other legal requirements relating to financial statement.
  - f) Disclosure of any related party transactions and/or approval or any subsequent modification of transactions of the Company with related parties.
  - g) If any, Qualifications in the draft audit report.
  - h) Scrutiny of inter-corporate loans and investments;
  - i) Valuation of undertakings or assets of the Company, wherever it is necessary;
- 2) Recommendation for appointment, remuneration and terms of appointment of auditors of the Company and approval of payment to statutory auditors for any other services rendered. The Committee monitors Auditor's Independence and performance and effectiveness of audit process.
- 3) Reviewing, with the Management, the quarterly financial statements before submission to the Board for approval;
- 4) Reviewing, with the Management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential

issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;

- 5) Evaluation of internal financial controls and risk management systems;
- 6) It Reviews, with the Management, performance of statutory and internal auditors, adequacy of the internal control systems, adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit. They may discuss with internal auditors of any significant findings and follow up thereon;
- 7) Review the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
- 8) Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- 9) To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- 10) To review the functioning of the Whistle Blower Mechanism;
- 11) To recommend appointment of CFO (i.e. the whole-time Finance Director or any other person heading the finance function or discharging that function) with the consent of NRC after assessing the qualifications, experience and background, etc. of the candidate;
- 12) Carrying out any other function as is included in the terms of reference of the Audit Committee.

### **7. Nomination and Remuneration Committee**

Pursuant to provisions of Section 178 of the Companies Act, 2013 read with Listing Agreement, 'Nomination and Remuneration Committee' of the Board was constituted at the Board Meeting held on 30th July, 2014 consisting the members mentioned

in Para no. 5 above and all the members were present in the meeting held on 8th November 2014. Mr. Mukund Beriwal Chairman of the committee attended the 25th AGM held on 30th July 2014.

The Committee acts as a link amongst the Management and the Board of Directors. Besides having access to all required information within the Company, the Committee may investigate any activity within its terms of reference, seek information from any employee, secure attendance of outsiders with relevant expertise, or obtain legal or other professional advice from external sources, whenever required.

#### The terms of reference

The terms of reference includes;

- a) Formulation of the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a policy, relating to the remuneration of the Directors, key managerial personnel and other employees;
- b) Formulation of criteria for evaluation of Independent Directors and the Board;
- c) Devising a policy on Board diversity;
- d) Identifying persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down, and recommend to the Board their appointment and removal;
- e) Evaluation of every Directors' performance;

- f) Carrying out any other function as is included in the terms of reference of the Committee.

#### 8. Stakeholder Relationship Committee (Earlier Investors/Shareholders Grievance Committee)

Pursuant to provisions of Section 178 of the Companies Act, 2013 read with Listing Agreement, Stakeholders Relationship Committee of the Board was constituted w.e.f 30th July, 2014 replacing the Investors/ Shareholders Grievance Committee. The Composition of Committee is as per Para no. 5 above

The Compliance Officer is Mr. C. Unnikrishnan, Secretarial Officer. There were 6 complaints received from the shareholders during the year and the same had been duly addressed.

All valid share transfers received during the year have been acted upon and there were no shares pending for transfer as on 31st March, 2015.

#### 9. Corporate Social Responsibility Committee

The Company is fully aware of its social responsibility towards the society at large and within fair means contributes for the betterment of education for the poor either directly or through NGO's. It also contributes towards the charitable and welfare trusts. Pursuant to provisions of Section 135 of the Companies Act, 2013 read with Listing Agreement CSR Committee constituted w.e.f 08th November, 2014 with members as mentioned in Para no. 5 above and Projects are being identified and evaluated and amounts will be spent as per the need and cash flow availability of the Company.

#### 10. General Body Meetings

The location and time of the Annual General Meetings held during the last three years are as below.

Particulars	23rd AGM	24th AGM	25th AGM
Date	28th July, 2012	29th July, 2013	30th July, 2014
Starting Time	11.00 A.M.	11.00 A.M.	11.00 A.M.
Venue	Hotel Atithi, 77 A/B Nehru Road, Ville Parle(E), Mumbai-400099	Hotel Atithi,77 A/B Nehru Road, Ville Parle(E), Mumbai-400099	Hotel Atithi,77 A/B Nehru Road, Ville Parle(E), Mumbai-400099
<b>Special Businesses</b>			
Appointment of Directors	Dr S.R. Vengsarker	–	Mr. Amitabha Ghosh Mr. Mukund Beriwal

- No special resolution was passed in any of the last three Annual General Meetings.
- No Extraordinary General Meeting was held during the last three years.
- No postal ballot was conducted during the year.
- At the forthcoming Annual General Meeting, there is no item on the agenda requiring postal ballot.



### 11. Directors' Remuneration

All the directors of the company are Non Executive and only get sitting fees. The details of same are as per table given below:

During the year the Company did not advance any loans to any of the Directors. No stock options have

been issued to any of the Directors. No relative of any of the Directors is employed by the Company to any place of profit.

Transactions of the Non-Executive Directors or their relatives with the Company during the financial year 2014 -15 are mentioned in notes forming part of financial statements.

Name of Directors	No of Meetings Attended		Amount (Rs.)		
	Board Meetings (Rs 2500)	Audit Committee Meetings (Rs 2500)	Sitting Fees	Ex-Gratia	Total
Mr. Ajay Kumar Rungta	1	-	2500	-	2500
Mr. Amitabha Ghosh	4	-	10,000	-	10,000
Mr. Sanjeev Rungta	4	4	20,000	-	20,000
Mr. Mukund Beriwala	4	4	20,000	-	20,000
Mr. Abhishake Rungta	2	-	5000	-	5000
Mr. Rajeev Rungta	4	-	10,000	-	10,000
Dr. S.R. Vengsarker	4	4	20,000	-	20,000
Ms. Shraddha Mookim	1	-	2500	-	2500
<b>Total</b>			<b>90,000</b>		<b>90,000</b>

### 12. Disclosures

#### a) Directors' Shareholding in the Company

Name of Director	No. of Share held as on 31.03.2015
Mr. Sanjeev Rungta	1800
Mr. Abhishake Rungta	10530
Mr. Rajeev Rungta	6000

#### b) Subsidiary Companies

The Company has no subsidiary Company.

c) During the last three years, there were no strictures or penalties imposed by either the Securities Exchange Board of India or the Stock Exchanges or any statutory authority for non-compliance of any matter related to the capital market.

d) The Board has received disclosures from the Key Managerial Personnel relating to material, financial and commercial transactions, where they and/or their relatives have personal interest. There are no materially significant related party transactions of the Company, which have potential conflict with the interest of the Company at large; however, transactions with related parties as per requirements of Accounting Standard - 18 are disclosed under notes to accounts and all transactions with related party, as defined under the Companies Act, 2013 and Clause 49 of the Listing Agreement, during the year were in ordinary course of business & at arm's length basis and do not attract provisions of Section 188 of the Companies Act, 2013

### 13. Means of Communication

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

**14. General Shareholder Information**

AGM - Date 29th September, 2015 Tuesday	11.00. A.M
Venue	Hotel Atithi, 77, A/B Nehru Road, Ville Parle (E), Mumbai-400099.
Financial Calendar	April 2015 to March 2016
First Quarter results	Last week July, 2015
Second Quarter results	Last week October, 2015
Third Quarter results	Last week January, 2016
Results for year ending March 2016	before end of May, 2016
Date of Book closure	23rd September, 2015 to 29th September, 2015 (both days inclusive)
Dividend payment	shall be paid within the time limit prescribed in the Companies Act, 2013/Companies Act, 1956
Listing on Stock Exchange	BSE Limited
<b>Listing Fees for 2015-2016 has been paid to the Bombay Stock Exchange Limited</b>	
Stock Code	514266
Demat ISIN No. for NSDL and CDSL	INE 106C01013
Corporate Identification Number (CIN)	L17120MH1989PLC054580
Dematerialization of shares and liquidity	1905374 (43.09%) shares of the paid-up capital have been dematerialized as on 31/3/2015. Out of the promoters' capital 6600 shares (0.15%) has been dematerialized.
Outstanding GDRs/ADRs/Warrants or any Convertible Instruments, conversion dates and likely impact on equity	Not issued
Plant Location	Tundav, Savli, Vadodara, Gujarat
Address for Shareholders correspondence	M/s. Zenith Fibres Limited, 2nd Floor, 205 Marol Bhavan, Marol Co-op. Indi. Estate Ltd., M.V. Road, J.B. Nagar Post, Andheri (E), Mumbai 400059 or Shareholders holding shares in Electronic mode should address all their correspondence to their respective depository participant
Company's Share Transfer Agent	M/s. Universal Capital Securities Pvt. Ltd. 21, Shakil Niwas, Opp Sai Baba Temple, Mahakali Caves Road, Andheri (E), Mumbai - 400093

**15. Share Transfer system**

Transfers of shares are processed by the Share Transfer Agent and approved by the Share Transfer Committee called as 'Stakeholder Relationship

Committee', which meets at frequent intervals. Share transfers are registered and returned generally within 15 days from the date of receipt if the relevant documents are complete in all respects.

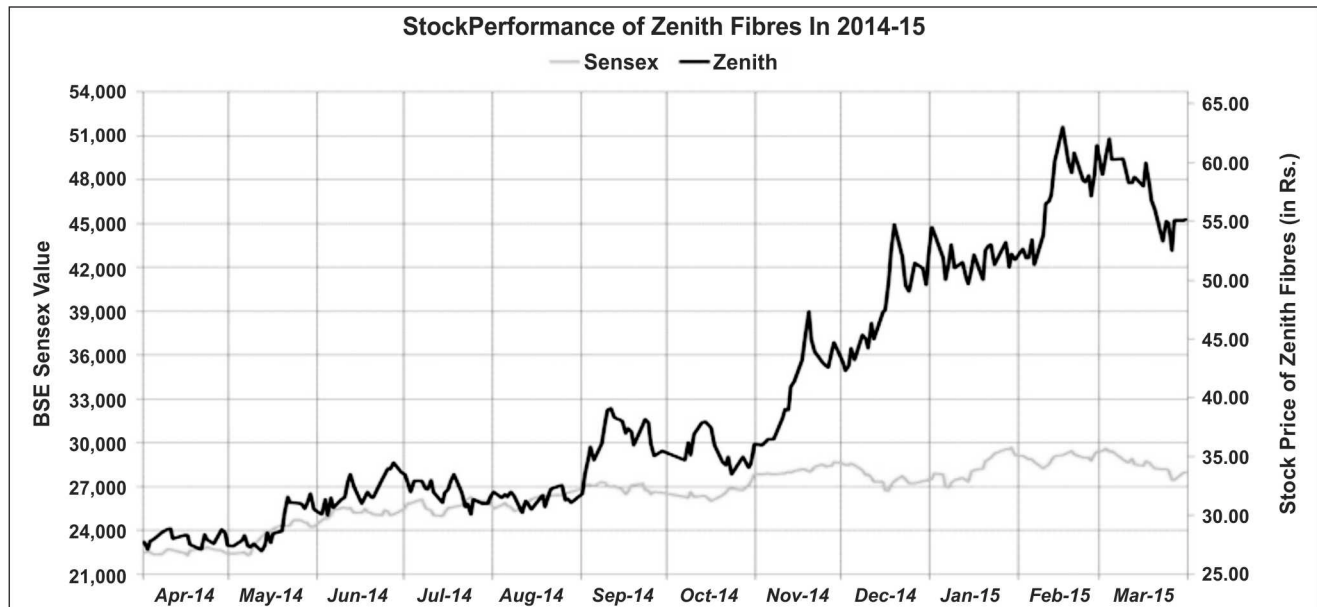
## 16. Distribution and Shareholding Pattern as on 31st March, 2015

No. of Equity Shares	No. of Folios	%	No. of Shares	%
01-500	3555	89.031	505376	11.428
501-1000	199	4.984	172469	3.9
1001-2000	90	2.254	144324	3.264
2001-3000	36	0.903	93866	2.123
3001-4000	21	0.526	74357	1.681
4001-5000	18	0.451	83692	1.892
5001-10000	30	0.751	216334	4.892
10001 and above	44	1.102	3131928	70.821
<b>TOTAL</b>	<b>3993</b>	<b>100</b>	<b>4422346</b>	<b>100</b>
	In Physical Mode		2516972	56.91
	In Electronic Mode		1905374	43.09

## Shareholding Pattern as on 31st March, 2015

Category	No. of Shares	%
Promoters	2223106	50.27
Mutual Funds & UTI	27600	0.62
Financial Institutions	0	0.00
Domestic Companies	278511	6.30
FII's and NRI's	34784	0.79
Resident Individuals/others	1858345	42.02
<b>TOTAL</b>	<b>4422346</b>	<b>100.00</b>

## Performance of Share price compared with BSE Sensex



**Monthly High/Low in Rs. for April 2014 to March 2015**

	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
High	29.00	33.15	35.45	34.50	33.75	40.00	39.40	49.50	55.65	57.00	64.00	63.00
Low	26.70	26.80	29.50	29.60	30.00	30.80	33.50	35.00	42.00	48.20	49.25	54.55

## Disclosures

### a) Disclosure of related party transactions

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

### b) Disclosure of Accounting Treatment in Preparing of Financial Statement

The Company follows the guidelines of Accounting Standards referred to in Section 133 of the Companies Act, 2013 read with the Rule 7 of the Companies (Accounts) Rules, 2014 together with early adoption of Accounting Standard 30 'Financial instruments Recognition

and Measurement' and the consequential limited revisions to certain Accounting Standards issued by the ICAI.

**c) Disclosure of non-compliance by the Company**

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

**CEO/CFO Certificate**

- A. Certificate duly signed by Mr. S. S. Iyer, CEO and Mr. K. D. Sharma, CFO, certifying financial statements and the cash flow statement, as required under

Clause 49 of the Listing Agreement, was placed before the Board and the same is annexed herewith.

**B. NON-MANDATORY REQUIREMENTS**

The Company has complied with all mandatory requirements of Clause 49 of the Listing Agreement with the stock exchange and has implemented the following non mandatory requirements.

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

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

### AUDITOR'S CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE UNDER CLAUSE 49 OF THE LISTING AGREEMENT

TO THE MEMBERS OF ZENITH FIBRES LIMITED

We have examined the compliance of conditions of Corporate Governance by Zenith Fibres Limited for the year ended March 31, 2015, as stipulated in Clause 49 of the Listing Agreement of the said company with the stock exchanges in India.

The compliance of conditions of Corporate Governance is the responsibility of the Company's management. Our examination was limited to the review of the procedures and implementation thereof, adopted by the Company for ensuring the compliance with the conditions of Corporate Governance as stipulated in the said clause. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, and the representations made by the Directors and the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Agreement.

We state that such compliance 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.

**For Jain & Hindocha**  
Chartered Accountants  
Firm Reg. No. 103868W

**(Jaswant Jain)**  
Partner  
(M. No. 035126)

Place : Vadodara  
Date : May 30, 2015

**CEO/CFO Certification****Issued pursuant to the provisions of Clause 49 of the Listing Agreement**

To,  
The Board of Directors  
Zenith Fibres Limited

Dear Sirs/Madam,

**Sub: CEO/CFO Certificate**

We have reviewed the financial statements read with the cash flow statement of Zenith Fibres Limited for the year ended 31st March, 2015 and that to the best of our knowledge and belief we state that -

- a) (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that may be misleading;
- (ii) these statements present a true and fair view of the Company's affairs and are in compliance with current accounting standards, applicable laws and regulations.
- b) There are, to the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or in violation of the Company's Code of Conduct.
- c) We accept the responsibility for establishing and maintaining internal controls for the financial reporting. We have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and 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 steps taken or proposed to be taken for rectifying these deficiencies.
- d) We have indicated to the Auditors and the Audit Committee:
  - (i) Significant changes if any, in internal control over financial reporting during the year;
  - (ii) Significant changes if any, in accounting policies made during the year and that the same have been disclosed in the notes to the financial statements; and Instances of significant frauds, of which we have become aware and involvement therein if any, of the management or employee having significant role in the Company's internal control system over financial reporting.

Place : Vadodara  
Date : 30.05.2015

**S. S. Iyer**  
CEO

**K. D. Sharma**  
CFO

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**Code of Conduct compliance certificate**

I hereby declare that all members of the Board of Directors and Senior Management Personnel have affirmed compliance with the Code of Conduct of the Company for the financial year ended 31st March, 2015.

Place : Mumbai  
Date : 08.08.2015

**SANJEEV RUNGTA**  
(DIN: 00053602)  
CHAIRMAN

## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF ZENITH FIBRES LIMITED

#### Report on the Financial Statements

We have audited the accompanying financial statements of Zenith Fibres Limited ("the Company"), which comprise the Balance Sheet as at 31st March, 2015, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

#### 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 Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

#### Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

#### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2015, and its profit and its cash flows for the year ended on that date.

#### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ('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 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, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - (e) On the basis of the written representations received from the directors as on 31st March, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
  - (f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements - Refer Note 24(i) and 24(ix) to the financial statements;
    - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
    - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

**For Jain & Hindocha**  
Chartered Accountants  
Firm Reg. No. 103868W

**(Jaswant Jain)**  
Partner  
(M. No. 035126)

Place : Vadodara  
Date : May 30, 2015

### **ANNEXURE TO THE AUDITOR'S REPORT**

Annexure referred to in paragraph 1 under the heading "Report on Other Legal and Regulatory Requirements" of the Auditor's Report to the members of Zenith Fibres Limited for the year ended 31st March, 2015

- i) (a) The Company is maintaining records showing particulars including quantitative details.
- (b) These fixed assets have been physically verified by the management at reasonable intervals. We are informed that no material discrepancies were noticed on such verification;
- ii) (a) The inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
- (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and nature of its business.
- (c) The company is maintaining proper records of inventory. No Material discrepancies were noticed on physical verification thereof.
- iii) The Company has not granted any loans, secured or unsecured, to companies, firm or other parties covered in the register maintained under section 189 of the Companies Act, 2013 and therefore, the matters referred in



paragraph (iii) (a) and (b) of the order are not applicable.

- iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods. There was no sale of services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control system.
- v) The Company has not accepted deposits in contravention of the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed there under, as applicable.
- vi) According to the information and explanations given to us, the company is not required to maintain cost records as specified by the Central Government under sub-section (1) of the section 148 of the Companies Act, 2013.
- vii) According to the information and explanations given to us and as shown by our examination of the books of accounts:
  - (a) The company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, cess and other statutory dues applicable to it and no undisputed amounts payable in respect thereof were in arrears, as on the last day of the financial year, for a period of more than six months from the date they became payable.
  - (b) There are no dues of income tax or sales tax or wealth tax or service tax or duty of customs or duty of excise or value added tax or cess which have not been deposited on account of any dispute except demand to the extent of Rs.90,48,505/- of Excise Duty and Penalty under the Central Excise Act, 1944 pertaining to the Financial year 2010-11 against which appeal is pending before the Excise Tribunal.
  - (c) Amount required to be transferred to investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956 and rules made thereunder has been transferred to such fund within time.
- viii) The company has no accumulated losses at the end of the financial year and it has not incurred cash losses during the financial year and in the immediately preceding financial year.
- ix) The company has not defaulted in repayment of dues to a financial institution or bank or debenture holders.
- x) The company has not given any guarantee for loans taken by others from bank or financial institutions.
- xi) In our opinion, and according to the information and explanations given to us, the term loans were applied for the purpose for which the loans were obtained.
- xii) According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year.

**For Jain & Hindocha**  
Chartered Accountants  
Firm Reg. No. 103868W

**(Jaswant Jain)**  
Partner  
(M. No. 035126)

Place : Vadodara  
Date : May 30, 2015

**BALANCE SHEET AS AT 31st MARCH, 2015**

Particulars	NOTE No.	AS AT 31.03.2015 (₹)	AS AT 31.03.2014 (₹)
<b>I. EQUITY AND LIABILITIES</b>			
<b>1) Shareholders' funds</b>			
(a) Share Capital	2	5,08,84,365	5,08,84,365
(b) Reserves and Surplus	3	28,33,36,657	23,87,05,166
<b>2) Non-current Liabilities</b>			
(a) Long term Borrowings	4	46,36,204	40,94,348
(b) Deferred tax liabilities (Net)	5	51,51,386	52,12,223
(c) Long term provisions	6	28,56,153	12,10,534
<b>3) Current Liabilities</b>			
(a) Short term Borrowing from Banks	7	--	2,81,77,079
(b) Trade payables	8	76,61,276	75,28,512
(c) Other current liabilities	9	1,10,93,100	1,04,51,048
(d) Short-term provisions	10	1,62,77,301	1,17,06,926
<b>TOTAL</b>		<b>38,18,96,442</b>	<b>35,79,70,201</b>
<b>II. ASSETS</b>			
<b>1) Non-current assets</b>			
(a) Fixed Assets			
(i) Tangible assets	11(i)	5,70,48,939	5,63,31,888
(ii) Intangible assets	11(ii)	1,23,908	1,49,470
(b) Non-current Investments	12	1,00,00,000	1,00,00,000
(c) Long term Loans and Advances	13	45,11,901	1,35,12,884
<b>2) Current Assets</b>			
(a) Inventories	14	4,84,95,858	5,06,21,435
(b) Trade receivables	15	4,46,98,829	7,46,07,534
(c) Cash and Bank Balances	16	18,81,54,378	13,90,89,007
(d) Short-term loans and advances	17	2,88,62,629	1,36,57,983
<b>TOTAL</b>		<b>38,18,96,442</b>	<b>35,79,70,201</b>
Significant Accounting Policies	1		

Refer accompanying notes forming part of financial statements  
As per our attached Report of even date

**For JAIN & HINDOCHA**  
Chartered Accountants

**JASWANT JAIN**  
Partner  
Firm Reg. No. 103868W  
Membership No. 035126

Place : Mumbai  
Date : 30th May, 2015

**K.D.SHARMA - CFO**

**SANJEEV RUNGTA** - Chairman  
DIN:00053602

**RAJEEV RUNGTA** - Director  
DIN:00122221

**MUKUND BERIWALA** - Director  
DIN: 00053669

## 26th ANNUAL REPORT

### STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31st MARCH, 2015

Particulars	NOTE No.	AS AT 31.03.2015 (₹)	AS AT 31.03.2014 (₹)
<b>I Revenue from operations (Gross) :</b>			
(a) Sale of Product		71,52,40,949	59,15,76,503
(b) Other Operating Revenue		<u>45,21,550</u>	<u>40,98,413</u>
		<b>71,97,62,499</b>	<b>59,56,74,916</b>
Less : Excise Duty		<u>5,08,66,864</u>	<u>3,99,97,982</u>
Revenue from operations (Net)		<b>66,88,95,635</b>	<b>55,56,76,934</b>
<b>II Other Income</b>	18	<u>2,31,90,477</u>	<u>1,90,64,216</u>
<b>III Total Revenue</b>		<u><b>69,20,86,112</b></u>	<u><b>57,47,41,150</b></u>
<b>IV Expenses</b>			
Cost of materials consumed	19	<b>46,91,59,956</b>	39,56,58,552
Change in inventories of finished goods/Waste and work in progress	20	<b>4,49,968</b>	40,29,440
Employees benefits expenses	21	<b>2,92,10,542</b>	2,46,04,254
Finance cost	22	<b>26,63,419</b>	23,45,613
Depreciation and Amortization Expenses	11	<b>81,09,609</b>	1,11,27,442
Other expenses	23	<u>10,00,73,799</u>	<u>8,53,33,513</u>
<b>Total Expenses</b>		<u><b>60,96,67,293</b></u>	<u><b>52,30,98,814</b></u>
<b>V Profit before Exceptional and Extraordinary items and Tax</b>		<b>8,24,18,819</b>	5,16,42,336
<b>VI Prior Period Items [Refer Note No. 24(vii)]</b>		<u>62,74,363</u>	--
<b>VII Profit before tax</b>		<b>8,86,93,182</b>	5,16,42,336
<b>VIII Less : Tax expenses</b>			
1) Current tax		<b>2,87,50,000</b>	1,91,10,000
2) Tax relating to earlier years		<b>4,01,712</b>	1,71,917
3) Deferred tax		<u>4,79,124</u>	<u>(15,56,768)</u>
<b>IX Profit for the Year</b>		<u><b>5,90,62,346</b></u>	<u><b>3,39,17,187</b></u>
<b>X Earnings per share (of ₹ 10/- each)</b>			
(a) Basic		<b>13.36</b>	7.67
(b) Diluted		<b>13.36</b>	7.67
Significant Accounting Policies	1		

Refer accompanying notes forming part of financial statements  
As per our attached Report of even date

**For JAIN & HINDOCHA**

Chartered Accountants

**JASWANT JAIN**

Partner

Firm Reg. No. 103868W

Membership No. 035126

Place : Mumbai

Date : 30th May, 2015

**K.D.SHARMA - CFO**

**SANJEEV RUNGTA**

DIN:00053602

**RAJEEV RUNGTA**

DIN:00122221

**MUKUND BERIWALA**

DIN: 00053669

- Chairman

- Director

- Director

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31st March, 2015**

Particulars	Year ended 31.03.2015 (₹)	Year ended 31.03.2014 (₹)
<b>(A) CASH FLOW FROM OPERATING ACTIVITIES :</b>		
Profit before tax and extra ordinary items	8,24,18,819	5,16,42,336
<b>ADJUSTMENT FOR :</b>		
Depreciation	81,09,609	1,11,27,442
(Profit) / loss on fixed assets discarded	1,61,890	-
Interest (net)	<u>(1,56,39,233)</u>	<u>(1,29,90,185)</u>
Operating profit before working capital changes	7,50,51,085	4,97,79,593
<b>ADJUSTMENT FOR :</b>		
Trade receivables	2,99,08,705	(3,55,11,043)
Inventories	21,25,577	(59,41,032)
Trade payables and other payables	18,18,327	10,21,869
Other receivables	<u>(18,94,548)</u>	<u>15,42,261</u>
Cash in-flow from operations	10,70,09,146	1,08,91,648
Taxation	<u>(3,08,31,434)</u>	<u>(1,89,19,141)</u>
Net cash flow from operating activities	<b>(A) <u><u>7,61,77,712</u></u></b>	<b><u><u>(80,27,493)</u></u></b>
<b>(B) CASH FLOW FROM INVESTING ACTIVITIES :</b>		
Interest received	1,23,35,202	1,30,59,191
Purchase of fixed assets	<u>(45,50,863)</u>	<u>(10,43,826)</u>
Disposal of fixed assets	2,500	68,624
Net cash received (spent) from (in) investing activities	<b>(B) <u><u>77,86,839</u></u></b>	<b><u><u>1,20,83,989</u></u></b>
<b>(C) CASH FLOW FROM FINANCE ACTIVITIES :</b>		
Term loans (net of payment)	18,52,677	(20,40,416)
Interest payment	<u>(8,71,379)</u>	<u>(10,20,320)</u>
Dividend and tax on dividend paid	<u>(77,03,398)</u>	<u>(1,01,62,250)</u>
Repayment of bank borrowings	<u>(2,81,77,079)</u>	<u>2,57,12,906</u>
Net cash in (out) flow from financing activities	<b>(C) <u><u>(3,48,99,180)</u></u></b>	<b><u><u>1,24,89,920</u></u></b>
Net increase/ (decrease)		
In cash and cash equivalents	<b>(A + B + C) 4,90,65,371</b>	165,46,416
Cash & cash equivalents as at beginning of the year	13,90,89,007	12,25,42,591
Cash and cash equivalents as at end of the year	18,81,54,378	13,90,89,007

Refer accompanying notes forming part of financial statements  
As per our attached Report of even date

**For JAIN & HINDOCHA**  
Chartered Accountants

**JASWANT JAIN**  
Partner  
Firm Reg. No. 103868W  
Membership No. 035126

Place : Mumbai  
Date : 30th May, 2015

**K.D.SHARMA - CFO**

**SANJEEV RUNGTA** - Chairman  
DIN:00053602

**RAJEEV RUNGTA** - Director  
DIN:00122221

**MUKUND BERIWALA** - Director  
DIN: 00053669

**SIGNIFICANT ACCOUNTING POLICIES:**

**a) Fixed Assets**

- i. Tangible Assets are stated at cost, less accumulated depreciation and impairment loss (if any).
- ii. Cost of Fixed Assets includes all incidental costs until the assets are ready for their intended use.
- iii. Cost of Fixed Assets not ready to use as on the Balance sheet date are disclosed under "Capital Work in Progress" and Advances paid towards acquisition of fixed assets outstanding as at Balance Sheet date are disclosed as Capital Advances under loans and advances.
- iv. Depreciation is calculated on useful lives of Assets after reducing 5% residual value of the original cost of each Asset as per Schedule II of the Companies Act, 2013. However the useful lives of following assets are different from the life specified in Part C of Schedule II based on Technical Advise.

	Name of Assets	Life as per Schedule II	Life as per Technical Advise
(1)	Plant & Machinery	25	Between 10 and 20 Years

- v. Impairment of Assets - The carrying amounts of assets are reviewed at each balance sheet date, if there is any indication of impairment based on internal/external factors. An impairment loss is recognized to the extent of carrying amount is greater than the recoverable amount of the asset. Recoverable amount is the higher of net selling price and value in use.

**b) Investments**

Investments made by the Company are intended to be held for more than a year and are classified as non-current investments. The same are valued at cost.

**c) Inventory**

- i. Stock of finished goods is valued at lower of cost and net realizable value. Cost includes raw material cost, excise duty, other manufacturing expenses and depreciation.
- ii. All other stocks are valued at cost or net realizable value, whichever is lower. The cost includes expenses incurred in bringing them to present location and condition excluding excise duty. The cost formula used is weighted average.

**d) Sales**

- i. Sales are inclusive of excise duty and exclusive of discounts and returns.
- ii. Sales revenue is recognized at the time of dispatch of materials.

**e)** Value of Import Entitlements is accounted for by reduction from cost of raw materials in the year of export.

**f) Employee Benefits**

Contribution to Provident Fund is charged to accounts on accrual basis. Provision for leave encashment and gratuity has been made on the basis of actuarial valuation.

**g) Foreign Currency Transactions**

- i. Foreign currency transactions are recorded at the exchange rates prevailing on the date of transaction. Gain or loss arising out of subsequent fluctuations is accounted for on actual payment or realization.
- ii. Monetary items denominated in foreign currency as at the Balance Sheet date other than those covered by forward contracts, are converted at exchange rates prevailing on that date and those covered by forward contract are converted at Contracted Rate.
- iii. Exchange differences relating to fixed assets are adjusted in the cost of assets. Any other exchange differences are dealt with in the profit & loss account.
- iv. Forward Exchange Contracts:

The Company uses foreign currency forward contracts to hedge its risk associated with foreign currency fluctuations relating to certain firm commitments.

The Company does not use derivative financial instruments for speculative purposes.

**h)** Custom duty on goods stored in bonded warehouse is accounted for at the time of clearance.

**i) Taxation**

- i. The provision for current tax is ascertained on the basis of assessable profit computed in accordance with provisions of the Income Tax Act, 1961.
- ii. Deferred tax is recognized (subject to the consideration of prudence) on timing differences (being the differences between the taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods).

**j) Operating leases**

Lease charges paid for operating leases are charged to profit and loss account on straight line basis over the lease term.

**NOTES FORMING PART OF FINANCIAL STATEMENTS**

Particulars	AS AT 31.03.2015 (₹)	AS AT 31.03.2014 (₹)
<b>2 Share Capital</b>		
<b>AUTHORISED</b>		
60,00,000 (60,00,000) Equity Shares of ₹10 each	<b>6,00,00,000</b>	6,00,00,000
<b>ISSUED</b>		
57,54,527 (57,54,527) Equity Shares of ₹10 each	<b>5,75,45,270</b>	5,75,45,270
Subscribed & Paid up 44,22,346 Equity Shares of ₹10 each (4422346)	<b>4,42,23,460</b>	4,42,23,460
Forfeited Shares (amount originally paid)	<b>66,60,905</b>	66,60,905
Total	<b>5,08,84,365</b>	5,08,84,365
<b>a) Reconciliation of Number of Shares</b>		
Shares outstanding as at 1st April, 2014/1st April, 2013	<b>44,22,346</b>	44,22,346
Shares outstanding as at 31st March, 2015/31st March, 2014	<b>44,22,346</b>	44,22,346
<b>b) List of Shareholders holding more than 5% of the total number of Shares issued by the Company :</b>		
<u>Name of the share holder</u>		
Demris Finvest Pvt. Ltd.	<b>4,81,500</b>	4,81,500
Galaxy Dealers Pvt. Ltd.	<b>3,25,810</b>	3,25,810
Rainy Fiscal Services (P) Ltd.	<b>5,60,100</b>	5,60,100
Shark Barter Pvt. Ltd.	<b>4,50,000</b>	4,50,000
The Company has issued only one class of equity shares having a par value of ₹ 10 per share. Each holder of Equity Share is entitled to one vote per share. The Company declares and pays dividend in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders at the Annual General Meeting.		
<b>3 Reserves and Surplus</b>		
(a) Capital Reserves		
Subsidy received from the District Industries Centre, Govt. of Gujarat.	<b>25,00,000</b>	25,00,000
Share Premium Reserve	<b>91,83,588</b>	91,83,588
Profit on Re-issue of Forfeited shares	<b>33,500</b>	33,500
	<b>1,17,17,088</b>	1,17,17,088
(b) General Reserve		
Opening Balance	<b>12,60,00,000</b>	12,10,00,000
Add: Transfer from surplus	<b>10,00,00,000</b>	50,00,000
Closing Balance	<b>22,60,00,000</b>	12,60,00,000
(c) Surplus in statement of Profit and Loss		
Opening Balance	<b>10,09,88,078</b>	7,98,31,777
Add: Profit for the year	<b>5,90,62,346</b>	3,39,17,187
Closing Balance	<b>16,00,50,424</b>	11,37,48,964
<b>Less: Appropriations</b>		
- Transfer to General Reserve	<b>10,00,00,000</b>	50,00,000
Adjustment relating to Fixed Assets (Refer Note No. 24(viii))	<b>11,24,276</b>	--
- Proposed Dividend @ ₹ 2.5/- per share (₹1.5/- per share)	<b>1,10,55,865</b>	66,33,519
	<b>4,56,19,569</b>	10,09,88,078
<b>Total</b>	<b>28,33,36,657</b>	23,87,05,166

NOTES FORMING PART OF FINANCIAL STATEMENTS

Particulars					AS AT	AS AT
					31.03.2015	31.03.2014
					(₹)	(₹)
<b>4 Long-term Borrowings</b>						
<b>(Secured by Hypothecation of Vehicles )</b>						
	Tenor		Payable	Rate of		
	Months	Maturity	EMI (₹)	Interest p.a.		
<u>From Banks</u>						
- ICICI Bank Ltd.	60	15.11.17	99922	10.02%	<b>18,88,254</b>	27,70,974
<u>From Other Parties</u>						
- BMW India Financial Services Pvt. Ltd.	60	10.11.16	72397	10.47%	<b>5,57,088</b>	13,23,374
- Volkswagen Finance Pvt. Ltd	36	15.10.17	125385	9.75%	<b>21,90,862</b>	--
					<b>46,36,204</b>	40,94,348
(No default as on Balance Sheet date in repayment of Principle & Interest for above loans)						
<b>5 Deferred Tax Liabilities (Net)</b>						
a. Deferred Tax Liabilities						
- Depreciation on fixed assets					<b>67,71,596</b>	61,10,899
b. Deferred Tax Assets						
- Employee benefits					<b>16,20,210</b>	8,98,676
<b>Net Deferred Tax Liability</b>					<b>51,51,386</b>	52,12,223
<b>6 Long-term provisions</b>						
Provision for Employee Benefits						
- Provision for compensated absences					<b>15,62,329</b>	12,10,534
- Gratuity					<b>12,93,824</b>	--
<b>Total</b>					<b>28,56,153</b>	12,10,534
<b>7 Short-term Borrowing from Banks</b>						
Secured by Hypothecation of all materials, Book Debts & Fixed Assets and Guaranteed by two directors.					--	2,01,77,079
Secured by Pledge of Fixed Deposits					--	80,00,000
(No default as on Balance Sheet date in repayment of principle and interest).						
<b>Total</b>					<b>--</b>	<b>2,81,77,079</b>

**NOTES FORMING PART OF FINANCIAL STATEMENTS**

Particulars	AS AT 31.03.2015 (₹)	AS AT 31.03.2014 (₹)
<b>8 Trade payables</b>		
Amount due to Micro and Small Enterprises [Refer Note No. 24(iii)]	-	--
Amount due to Others	76,61,276	75,28,512
<b>Total</b>	<u>76,61,276</u>	<u>75,28,512</u>
<b>9 Other current liabilities</b>		
Current Maturity of Long-term Borrowings	28,74,345	15,63,524
- From Banks ₹ 8,82,720/- (₹ 8,73,097/-)		
- From Other Parties ₹ 19,91,625/- (₹ 6,90,427/-)		
(For Other details refer note no. 4)		
Unpaid Dividend*	17,79,866	17,22,379
Other payables	64,38,889	71,65,145
- Statutory liabilities ₹ 14,28,666/- (15,94,954)		
- Interest received in advance ₹ 65,925/- (1,27,720)		
- Others ₹ 49,44,298/- (54,42,471)		
<b>Total</b>	<u>1,10,93,100</u>	<u>1,04,51,048</u>
* These amounts represent warrants issued to shareholders which remained unrepresented as on 31st March, 2015.		
<b>10 Short-term provisions</b>		
Provision for Employee Benefits - Provident Fund	1,17,876	73,827
Provision for compensated absences	9,20,780	5,81,452
Provision for Gratuity	7,57,460	4,36,179
Provision for Current Tax 2,87,50,000/-		
Less: Advance Tax & TDS <u>2,76,04,731/-</u>	11,45,269	28,24,991
Provision for Wealth Tax	29,337	29,591
Proposed dividend	1,10,55,865	66,33,519
Tax on proposed dividend	22,50,714	11,27,367
<b>Total</b>	<u>1,62,77,301</u>	<u>1,17,06,926</u>





**NOTES FORMING PART OF FINANCIAL STATEMENTS**

Particulars	AS AT 31.03.2015 (₹)	AS AT 31.03.2014 (₹)
<b>12 Non-current Investments (Other Investment Unquoted)</b>		
10,00,000 Fully paid Equity Shares of ₹ 10/- each of M/s. Rainy Properties Pvt. Ltd., Kolkata (at cost).	1,00,00,000	1,00,00,000
<b>Total</b>	<b>1,00,00,000</b>	<b>1,00,00,000</b>
<b>13 Long term Loans and Advances (Unsecured, considered Good)</b>		
(a) Capital Advance	--	45,000
(b) Deposit with related party	54,000	54,000
(c) Deposits with others	--	75,00,000
(d) Security Deposits	6,70,200	7,03,057
(e) VAT Credit receivable	37,87,701	52,10,827
<b>Total</b>	<b>45,11,901</b>	<b>1,35,12,884</b>
<b>14 Inventories (at lower of cost or net realizable value)</b>		
a. Raw Material	3,30,88,887	3,44,84,090
b. Raw Material in Transit	--	2,15,462
c. Work in Progress	3,39,628	4,93,681
d. Finished Goods & Waste	1,27,00,637	1,29,96,552
e. Stores and Spares	16,99,020	19,37,591
f. Spares in Transit	--	25,097
g. Packing Materials & Fuel	6,67,686	4,68,962
<b>Total</b>	<b>4,84,95,858</b>	<b>5,06,21,435</b>
<b>15 Trade Receivables (Unsecured considered good)</b>		
Exceeding Six months from due date	2,954	--
Others	4,46,95,875	7,46,07,534
<b>Total</b>	<b>4,46,98,829</b>	<b>7,46,07,534</b>
<b>16 Cash and Bank Balances</b>		
a) <u>Cash and cash equivalents</u>	46,459	1,17,278
b) <u>Balance with Banks</u>		
- Current Account	58,68,053	4,14,126
- Fixed Deposit Accounts	17,74,00,000	13,16,49,102
c) <u>Other Bank Balances</u>		
Balance with Banks to the extent held as margin money	30,60,000	51,86,122
Un-paid Dividend Accounts	17,79,866	17,22,379
<b>Total</b>	<b>18,81,54,378</b>	<b>13,90,89,007</b>
<b>17 Short Term loans and advances</b>		
a. Advances recoverable in cash or in kind or for value received*	1,20,35,345	69,71,941
b. Deposits	75,00,000	--
c. Balance with Central Excise Authorities	20,76,311	14,66,773
d. VAT Credit Receivable	53,94,912	39,42,068
e. Prepaid Expenses	4,53,063	3,17,750
f. Cenvat Credit of Service Tax receivable [Ref. Note No. 24(ix)(b)]	14,02,998	9,59,451
<b>Total</b>	<b>2,88,62,629</b>	<b>1,36,57,983</b>

\* includes ₹ 14,000 /- due from Officers of the Company (₹ 1,31,500/-)

**NOTES FORMING PART OF FINANCIAL STATEMENTS**

Particulars	AS AT 31.03.2015 (₹)	AS AT 31.03.2014 (₹)
<b>18 Other Income</b>		
Interest Income:		
- Interest from Fixed Deposits	1,45,56,565	1,19,83,964
- Other Interest	19,54,047	20,26,541
Cash Discount	24,64,375	22,98,635
Misc. Scrap Sales	3,59,278	1,67,678
Liabilities no longer required written back	--	1,35,238
Net Gain/(Loss) on Foreign Currency Transactions & Translations	38,55,073	24,50,960
Other Non-Operating Income	1,139	1,200
<b>Total</b>	<b><u>2,31,90,477</u></b>	<b><u>1,90,64,216</u></b>
<b>19 Cost of Materials Consumed</b>		
<b>Materials Consumed Comprises of :</b>		
PP Resin	44,14,92,952	37,58,24,566
Master Batch	1,82,48,814	1,31,34,005
Spin Finish	94,18,190	66,99,981
<b>Total</b>	<b><u>46,91,59,956</u></b>	<b><u>39,56,58,552</u></b>
<b>20 Change in inventories of finished goods/waste and work in progress</b>		
<b>Opening Stock</b>		
Work-in-Progress	4,93,681	3,17,706
Finished goods and waste	1,29,96,552	1,72,01,967
	<b><u>1,34,90,233</u></b>	<b><u>1,75,19,673</u></b>
<b>Closing Stock</b>		
Work-in-Progress	3,39,628	4,93,681
Finished goods and waste	1,27,00,637	1,29,96,552
	<b><u>1,30,40,265</u></b>	<b><u>1,34,90,233</u></b>
<b>(Increase) Decrease in inventories of finished goods and WIP</b>	<b><u>4,49,968</u></b>	<b><u>40,29,440</u></b>
<b>21 Employee benefits expenses</b>		
Salaries, Wages and Bonus	2,52,07,080	2,25,10,658
Contribution to Provident and other Funds	35,79,977	18,17,111
Staff Welfare Expenses	4,23,485	2,76,485
<b>Total</b>	<b><u>2,92,10,542</u></b>	<b><u>2,46,04,254</u></b>

**NOTES FORMING PART OF FINANCIAL STATEMENTS**

Particulars	AS AT 31.03.2015 (₹)	AS AT 31.03.2014 (₹)
<b>22 Finance cost</b>		
Interest Expenses	7,66,516	10,20,320
Other borrowing costs including Bank Charges	18,96,903	13,25,293
<b>Total</b>	<b>26,63,419</b>	<b>23,45,613</b>
<b>23 Other expenses</b>		
Stores Consumed	37,83,360	27,43,969
Packing Consumed	42,77,893	34,42,596
Power and Fuel	3,13,65,978	2,47,35,859
Rent & Service Charges	23,94,010	21,90,399
Repairs to Building	--	3,30,125
Repairs to Machinery	9,40,196	7,41,575
Insurance	6,35,253	6,35,558
Rates and Taxes	1,55,226	1,43,927
Processing Charges	2,97,48,441	2,69,41,440
Transportation charges on Job work	15,66,854	13,16,968
Commission and Discount on Sales	42,32,811	36,63,664
Donation	26,26,001	38,85,001
Freight & Forwarding charges - Export	57,48,783	45,24,949
Travelling and Conveyance	35,59,369	36,14,823
<u>Auditors' Remuneration</u>		
- Audit Fees	1,05,000	70,000
- Tax Matters	1,40,000	90,000
- Other Services	64,500	69,000
Loss on Fixed Assets Discarded	1,61,890	--
Miscellaneous Expenses*	85,68,234	61,93,660
<b>Total</b>	<b>10,00,73,799</b>	<b>8,53,33,513</b>

\* None of the items exceeds 1% of revenue from operations

### 24 OTHER NOTES :

#### i) CONTINGENT LIABILITIES AND COMMITMENTS :

(a) **CONTINGENT LIABILITIES :** Bank Guarantee ₹ 30,60,000/- (₹ 51,86,122/-)

(b) **Claims against the Company not acknowledged as debts:-**

Excise department has raised demand of ₹ 90,48,505/- ( Including Penalty of ₹ 59,74,353/-) pertaining to period 01/04/2010 to 31/03/2011 vide order of Commissioner, Central Excise and Customs dated 28/08/2014. No provision for the same is made as the Company has contested the same before the higher authority and as per the legal advice received is hopeful of favourable decision.

In previous year the company has received show cause notice from the Central Excise department for demand of ₹ 3,60,80,795/- which has been reduced to ₹ 90,48,505/- by order referred above.

(c) **COMMITMENTS :**

Estimated amount of contracts remaining to be executed and not provided for in respect of Capital purchases (Net of Advance) NIL (₹ 1,12,500 /-).

- (ii) In the opinion of the Board, Current Assets, Loans and Advances are approximately of the value stated if realized in the ordinary course of business and provision for all known liabilities is adequate.
- (iii) No interest is payable on account of amount outstanding to Micro, Small and Medium Enterprises. The identification of Vendor as a "Supplier" under the Micro, Small and Medium Enterprise Development Act, 2006 has been done on the basis of information available with the Company. This has been relied upon by the Auditors.
- (iv) Company's operations comprise of only one segment i.e. "Manufacturing of Man-made Fibres" in terms of the guidelines stated in AS-17 issued by the Institute of Chartered Accountants of India.
- (v) The amount of lease payment in respect of operating (cancellable) leases recognized in the profit and loss account was ₹ 23,94,010/- (₹ 21,90,399/-) and future minimum lease payments are as follows :

	Current Year ₹	Previous Year ₹
Not later than one year	19,53,363/-	19,72,760/-
Later than one year but not later than five years	31,83,906/-	34,17,324/-
Later than five years and above	Nil	Nil

- (vi) Disclosures in respect of related parties as defined in Accounting Standard 18, with whom transactions have taken place during the year are given below :

Sr. No.	Nature of Transaction	Associate / Bodies Corporate	Amount (₹ in lacs)	Sitting Fees to KMP / Relatives*	Amount (₹)
1.	Website Hosting Charges	Navigators Software Pvt. Ltd.	0.13 (0.13)	Mr. Ajaykumar Rungta	2,500/-
2.	Rent for Office Premises	Hind Wire Industries Ltd.	1.08 (1.08)	Mr. Sanjeev Rungta	20,000/-
3.	Balance Outstanding (Deposit)	Hind Wire Industries Ltd.	0.54 (0.54)	Mr. Abhishake Rungta	5,000/-
				Mr. Rajeev Rungta	10,000/-

- (vii) Amount of ₹ 62.74 Lacs against prior period items is in respect of excess provision of depreciation on fixed assets of earlier year written back.

- (viii) Pursuant to the provisions of the Companies Act, 2013, and based on Technical Advice, the Company has reviewed and revised the estimated useful lives of the fixed assets, primarily Plant & Machinery, effective April 1, 2014. The useful lives of certain machines have been reassessed at 20 years (earlier 25 years) and other Plant & Machinery at 10 years (earlier 25 years).

In respect of assets having completed their useful life, as a 1st April, 2014 depreciation has been recalculated and amount of ₹ 11.24 Lacs (net of tax) has been adjusted against the opening balance of the retained earnings in accordance with the transitional provisions provided in Note 7 of Schedule II of the Companies Act, 2013.

#### (ix) Advances Recoverable in Cash or kind includes

- a) MOT charges of ₹ 1,41,625/- (₹ 1,41,625/-) deposited under protest with Central Excise Authority on account of overtime charge demanded by Excise Authorities for Export Clearances during normal working hours. As per advise of legal expert the company is hopeful of getting refund of this amount and hence no provision made.
- b) Short term Loans and Advances include Cenvat Credit of Service Tax charged by commission agents

**NOTES FORMING PART OF FINANCIAL STATEMENTS**

₹ 14,02,998/- (₹ 9,59,451/-), which could not be availed of in view of decision of Hon. Gujarat High Court in the case of Cadila Health Care Ltd. However, as per advise of legal expert appeal of Cadila Health Care Ltd. is pending before the Hon. Supreme Court of India and favourable decision is expected. The Company would make adjustment of Cenvat Credit once the issue is decided

- (x) The Company has invested ₹ 1,00,00,000/- in equity shares of Rainy Properties Pvt.Ltd. in earlier year. The said investment is of long term strategic nature. Financial Results of the said company for the year ended March 31, 2015 are yet not finalized. However, as per the latest audited financial results for the year ended March 31, 2014 available, the accumulated losses were ₹ 56,85,720/- against paid up share capital of ₹ 3,23,22,000/-. However, this being long term and strategic investment and also in view of the projected profitable operations of the investee company, the management is of the view that there is no diminution other than temporary in the value of this investment.

**(xi) Foreign Currency Contracts**

The Outstanding Foreign Currency Contracts on 31st March, 2015 in respect of Exports risk being hedged is as follows:

Currency	Amount in Foreign Currency	Equivalent Indian Rupees
USD/INR	27900	(NIL)
		17,42,355/- (NIL)

**xii) a) Defined Contribution Plan - Provident Fund :**

During the year, the company has recognized the Company's Contribution to Employees Provident Fund amounting to ₹ 11,64,152/- (₹ 8,56,298/-) 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 benefits to its employees under the leave encashment pay plan which is a noncontributory defined benefit plan

- xiii) The following table sets out the funded status of the gratuity plan and unfunded status of leave encashment plan. The amount recognized in the company's financial statement as at 31st March, 2015

	Gratuity (Funded)		Leave
	31/03/2015 (₹)	31/03/2014 (₹)	Encashment (Unfunded) (₹)
<b>(a) Change in benefit Obligation</b>			
Opening benefit obligation	<b>7542785</b>	6127908	1791986 (1590218)
Service cost for the year	<b>617719</b>	568067	292408 (268018)
Interest cost for the year	<b>646951</b>	490233	136615 (108084)
Actuarial losses / (gains) on curtailments	<b>1572432</b>	360531	883543 (304006)
Benefits Paid	<b>283626</b>	-	621443 (478340)
Closing defined benefit obligation on 31/03/2015	<b>10096261</b>	7546739	2483109 (1791986)
<b>(b) Change in Fair Value of Plan Assets</b>			
Opening fair value of plan assets	<b>7106605</b>	6097938	
Expected Return on Plan Assets	<b>563842</b>	552758	
Contribution by employer	<b>650548</b>	438598	
Benefits paid	<b>283626</b>	-	
Actuarial (Loss)/Gain on plan assets	<b>7608</b>	(17311)	
Closing balance of fair value of plan assets	<b>8044977</b>	7106605	
Excess of Liability over plan obligation	<b>2051284</b>	436180	
Accrued Liability (Asset)	<b>2051284</b>	436180	
<b>(c) Actuarial Gain/Loss recognized</b>			
Actuarial (gain)/loss on obligations	<b>1572432</b>	360531	

NOTES FORMING PART OF FINANCIAL STATEMENTS

Contd.....

	Gratuity (Funded)		Leave
	31/03/2015 (₹)	31/03/2014 (₹)	Encashment (Unfunded) (₹)
Actuarial (gain)/loss for the year – plan assets	(7608)	17311	
Actuarial (gain)/loss recognized in the year	1564824	343220	
<b>(d) Amount to be recognized in the Balance sheet</b>			
Present value of obligations as at the end of year	10096261	7542785	
Fair value of plan assets as at the end of the year	8044977	7106605	
Funded status	2051284	436180	
Net asset/(liability) recognized in balance sheet	(2051284)	(436180)	2483109 (1791986)
Current Liability	-	-	920780 (581452)
Non-current Liability	2051284	436180	1562329 (1210534)
<b>(e) Expense recognized in statement of Profit &amp; Loss</b>			
Current Service Cost	617719	567757	292408 (268018)
Interest cost	646951	490233	136615 (108084)
Expected return on plan assets	(629186)	(552758)	NIL (NIL)
Net Actuarial (gain)/loss recognized in the year	1564824	339576	883543 (304006)
Expenses recognized in statement of profit and loss	2200308	844807	1312566 (680108)

**(xiv) Actuarial Assumptions**

	Published Table of Mortality Rate		
		Weighted Average	
Mortality Rate			
Valuation Method			
Discount Rate Current	7.70%	8.80%	7.70% (9.10%)
Salary Escalation	7.00%	6.00%	7.00% (6.00%)

**(xv) Earnings per share**

	Current Year	Previous Year
Profit after taxation (₹ in lacs)	590.62	340.27
Weighted average number of shares (Nos.)	4422346	4422346
Earnings per share (Basic and Diluted) (₹)	13.36	7.67
Face value per share (₹)	10	10

**NOTES FORMING PART OF FINANCIAL STATEMENTS**
**xiii) Deferred Tax Liability**
**Components of Deferred Tax**

Nature of Timing Difference	Deferred Tax Asset (Liability) as at 31.03.2014	Credit (change) for the year	Deferred Tax Asset (Liability) as at 31.03.2015
a. Deferred tax Liability			
- Depreciation	(61,10,899)	(6,08,031)	<b>(67,18,930)</b>
b. Deferred tax Asset			
-Gratuity	1,41,518	5,24,021	<b>6,65,538</b>
- Provision for compensated absences.	5,81,410	2,24,235	<b>8,05,645</b>
-Bonus Provision	1,75,748	(26,721)	<b>1,49,027</b>
<b>Net Amount</b>	<b><u>(52,12,223)</u></b>	<b><u>1,13,504</u></b>	<b><u>(50,98,720)</u></b>

**xiv) a) TURNOVER**
**CLASS OF GOODS**

CLASS OF GOODS	Sales Amount (₹)	Opening Stock Amount (₹)	Closing Stock Amount (₹)
<b>POLYPROPYLENE STAPLE FIBRE</b>	<b>52,65,93,751</b>	<b>1,22,66,163</b>	<b>1,24,93,125</b>
	(41,99,00,261)	(1,55,53,257)	(1,22,66,163)
<b>P.P. YARN</b>	<b>19,31,68,748</b>	<b>7,18,780</b>	<b>2,02,637</b>
	(17,57,74,655)	(14,92,710)	(7,18,780)
<b>Total</b>	<b><u>71,97,62,499</u></b>	<b><u>1,29,84,943</u></b>	<b><u>1,26,95,762</u></b>
	(59,56,74,916)	(1,70,45,967)	(1,29,84,943)

**b)**
**Work in Progress :**

	Opening Stock (Amount in ₹)	Closing Stock (Amount in ₹)
- Master Batch	<b>4,42,138</b>	<b>3,10,069</b>
	(3,17,706)	(4,42,138)
- Polypropylene Resin	<b>30,189</b>	<b>17,309</b>
	(0)	(30,189)
- Standard Fibre	<b>21,354</b>	<b>12,250</b>
	(0)	(21,354)
<b>Total</b>	<b><u>4,93,681</u></b>	<b><u>3,39,628</u></b>
	(3,17,706)	(4,93,681)

**c) PURCHASE :**
**Raw Materials**

	Current Year (₹)	Previous Year (₹)
- Polypropylene Resin	44,03,80,789	38,38,00,473
- Master Batch	1,92,54,281	1,32,79,518
- Spin Finish	79,14,222	84,29,593
<b>Total</b>	<b><u>46,75,49,292</u></b>	<b><u>40,55,09,584</u></b>



## 26th ANNUAL REPORT

**d) VALUE OF RAW MATERIAL CONSUMPTION :**

Raw Materials	Current Year (₹)	%	Previous Year (₹)	%
a) IMPORTED				
- Spin Finish	67,30,754	1.43	48,56,265	1.22
- Polypropylene Resin	48,25,109	1.03	-	-
b) INDIGENOUS				
- Polypropylene Resin	43,66,67,843	93.08	37,58,24,566	95.01
- Master Batch	1,82,48,814	3.89	1,31,34,005	3.31
- Spin Finish	26,87,436	0.57	18,43,716	0.46
Total Value of Raw Material Consumption	<u>46,91,59,956</u>	<u>100.00</u>	<u>39,56,58,552</u>	<u>100.00</u>

**e) VALUE OF IMPORTS ON CIF BASIS :**

	Current Year (₹)	Previous Year (₹)
i) Raw Materials	1,08,05,358	69,97,982
ii) Spares	--	83,794

**f) EXPENDITURE IN FOREIGN CURRENCY :**

	Current Year (₹)	Previous Year (₹)
i) Travelling	--	70,709

**g) EARNINGS IN FOREIGN EXCHANGE :**

	Current Year (₹)	Previous Year (₹)
F.O.B. Value of Exports	19,99,35,376	17,86,44,128



## Form No. MGT-11

### Proxy form

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

CIN: L17120MH1989PLC054580

Name of the company: **ZENITH FIBRES LIMITED**

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

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

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

1. Name: \_\_\_\_\_  
Address: \_\_\_\_\_  
E-mail Id: \_\_\_\_\_  
Signature: \_\_\_\_\_, or failing him \_\_\_\_\_
2. Name: \_\_\_\_\_  
Address: \_\_\_\_\_  
E-mail Id: \_\_\_\_\_  
Signature: \_\_\_\_\_, or failing him \_\_\_\_\_
3. Name: \_\_\_\_\_  
Address: \_\_\_\_\_  
E-mail Id: \_\_\_\_\_  
Signature: \_\_\_\_\_, or failing him \_\_\_\_\_

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 26th Annual General Meeting of the company, to be held on the 29th September, 2015 Tuesday at 11.00 a.m. at Hotel Atithi, 77A/B Nehru Road, Ville Parle(East), Mumbai- 400099 and at any adjournment thereof in respect of such resolutions as are indicated below:

#### Resolution No:

1. Adoption of accounts
2. Confirmation of dividend
3. Re-appointment of Mr.Rajeev Rungta as Director
4. Appointment of Statutory Auditors
5. Appointment of Dr. S.R. Vengsarker as an independent director for the term of 5 years
6. Appointment of Mr. Abhishake Rungta as an independent director for the term of 5 years
7. Appointment of Ms. Shraddha Mookim as an independent director for the term of 5years
8. Cancellation of Equity Shares forfeited by the Company.

Affix a  
₹ 1/-  
Revenue  
Stamp

Place :

Date :

\_\_\_\_\_  
Signature of shareholder

\_\_\_\_\_  
Signature of Proxy holder(s)

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



## Attendance Slip

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

I/We hereby record my/our presence at the 26th Annual General Meeting of the company, to be held on Tuesday the 29th September, 2015 at 11.00.a.m. at Hotel Atithi, 77A/B Nehru Road, Vile Parle(East), Mumbai- 400099

\_\_\_\_\_  
Member's /Proxy Name in Block Letters

\_\_\_\_\_  
Member's/ Proxy signature

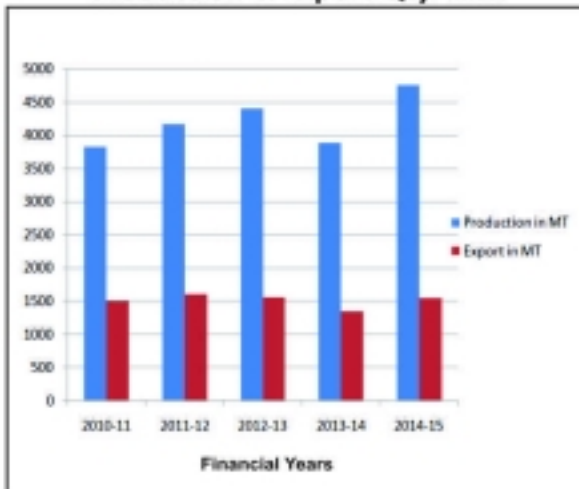
(Shareholders attending the meeting in person or by proxy are requested to complete the attendance slip and hand over the same at the entrance of the meeting Hall.)

**PLEASE CARRY THIS REPORT ALONG WITH YOU TO THE ANNUAL GENERAL MEETING**

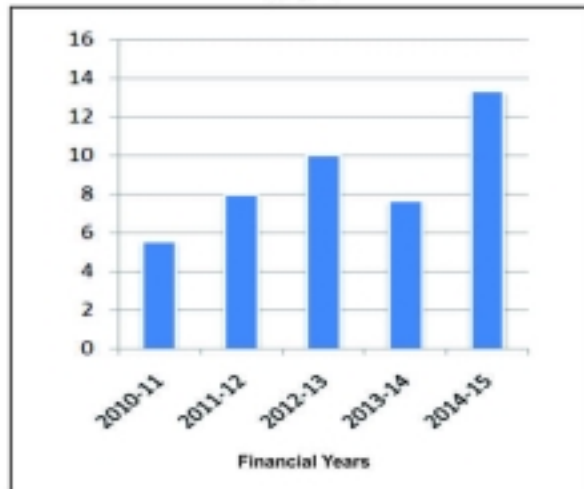
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If undelivered please return to :  
**ZENITH FIBRES LIMITED**

**Registered Office:**  
205, Marol Bhavan, 2nd Floor  
Marol Co-op. Industrial Estate Ltd.  
M.V. Road, J.B. Nagar Post  
Andheri East, Mumbai - 400 059.



(ISO 9001:2008 Certified Company)