



Zenith Fibres Limited

**28th Annual Report
2016-2017**

BOARD OF DIRECTORS

SHRI SANJEEV RUNGTA	Chairman
SHRI RAJEEV RUNGTA	Director
SHRI AMITABHA GHOSH	Director
SHRI MUKUND BERIWALA	Director
SHRI ABHISHAKE RUNGTA	Director
SMT. SHRADDHA MOOKIM	Director

MANAGEMENT

SHRI S.S. IYER	Chief Executive Officer
SHRI K.D. SHARMA	Chief Financial Officer
SHRI SHAILESH PANDEY	Chief Operations Officer
SHRI PRAVEEN BUKYALKAR	Chief Marketing Officer
Ms. SIDDHI SHAH	Company Secretary

AUDITORS

M/s. JAIN & HINDOCHA

BANKERS

HDFC BANK LIMITED

REGD. OFFICE

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

WORKS

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

SHARE TRANSFER AGENT

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

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ZENITH FIBRES LIMITED

NOTICE FOR TWENTY EIGHTH ANNUAL GENERAL MEETING

CIN: L17120MH1989PLC054580

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

E-Mail: mumbai@zenithfibres.com **Url:** www.zenithfibres.com **Tele No. :** 022-28599428 **Fax No. :** 022-28599429

Notice is hereby given that the Twenty Eighth Annual General Meeting of the members of Zenith Fibres Limited will be held on Friday, the 29th of September, 2017 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, 2017 together with Directors' Report and Auditor's Report thereon.
2. To declare Dividend.
3. To appoint a director in place of Mr. Abhishake Rungta, (DIN: 00053730) who retires by rotation, and being eligible, offers himself for re-appointment.
4. **To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:**

"RESOLVED THAT pursuant to the provisions of Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, as may be applicable and pursuant to the recommendations of the Audit Committee and Board, M/s. Surendra Modiani & Associates, Chartered Accountant having F.R.N. 126307W be and are hereby appointed as Statutory Auditors of the Company to hold office for a period of 5 (Five) consecutive financial years, from the conclusion of the 28th Annual General Meeting of the Company until the conclusion of the 33rd Annual General Meeting of the Company (subject to ratification of the appointment at every Annual General Meeting) and the Board of Directors of the Company be and is hereby authorised to fix their remuneration".

Special Business:

5. Reimbursement of Medical Expenses

To consider and if thought fit to pass, with or without modification(s), the following Resolution as Special Resolution:

"RESOLVED THAT pursuant to the provisions of Section 197, 198 and all other applicable provisions and rules made thereunder of the Companies Act, 2013 (hereinafter referred to as 'the Act') consent of the Members be and is hereby accorded, for paying reimbursement of Medical Expenses Rs 35,14,356/- (Rupees Thirty Five Lakhs Fourteen Thousand Three Hundred and Fifty Six) to Mr. Sanjeev Rungta, Non-Executive Director (DIN: 00053602) of the Company, for his medical treatment exceeding the limit of 3% of net profits of F.Y 2016-17 of the company but within the statutory limit of 11% of net profits of the Company calculated as per the provisions of Section 198 of the Act."

RESOLVED FUTHER THAT Mr. Sanjeev Rungta, Mr. Rajeev Rungta, Directors and Ms. Siddhi Shah, Company Secretary be and are hereby severally authorized to do all such acts, things and deeds which are a part of the resolution to bring the same into the force."

6. Appointment of Mr. Sanjeev Rungta as Whole Time Director of the Company for a period of three years with effect from 1st April, 2017 to 31st March, 2020

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

"RESOLVED THAT in accordance with the provisions of Sections 196, 197, 198, 200, and 203 read with Schedule V and all other applicable provisions, if any, of the Companies Act, 2013, or any statutory modification(s) or re-enactment thereof, consent of members of the Company be and is hereby accorded to the appointment of and payment of remuneration to Shri Sanjeev Rungta, (DIN : 00053602) as Whole Time Director, designated as Executive Chairman of the Company, for a period of 3 (three) years with effect from 1st April, 2017 on the terms and conditions, as set out herein below, with liberty to the Board of Directors to alter and vary the terms and conditions and/or remuneration, subject to the same not exceeding the limits specified under Schedule V of the Companies Act, 2013, or any statutory modification(s) or re-enactment thereof for the time being in force or as may hereafter be made by the Central Government in that behalf from time to time, or any amendments thereto as may be agreed to between the Board of Directors and Shri Sanjeev Rungta."

The salient feature of the terms and conditions of employment are as follows :

SALARY : Rs. 2,50,000/- (Rupees Two Lakhs Fifty Thousand only) per month. The CTC shall be Rupees Thirty Six Lakhs per annum.

PERQUISITES : The Executive Chairman shall be entitled to perquisites & benefits like free furnished accomodation, gas, electricity, water, medical reimbursement and leave travel concession for self & family, club fees, car with driver for business use, facility of telephone installed at his residence, medical and personal accident insurance for self and family, bonus/ex-gratia, loans, etc. as per rules of the Company. The value of perquisites shall be evaluated as per Income Tax Rules wherever applicable. He will be entitled to Company's contribution to Provident Fund, Superannuation Fund, Pension Fund, Gratuity, encashment of earned leave, etc. as per Company Policy and these shall not be included in the computation of perquisites.

OTHER TERMS:

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

"RESOLVED FURTHER THAT in case of loss or inadequacy of profit in any financial year of the Company, the payment of salary, perquisites and other allowance shall be governed by the limits prescribed under Schedule V of the Act."

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

7. Appointment of Mr. Rajeev Rungta as Managing Director of the Company for a period of three years with effect from 1st April, 2017 to 31st March, 2020

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

"RESOLVED THAT in accordance with the provisions of Sections 196, 197, 198, 200, and 203 read with Schedule V and all other applicable provisions, if any, of the Companies Act, 2013, or any statutory modification(s) or re-enactment thereof, consent of members of the Company be and is hereby accorded to the appointment of and payment of remuneration to Shri Rajeev Rungta, as Managing Director (DIN: 00122221), for a period of 3 (three) years with effect from 1st April, 2017 on the terms and conditions, as set out herein below, with liberty to the Board of Directors to alter and vary the terms and conditions and/or remuneration, subject to the same not exceeding the limits specified under Schedule V of the Companies Act, 2013, or any statutory modification(s) or re-enactment thereof for the time being in force or as may hereafter be made by the Central Government in that behalf from time to time, or any amendments thereto as may be agreed to between the Board of Directors and Shri Rajeev Rungta."

The salient feature of the terms and conditions of employment are as follows :

SALARY : Rs. 1,50,000/- (Rupees One Lakh Fifty Thousand only) per month. The CTC shall be Rupees Twenty Four Lakhs per annum.

PERQUISITES : The Managing Director shall be entitled to perquisites & benefits like medical reimbursement and leave travel concession for self & family, club fees, car with driver for business use, facility of telephone installed at his residence, medical and personal accident insurance for self and family, bonus/ex-gratia, loans, etc. as per rules of the Company. The value of perquisites

shall be evaluated as per Income Tax Rules wherever applicable. He will be entitled to Company's contribution to Provident Fund, Superannuation Fund, Pension Fund, Gratuity, encashment of earned leave, and these shall not be included in the computation of perquisites.

OTHER TERMS :

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

"RESOLVED FURTHER THAT in case of loss or inadequacy of profit in any financial year of the Company, the payment of salary, perquisites and other allowance shall be governed by the limits prescribed under Schedule V of the Act."

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

By order of the Board of Directors

Date : 12/08/2017
Place : Mumbai

Siddhi Shah
Company Secretary

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.**
Proxies submitted on behalf of corporate members must be supported by an appropriate resolution/authority, as applicable.
2. A person can act as a proxy on behalf of members not exceeding fifty and holding in aggregate not more than ten percent of the total share capital of the company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy provided such person shall not act as a proxy for any other person or shareholder.
3. An explanatory statements pursuant to Section 102 of the Companies Act, is annexed.
4. The Register of Members and Share Transfer Books of the Company will remain closed from Saturday, 23rd September 2017 to Friday, 29th September 2017, (both days inclusive).

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5. 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, 2017 in case of physical shares and to those members as per the beneficiary position given by NSDL and CDSL.
6. 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.
7. 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.
8. As part of "Green Initiative in Corporate Governance", and pursuant to section 101 and section 136 of the Companies Act, 2013 read with relevant rules made thereunder, companies can serve Annual Reports and other communication through electronic mode to those members who have registered their email address(es) with the Depository/Registrar & Share Transfer Agents (RTA) (and available with the Company). It is encouraged that members support green initiative and update desired email address(es). 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 of Notice along with abridged Balance Sheet and P&L account 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
9. Voting Process and Declaration of Results :
- Pursuant to section 108 of the Companies Act 2013, read with rule 20 of the Companies (Management & Administration) Rules, 2014 and amendments thereof and Regulation 44 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide e-voting facility to the Members to cast their votes electronically for the businesses to be transacted at 28th Annual General Meeting of the Company, to be held on 29th September, 2017.
10. Members are requested to note that as per Section 123 of the Companies Act 2013, dividend(s) not encashed/claimed within seven years from the date of declaration will be transferred to Investor Education and Protection Fund (IEPF). 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:

Date of declaration of Dividend	Dividend for the year	Due date of transfer to the Govt.
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
29.09.2015	2014-15	28.10.2022
29.09.2016	2015-16	28.10.2023

10. 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.
11. Members desiring any information, relating to the accounts are requested to write to the Company at least seven working days in advance so as to enable the management to keep the information ready.
12. In accordance with the Articles of Association of the Company, Mr. Abhishake Rungta, (DIN: 00053730) Director of the Company is liable to retire by rotation and being eligible offers himself for re-appointment. A brief resume of Mr. Abhishake Rungta, is provided in the Annexure to the Notice.

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

Item No. 4

As per second proviso to Section 139(2) of the Companies Act, 2013 ('the Act'), a transition period of three years from the commencement of the Act is provided to appoint a new auditor when the existing auditor's firm has completed two terms of five consecutive years. Accordingly, as per the said requirements of the Act, M/s. Surendra Modiani & Associates, Chartered Accountants are proposed to be appointed as auditors for a period of 5 years, commencing from the conclusion of 28th AGM till the conclusion of the 33rd AGM, subject to ratification by members every year, as may be applicable. M/s. Surendra Modiani & Associates, Chartered Accountants, have consented to the said appointment and confirmed that their appointment, if made, would be within the limits specified under Section 141 of the Act. They have further confirmed that they are not disqualified to be appointed as statutory auditors in terms of the provisions of the proviso to Section 139(1), Section 141(2) and Section 141(3) of the Act and the provisions of the Companies (Audit and Auditors) Rules, 2014.

None of the Directors/Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise in the resolution set out at Item No. 4 of the notice. The Board recommends the resolution set forth in Item No. 4 of the notice for approval of the member.

Item No. 5

The Company had paid remuneration with the approval of members in the 27th AGM towards reimbursement of medical expenses to its Non-executive Director, Mr. Sanjeev Rungta, on ad-hoc basis, by calculating 3% of the Net profit of Audited Balance Sheet of FY 2015-16 of Rs 35,14,356/- (Rupees Thirty Five Lakhs Fourteen Thousand Three Hundred and Fifty Six). However, when taking into consideration the actual profit for current financial 2016-17, the remuneration paid works out to 4.28% of the Net Profit of the Company.

The Members had approved the payment to Mr. Sanjeev Rungta. However based on the calculations as per actual financial results the payment made works out to 4.28% of the net profit of the Company and the same now needs to be ratified. The Board has recommended the Special Resolution in this regard.

Mr. Sanjeev Rungta and Mr. Rajeev Rungta being relatives may be deemed to be interested in the resolution to the extent of the reimbursement of medical expenses. None of the other Directors, Key Managerial Personnel and their relatives are interested or concerned in the proposed resolution financially or otherwise.

Item No. 6

The Board of Directors of the Company has appointed Shri Sanjeev Rungta as Whole time Director, designated as Executive Chairman of the Company for a period of 3 years w.e.f. 1st April, 2017 on broadly the terms and conditions, set out in the resolution.

As per provisions of the Companies Act, 2013, it is necessary to obtain approval of the members for payment of remuneration to Shri Sanjeev Rungta. Accordingly, the Board commends the resolution for approval of members.

Brief resume of Mr. Sanjeev Rungta, nature of his experience in specific functional areas and names of companies in which

he holds directorship and membership/chairmanship of the Board Committee, shareholding and relationships between Directors inter-se as stipulated under Secretarial Standard on General Meetings [SS-2] and Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, are provided in the annexure to the notice.

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

Item No. 7

The Board of Directors of the Company has appointed Shri Rajeev Rungta as Managing Director of the Company for a period of 3 years w.e.f. 1st April, 2017 on broadly the terms and conditions, set out in the resolution.

As per provisions of the Companies Act, 2013, it is necessary to obtain approval of the members for payment of remuneration to Shri Rajeev Rungta. Accordingly, the Board commends the resolution for approval of members.

Brief resume of Mr. Rajeev Rungta, nature of his experience in specific functional areas and names of companies in which he holds directorship and membership/chairmanship of the Board Committee, shareholding and relationships between Directors inter-se as stipulated under Secretarial Standard on General Meetings [SS-2] and Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, are provided in the annexure to the notice.

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

ANNEXURE TO THE NOTICE

Name	Mr. Sanjeev Rungta	Mr. Rajeev Rungta	Mr. Abhishake Rungta
Father's Name	Mr. Ajaykumar Rungta	Mr. Ajaykumar Rungta	Mr. Ashok Rungta
Date of Birth	26/04/1960	10/08/1961	27/03/1971
DIN	00053602	00122221	00053730
Qualification	Mechanical Engineer	B.Com, PGD in Business Mgmt	B.com
Category	Promoter & Non Executive Director	Promoter & Non Executive Director	Non Executive Director
Shareholding in the Company	1800	6000	10530
Directorships	<ol style="list-style-type: none"> 1. Zenith Ropes Pvt. Ltd. 2. Pearl Industries Limited 3. Maharashtra Seamless Limited 	<ol style="list-style-type: none"> 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. Noddy Properties Pvt. Ltd. 	<ol style="list-style-type: none"> 1. Aaekay Investment Centre Ltd. 2. Zenith Products Ltd. 3. Classic Steels Pvt. Ltd. 4. Dalit Marketing Pvt. Ltd. 5. Galaxy Dealers Pvt. Ltd. 6. Navigators Software Pvt. Ltd. 7. Ypo (Calcutta) 8. Nettsetgo Software Pvt. Ltd.
Committee Membership(M)/ Chairmanship(C)	Maharashtra Seamless Limited > Audit Committee(M) > Nomination & Remuneration Committee(M)	Naga Dhunseri Group Ltd. > Audit Committee (M)	

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The instructions for shareholders voting electronically are as under

Particulars	Schedules
Date & time of commencement of voting through electronic means	26th September, 2017 at 9.00 a.m
Date & time of end of voting through electronic means	28th September, 2017 at 5.00 p.m

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

For Members holding shares in Demat Form and Physical Form	
PAN	<p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> • Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number which is mentioned in address label as sr no affixed on Annual Report, in the PAN field. • In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
Dividend Bank Details OR Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <ul style="list-style-type: none"> • If both the details are not recorded with the depository or company, please enter the member id/folio number in the Dividend Bank details field as mentioned in instruction (iv).

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that, this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the relevant Company Name i.e Zenith Fibres Limited on which you choose to vote.
- (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution, you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xvii) If a demat account holder has forgotten the login password then enter the user ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. iPhone and Windows phone users can download the app from the App Store and the Windows Phone Store respectively on or after 30th June, 2016. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- (xix) Note for Non – Individual Shareholders and Custodians
 - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.

- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com
 - After receiving the login details, a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
 - The list of accounts linked in the login should be emailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xx) In case, you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.
- (xxi) The Scrutinizer shall within a period not exceeding 3(three) working days from the conclusion of the e-voting period unblock the votes in the presence of at least 2 (two) witnesses not in the employment of the Company and will make the Scrutinizer’s Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company or any other officer authorized by Chairman.
- (xxii) The Results on resolutions shall be declared on or after the AGM of the Company and the resolutions will be deemed to be passed on the AGM date subject to receipt of the requisite number of votes in favour of the Resolutions.
- (xxiii) M/s. A. R. Jain, Chartered Accountants has been appointed as the scrutiner for conducting the E-voting process.
- (xxiv) The Results declared along with the Scrutinizer’s Report(s) will be available on the website of the Company i.e www.zenithfibres.com, on Service Provider’s website i.e www.evotingindia.com and BSE Limited website i.e www.bseindia.com within 2 (two) days of declaration of the results.

DIRECTORS' REPORT

Dear Members,

Your Directors are pleased to present the 28th Annual Report along with the Audited Financial Statements for the year ended March 31, 2017.

(₹ in Lacs)

PARTICULARS	2016-17	2015-16
Revenue from Operations (net of Excise)	5214	6383
Profit before Exceptional Item and Tax	820	1317
Profit After Tax	536	849
Surplus brought forward	646	456
Surplus Carried to Balance Sheet	881	645

DIVIDEND

With due reference to the working of the Company, the Directors are pleased to recommend a dividend of 20% for the fiscal year ended 31st March, 2017. The dividend, if approved by the Members in the ensuing AGM, will absorb about ₹ 106 Lacs include dividend distribution tax of ₹ 18 Lacs out of the distributable profits available.

PERFORMANCE

The Company has achieved total revenue of ₹ 5432.41 Lacs as compared to ₹ 6672.71 Lacs last year. Profit before tax is ₹ 820 Lacs and profit after tax stands at ₹ 536 Lacs during the year under review as against ₹ 1317 Lacs and ₹ 849 Lacs respectively in the previous year.

The performance of the Company during the year has declined as compared to previous year due to reduced off take of the finished product.

PLANT OPERATIONS

Company has only one plant located at Savli, Baroda, Gujarat and the same is operating satisfactorily.

SHARE CAPITAL

The paid up capital as on 31st March, 2017 was ₹ 4,42,23,460 consisting of 44,22,346 numbers of Equity Shares of ₹ 10/- each. During the year under review, the Company has not issued any bonus shares, equity shares 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/KMP is appointed/ reappointed/ ceased during the year :

Name of Director	DIN	Reappointment
Shri Sanjeev Rungta	00053602	Liable to retire by rotation and reappointed in 27th AGM

Dr. S. R. Vengsarker (DIN: 05307037) Independent Director, has resigned with effect from 27.05.2017. The Board placed on record its appreciation for his valuable contribution during his tenure.

BOARD EVALUATION

Pursuant to the provisions of the Companies Act, 2013 and Securities Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations, 2015, the Independent Directors have carried out an evaluation of the Board as well as evaluation of the working of its Audit and Nomination & Remuneration Committees. The manner in which the evaluation has been carried out has been explained in the Corporate Governance Report.

SUBSIDIARY / JOINT VENTURE / ASSOCIATE COMPANY

Please refer Form AOC 1 at "Annexure A".

COMPANY'S POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION

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

FINANCE

The 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 satisfactory cash flow. However the overall generation was reduced due to reduced sales. The Company has in the past kept surplus funds invested prudently, without any undue risk so as to ensure safety and liquidity of the funds. The 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 these requirements as set out by law. The report on Corporate Governance as stipulated under Securities Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations, 2015 forms an integral part of this Report. The requisite certificate

from the Auditors of the Company confirming compliance with the conditions of Corporate Governance is attached to the report on Corporate Governance.

CORPORATE SOCIAL RESPONSIBILITY

The Corporate Social Responsibility (CSR) Committee has formulated and recommended to the Board, a Corporate Social Responsibility Policy indicating the activities to be undertaken by the Company, which has been approved by the Board and hosted on the Company's website. The Annual Report on CSR activities is annexed herewith, marked as "Annexure B".

FIXED DEPOSITS

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

PARTICULARS OF LOANS, GUARANTEES, SECURITIES OR INVESTMENTS

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

DECLARATION GIVEN BY INDEPENDENT DIRECTORS

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

DIRECTORS' RESPONSIBILITY STATEMENT

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

- a) in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- b) 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 had prepared the annual accounts on a going concern basis;
- e) the directors had 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 had 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 during the year, which may have potential conflict with interest of the Company at large.

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

a) Statutory Auditors

The auditors, M/s. Jain & Hindocha, Chartered Accountants, retire at the ensuing AGM. In view of their having been Statutory Auditors of the Company for past over two decades and as required under section 139 of the Companies Act, 2013 they have to be mandatorily replaced.

Based on the recommendation of the Audit Committee the Board has recommended M/s. Surendra Modiani & Associate, Chartered Accountant having F.R.N.126307W for appointment as Statutory Auditors of the Company, to hold office for a period of 5 (Five) consecutive financial years, from the conclusion of the 28th AGM of the Company until the conclusion of the 33rd AGM of the Company (subject to ratification of the appointment at every AGM) and to authorise the Board of Directors of the Company to fix their remuneration. The Company has received their consent and eligibility certificate in this regard.

The Statutory Auditors have not reported any incident of fraud to the Audit Committee of the Company for F.Y. 2016-17.

b) Internal Auditors

The Board of Directors has appointed M/s. Jain & Hindocha as Internal Auditors of the Company for the F.Y. 2017-18

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 have approved a Code of Conduct which is applicable to the Members of the Board and all Employees in the course of day to day business operations of

the company. The details of the Code are available on the website of the Company.

All the Board Members and the Senior Management Personnel have confirmed compliance with the Code. All 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) Regulations, 2015 with a view to regulate trading in securities by the Directors and Designated Employees of the Company. The details of the Code are available on the website of the Company.

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

MEETINGS OF THE BOARD

Four meetings of the Board of Directors were held during the year. For details, please refer 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 Shri Upendra C. Shukla, Company Secretary in practice to undertake the Secretarial Audit of the Company. The Secretarial Audit Report for the financial year ended 31st March, 2017 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

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

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

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

PREVENTION OF SEXUAL HARASSMENT AT WORKPLACE

As per the requirement of the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 the company has proper system to receive the complaint and constituted Internal Complaints 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(1) 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.

Information required under Section 197 read with rules 5 (2) (i) & 5(3) of Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014 pertaining to the top ten employees in terms of remuneration drawn is not being sent along with this report. Members, who are interested in inspecting these particulars, may do so at the Registered Office of the Company, 14 days before the 28th AGM and upto the day before of the said AGM during normal business hours on working days.

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

MANAGEMENT DISCUSSION AND ANALYSIS

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

1. Industry Structure and Development

During the year under review, the Polypropylene Fibre market in the country remained steady as in the earlier years. There was no major increase in the consumption pattern domestically. However, the potential for the same looms large. The management hopes the same will bear fruit in the near future.

2. Segment wise Operational Performance

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

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

(Quantity in MT)

	2016-17	2015-16
Production	3829	4823
Sales	3851	4725

(₹ in Lacs)

	2016-17	2015-16
Net sales	5214	6383
Profit Before Tax	820	1317
Profit After Tax	536	849

Exports and sales of Yarn were 1198MT (1445MT) and 770MT (1000MT) respectively.

3. Quality & Future Outlook

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

4. Threats and Concerns

The Company is committed to manufacture and deliver quality products strictly as per requirement of the customer. Constant feedback from the customers is received and all efforts made for continuous improvement in process performance and product quality wherever required. With established production base of over two and a half decades, the Company is in a position to maintain production and supply of quality products smoothly. The Company has benefit of its long standing with its customers and can match the prices suitably as per pricing policy as and when required.

For the above reasons, no major threat is overseen and the Company is confident to face any threat from the competition. The Company is also maintaining healthy liquidity to meet any unforeseen exigencies.

5. Internal Control Systems and their adequacy

The Company has appropriate Internal Control Systems for business processes, financial reporting & controls, compliance with applicable laws, regulations etc.

The Company has appointed statutory auditors to evaluate Internal Control System.

Regular internal audits and checks ensure that system and procedures are continuously improved. The Audit Committee reviews the adequacy and effectiveness of Internal Control Systems and suggests ways of further strengthening them from time to time.

6. Human Resources and Industrial Relations

The Company has adequate and qualified human resources and enjoys cordial relations with its employees. Numbers of employees were 93 as on 31st March, 2017. 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 remained cordial throughout the year.

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

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

MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY, IF ANY, DURING THE PERIOD FROM 31ST MARCH, 2017 TO THE DATE OF THE REPORT

Mr. Sanjeev Rungta and Mr. Rajeev Rungta Directors of the Company are proposed to be appointed as Executive Chairman and Managing Director with effect from 1st April 2017 for 3 years each, other than this there are no material change/commitment affecting the financial position of the Company during the period from the end of the financial year on 31st March, 2017 to the date of the Report.

ACKNOWLEDGEMENTS

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

On behalf of the Board of Directors

**Date : 12/08/2017
Place : Mumbai**

**SANJEEV RUNGTA
Chairman
DIN:00053602**

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Annexure – A Form AOC-1

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

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

Part “B”: Associates and Joint Ventures

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

Name of Associates/Joint Ventures	Rainy Properties Pvt. Ltd.
1. Latest audited Balance Sheet Date	31.03.2016
2. Shares of Associate/Joint Ventures held by the company on the year end on 31st March, 2017	10,00,000 Equity Shares
Amount of Investment in Associates/Joint Venture	100,00,000
Extend of Holding%	30.94%
3. Description of how there is significant influence	There is no Significant influence
4. Reason why the Associate/Joint venture is not consolidated	There is no Significant influence
Net worth attributable to shareholding as per latest audited Balance Sheet	82,62,536
5. Profit/Loss for the year	48,904
i. Considered in Consolidation	Not Consolidated
ii. Not Considered in Consolidation	Not Applicable

SANJEEV RUNGTA
Chairman
DIN: 00053602

Date : 12/08/2017

Place : Mumbai

Annexure - B ANNUAL REPORT ON CSR ACTIVITIES FOR THE FINANCIAL YEAR 2016-17

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 around our operations. For detailed policy, please refer our website www.zenithfibres.com
Composition of CSR Committee	Shri Rajeev Rungta - Chairman Shri Mukund Beriwal - Member Ms. Shraddha Mookim - Member
Average net profits of the Company for the last three Financial Years	Rs. 8,89,33,560 /-
Prescribed CSR expenditure (Two percent of the above amount)	Rs. 17,78,671 /-
Details of CSR Spent during the Financial Year :	Budgeted Amount for the year 2016-17 : ₹ 17,78,671/- Amount spent for the year 2016-17 : ₹ 22,41,000/- Amount Unspent for the past years : ₹ 9,15,826/-
Reason for Unspent amount if any	—
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

S. No	CSR Project/ activity identified	Sector in which the project is covered	Project /programs • Local area • Specify the state and district Where projects/programs was undertaken	Amount Outlay project/ programs wise	Amount spent on the projects/ programs • Direct Exp on Projects/ programs • overheads	Cumulative exp. up to the reporting period	Amount spent direct or through implementing agency
1.	Health Care and Research & Rehabilitation	Health Care	Vadodara-Gujarat	14.00	14.00	14.00	Agency: Shram Mandir Trust,
2.	Health Care and Research & Rehabilitation	Health care	Kolkata-West Bengal	1.35	1.35	1.35	Agency: Manovikas Kendra
3.	Poverty & Health Care	Health care	Kolkata-West Bengal	7.06	7.06	7.06	Agency: Pushpanjali
	Total			22.41	22.41	22.41	

RAJEEV RUNGTA
Chairman of CSR Committee
DIN : 00122221
Date : 12/08/2017

SANJEEV RUNGTA
Chairman
DIN : 00053602
Place : Mumbai

Annexure – C

FORM NO. MGT.9

EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31st March, 2017

[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 | : | L17120MH1989PLC054580 |
| 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,
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 Transfer Agent, if any: | : | M/s. Universal Capital Securities Pvt. Ltd.
21, Shakil Niwas, Opp. Satya Saibaba Temple,
Mahakali Caves Road, Andheri (E), Mumbai -400093
Ph# 022-28207203-05 Fax# 022-28207207 |

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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
1	RAINY PROPERTIES PVT. LTD. 8/1A Sir William Jones Sarani, Kolkata 700071	U70200WB1995PTC072904	ASSOCIATE	30.94%	2(6)

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

i) Category-wise Shareholding

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	3600	75730	79330	1.79	5600	73730	79330	1.79	--
b) Central Govt	--	--	--	--	--	--	--	--	--
c) State Govt (s)	--	--	--	--	--	--	--	--	--
d) Bodies Corp.	3000	2140776	2143776	48.48	1799466	344310	2143776	48.48	--
e) Banks/FI	--	--	--	--	--	--	--	--	--
f) Any Other	--	--	--	--	--	--	--	--	--
Sub-total (A) (1):-	6600	2216506	2223106	50.27	1805066	418040	2223106	50.27	--
2) Foreign									
a) NRIs - Individuals	--	--	--	--	--	--	--	--	--
b) Other - Individuals	--	--	--	--	--	--	--	--	--
c) Bodies Corp.	--	--	--	--	--	--	--	--	--
d) Banks / FI	--	--	--	--	--	--	--	--	--
e) Any Other...	--	--	--	--	--	--	--	--	--
Sub-total (A) (2):-	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	-
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	6600	2216506	2223106	50.27	1805066	418040	2223106	50.27	--
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)	--	--	--	--	--	--	--	--	--
Sub-total (B)(1):-	20000	7600	27600	0.62	20000	7600	27600	0.62	--

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. Non-Institutions									
a) Bodies Corp.									
i) Indian	180417	800	181217	4.10	259917	800	260717	5.90	1.8
ii) Overseas	50123	--	50123	1.13	117222	--	117222	2.65	1.52
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lacs	1154748	272766	1427514	32.28	1105444	264766	1370210	30.98	(1.30)
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lacs	447350	--	447350	10.12	370228	--	370228	8.37	(1.75)
c) Others (specify)	--	--	--	--	--	--	--	--	--
Clearing Members	65436	--	65436	1.48	53263	--	53263	1.20	(0.28)
Sub-total (B)(2):-	1898074	273566	2171640	49.11	1906074	265566	2171640	49.11	--
Total Public Shareholding (B) = (B)(1) + (B)(2)	1918074	281166	2199240	49.73	1926074	273166	2199240	49.73	--
C. Shares held by Custodian for GDRs & ADRs	--	--	--	--	--	--	--	--	--
Grand Total (A+B+C)	1924674	2497672	4422346	100	3731140	691206	4422346	100	--

(ii) Shareholding of Promoters

Sr#	Shareholder's 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	No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered	
1.	Aarti B Aggarwal	2000	0.05	0	2000	0.05	0	--
2.	Abhishake Rungta	10530	0.24	0	10530	0.24	0	--
3.	Aman Rungta	9100	0.21	0	9100	0.21	0	--
4.	Ashok Rungta	4900	0.11	0	4900	0.11	0	--
5.	Ashok kumar Rungta HUF	2400	0.05	0	2400	0.05	0	--
6.	Madhuridevi Rungta	31200	0.71	0	31200	0.71	0	--
7.	Pinky Rungta	5800	0.13	0	5800	0.13	0	--
8.	Purvi Rungta	3000	0.07	0	3000	0.07	0	--
9.	Rajeev Rungta	6000	0.14	0	6000	0.14	0	--
10.	Rajeev Rungta (HUF)	1000	0.02	0	1000	0.02	0	--
11.	Sanjeev Rungta	1800	0.04	0	1800	0.04	0	--
12.	Vinita Rungta	1600	0.04	0	1600	0.04	0	--
13.	Alpha Overseas International Pvt. Ltd.	166700	3.77	0	166700	3.77	0	--
14.	Classic Steels Pvt. Ltd.	3000	0.07	0	3000	0.07	0	--
15.	Demris Finvest Pvt. Ltd.	481500	10.89	0	481500	10.89	0	--
16.	Galaxy Dealers Pvt. Ltd.	325810	7.37	0	325810	7.37	0	--
17.	Rainy Fiscal Services (P) Ltd.	560100	12.67	0	560100	12.67	0	--
18.	Shark Barter Pvt. Ltd.	450000	10.18	0	450000	10.18	0	--
19.	South Park Promoters Pvt. Ltd.	138166	3.12	0	138166	3.12	0	--
20.	Vinita Investment Ltd.	18500	0.42	0	18500	0.42	0	--

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(iii) Change in Promoters' Shareholding (please specify, if there is no change)

There is no change in promoters holding during the financial year 2016-17.

(iv) 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 years	
		No of Shares	% of total capital			No of Shares	% of total capital
1.	Sujata	46723	1.06	+20366	Increase	67089	1.52
2.	Ravi Pareek	0	0	+45137	Increase	45137	1.02
3.	Integrated Financial Services Ltd	50000	1.13	-5500	Decrease	44500	1.01
4.	Meenum Mohan	32802	0.74	0	--	32802	0.74
5.	Ithoughtweath Analytics LLP	0	0	29639	Increase	29639	0.67
6.	Rajaram Sathish	28569	0.65	0	--	28569	0.65
7.	Ashok Maganlal Shah	25888	0.59	0	--	25888	0.59
8.	Sangeetha	25132	0.57	0	--	25132	0.57
9.	Rajaram Ramesh	24158	0.55	1	Decrease	24157	0.55
10.	Validea Stocks Management Private Ltd.	0	0	21000	Increase	21000	0.47

(v) 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. Sanjeev Rungta	1800	0.04	--	--	1800	0.04
2.	Mr. Abhishake Rungta	10530	0.24	--	--	10530	0.24
3.	Mr. Rajeev Rungta	6000	0.14	--	--	6000	0.14
	Total	18330	0.42	--	--	18330	0.42

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment (Amount in ₹)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	45,54,150	Nil	Nil	45,54,150
ii) Interest due but not paid	Nil	Nil	Nil	Nil
iii) Interest accrued but not due	Nil	Nil	Nil	Nil
Total (i+ii+iii)	45,54,150	Nil	Nil	45,54,150
Change in Indebtedness during the financial year				
• Addition	Nil	Nil	Nil	Nil
• Reduction	29,73,457	Nil	Nil	29,73,457
Net Change	(29,73,457)	Nil	Nil	(29,73,457)
Indebtedness at the end of the financial year				
i) Principal Amount	15,80,693	Nil	Nil	15,80,693
ii) Interest due but not paid	Nil	Nil	Nil	Nil

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 ₹)

Particulars of Remuneration	Name of Directors							Total Amount
	Sanjeev Rungta	Abhishake Rungta	Mukund Beriwal	Amitabha Ghosh	Shraddha Mookim	Rajeev Rungta	Dr. S. R. Vengsarker	
Independent Directors								
Fee for attending board/ committee meetings	N.A	N.A	30,000	20,000	15,000	N.A	30,000	95,000
Commission	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A
Others, please specify	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A
Total (1)	N.A	N.A	30,000	20,000	15,000	N.A	30,000	95,000
Other Non-Executive Directors								
Fee for attending board/committee meetings	7,500	10,000	N.A	N.A	N.A	20,000	N.A	37,500
Commission	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A
Others, Reimbursement of Medical Expenses	35,14,356	N.A	N.A	N.A	N.A	N.A	N.A	35,14,356
Total (2)	35,21,856	10,000	N.A	N.A	N.A	20,000	N.A	35,51,856
Total (B) = (1+2)	35,21,856	10,000	30,000	20,000	15,000	20,000	30,000	36,46,856

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD

(Amount in ₹)

Sr. No.	Particulars of Remuneration CEO Mr. S.S. Iyer, CFO Mr. K.D. Sharma, CS Ms. Siddhi Shah	Total Amount
1	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	37,32,873 N.A N.A
2	Stock Option	N.A
3	Sweat Equity	N.A
4	Commission	N.A
	- as % of profit	
	- Others, specify...	
5	Others, please specify	N.A
	Total	37,32,873

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					

 Date : 12/08/2017
 Place : Mumbai

SANJEEV RUNGTA
 Chairman
 DIN: 00053602

Annexure – D
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31st March, 2017

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

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

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

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has during the audit period covering the financial year ended on 31st March, 2017 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, 2017 according to the provisions of:

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

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

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

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

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

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

I further report that –

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

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

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

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

Date : 12/08/2017
Place : Mumbai

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

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

ANNEXURE A

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

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

1. Maintenance of secretarial record is the responsibility of the management of the Corporation. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on the test basis to ensure that correct facts are reflected in secretarial records. I believe that the process and practices, I followed, provide reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and books of accounts of the Corporation.
4. Wherever required, I have obtained the management representation about the compliance of the laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of corporate and other applicable laws, rules, regulations and standards is the responsibility of the management. My examination was limited to the verification of procedure on test basis.
6. The secretarial audit report is neither an assurance as to future viability of the Corporation nor of the efficacy or effectiveness with which the management has conducted the affairs of the Corporation.

Date : 12/08/2017
Place : Mumbai

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

Annexure – E

Particulars of Employees Information as per Section 197 and Rule 5 of the Companies (Appointment & Remuneration of Managerial Personnel) Rules 2014

Sr. No	Particulars	Comments
1.	The ratio of the remuneration of each Director to the median remuneration of the employees	Shri Sanjeev Rungta-4.29% Median Remuneration of Employee 18.26% No remuneration is paid to other Directors' except sitting fees
2.	Increase in remuneration of Mr. S.S.Iyer - CEO Mr. K.D. Sharma - CFO Ms. Siddhi Shah-CS Manager- N.A	20.62% remuneration increased
3.	The percentage increase in the median remuneration of employees in the financial year	16.45% remuneration increased in F.Y 2016-17
4.	The number of permanent employees on the rolls of Company	93 Employees were permanent on the rolls of Company as on 31st March ,2017
5.	average percentile increase 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	Managerial Remuneration increased by 20.62% where as other employees remuneration increased by 18.26%
6.	Information as per Rule 5(2)and 5(3)of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014	There are no Employees who receive the remuneration in excess of limits set out in the said rules.

Date : 12/08/2017
Place : Mumbai

SANJEEV RUNGTA
Chairman
DIN: 00053602

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, 2017.

A. CONSERVATION OF ENERGY

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

FORM – A

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

	Current Year (2016-17)	Previous Year (2015-16)
A Power and Fuel Consumption		
1 Electricity		
a. Purchased Units (KWH)	3438240	4133470
Total Amount (₹)	2,49,66,240	3,15,23,533
Rate/Unit (₹)	7.26	7.63
b. Own Generation		
i Through Diesel Generator Unit (KWH)	7958	13878
Total Amount (₹)	2,96,434	3,00,664
Rate/Unit (₹)	37.25	21.66
ii Through steam turbine generator	N.A	N.A
iii Through wind farm project Units	N.A	N.A
2 Coal	N.A	N.A
3 Furnace Oil	N.A	N.A
4 Other Internal Generation(Natural Gas)	N.A	N.A
B Consumption per Unit of Production		
Polypropylene Staple Fibre(MT)	3829	4823
Electricity (₹/kg)	6.52	6.54
Diesel & Oil (₹/kg)	0.08	0.06

B. FOREIGN EXCHANGE EARNINGS AND OUTGO :

Particulars	₹ in Lacs
• Earnings in Foreign Currency	
F.O.B. Value of Exports	1,468.34
• Expenditure in Foreign Currency	
CIF Value of Imports	221.97
Travelling Expenses	4.30

Date : 12/08/2017
Place : Mumbai

SANJEEV RUNGTA
Chairman
DIN: 00053602

CORPORATE GOVERNANCE REPORT

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

1. Company's Philosophy on Code of Governance

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

2. Board of Directors

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

iii. Independent Directors

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

- Mr. Amitabha Ghosh is former Governor of Reserve Bank of India having experience for the past several decades in the banking field and is considered an authority in Finance, Banking and Management. He is Fellow Member of the Indian Institute of Bankers and F.C.A.
- Mr. Mukund Beriwal is B.A in Economics and has done advance course in Finance from the New York University. He is very well conversant with the financial and stock market of the country.
- Ms. Shraddha Mookim is B.A (Hons.) in Economics, PGD in Mgmt (Fin). She has very vast experience in the banking sector.

Non-Independent Directors

- Mr. Sanjeev Rungta, Mr. Rajeev Rungta and Mr. Abhishake Rungta functioned as Non Executive Directors of the Company during the year. Mr. Sanjeev Rungta and Mr. Rajeev Rungta are related to each other. Except these, none of the other 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 Regulation 17 of the SEBI (LODR) Regulations, 2015.

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

Name of Director	DIN	Category	No. of Directorships	No. of Membership/ Chairmanship in Committees	Attendance in Board Meetings held in 2016-17	Attendance at the last AGM
Mr. Sanjeev Rungta	00053602	NE* & P**	4	3	1 out of 4	Absent
Mr. Amitabha Ghosh	00055962	NE&I***	7	(3)* 2	4 out of 4	Absent
Mr. Rajeev Rungta	00122221	NE & P	7	1	4 out of 4	Present
Mr. Abhishake Rungta	00053730	NE& I	9	—	2 out of 4	Present
Mr. Mukund Beriwal	00053669	NE& I	4	(2)	4 out of 4	Present
Ms. Shraddha Mookim	06948233	NE& I	2	2	2 out of 4	Absent
Dr. S.R. Vengsarker	05307037	NE& I	1	2	4 out of 4	Present

*NE- Non-executive

**P- Promoter

***I- Independent

#() indicates chairmanship

3. Board Meeting(s) held during the year 2016-17

In all, four Board Meetings were held during 2016-17 on the following dates

Board Meeting (s)	I	II	III	IV
Dates	28.05.2016	06.08.2016	12.11.2016	09.02.2017
Venue	Mumbai	Mumbai	Mumbai	Mumbai

4. Profile of Directors seeking Appointment / Re-appointment in 28th AGM

Name	Mr. Abhishake Rungta
Father's Name	Mr. Ashok Rungta
Date of Birth	27/03/1971
DIN	00053730
Qualification	B.com
Category	Non Executive Director
Shareholding in the Company	10530
Directorships	1. Aeekay Investment Centre Ltd. 2. Zenith Products Ltd. 3. Classic Steels Pvt. Ltd. 4. Dalit Marketing Pvt. Ltd. 5. Galaxy Dealers Pvt. Ltd. 6. Navigators Software Pvt.Ltd. 7. Ypo (Calcutta) 8. Nettsetgo Software Pvt. Ltd.
Committee Membership(M)/Chairmanship(C)	Nil

5. Composition of Committees

Category	Audit Committee	Nomination & Remuneration Committee	Stakeholder Relationship Committee	Corporate Social Responsibility Committee
Chairman	Mr. Mukund Beriwala (I & NE)	Mr. Mukund Beriwala (I & NE)	Mr. Mukund Beriwala (I & NE)	Mr. Rajeev Rungta (I & NE)
Member	Mr. Sanjeev Rungta (NE)	Mr. Sanjeev Rungta (NE)	Mr. Sanjeev Rungta (NE)	Mr. Mukund Beriwala (I & NE)
Member	Ms. Shraddha Mookim (I & NE)	Ms. Shraddha Mookim (I & NE)	Ms. Shraddha Mookim (I & NE)	Ms. Shraddha Mookim (I & NE)

* Dr. S.R Vengsarker resigned w.e.f 27th May, 2017 from Audit Committee, Nomination and Remuneration Committee and Stakeholder Relationship committee and subsequently Ms. Shraddha Mookim was appointed.

6. Audit Committee

The Company has an Audit Committee, with the powers and roles in accordance with the requirements of Regulation of SEBI (LODR) Regulations, 2015 and the Companies Act, 2013. The role and terms of reference of the committee covers the matters specified under Regulation 18 and Part C of Schedule II of the LODR read with Section 177 of the Act. Besides having access to all the required information from the Company, the Committee acts as a link between the Statutory and Internal Auditors and the Board of Directors of the Company. It is authorized to select and establish accounting policies, review reports of the Statutory and the Internal Auditors and meet with them to discuss their findings, suggestions and other related matters. The composition of Audit Committee is as per para 5 above.

All the members of Audit Committee are financially literate and majority of them have accounting and financial management expertise. The Audit Committee Chairman attended the 27th AGM held on Thursday, September 29, 2016. The Audit Committee Meetings were held as per table given below :

Quarter	I	II	III	IV
Date	28.05.2016	06.08.2016	12.11.2016	09.02.2017
Place	Mumbai	Mumbai	Mumbai	Mumbai
Attended by Members	Mr. Mukund Beriwala Chairman	Mr. Mukund Beriwala Chairman	Mr. Mukund Beriwala Chairman	Mr. Mukund Beriwala Chairman
	Dr. S.R. Vengsarker- Member	Dr. S.R. Vengsarker- Member	Dr. S.R. Vengsarker- Member	Dr. S.R. Vengsarker- Member
		Ms. Shraddha Mookim - Member	Ms. Shraddha Mookim - Member	Mr. Sanjeev Rungta - Member

7. Nomination and Remuneration Committee

Pursuant to provisions of Section 178 of the Companies Act, 2013 read with Regulation 19 of the SEBI (LODR) Regulations, 2015, 'the Composition of Nomination and Remuneration Committee is mentioned in Para no. 5 above. Mr. Mukund Beriwalla and Dr. S.R. Vengsarkar were present in the meeting held on 28th May, 2016 and all the members were present in the meeting held on 9th February, 2016. Chairman of the committee attended the 27th AGM held on 29th September, 2016.

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 are listed on the Company's website.

8. Stakeholder Relationship Committee

Pursuant to provisions of Section 178 of the Companies Act, 2013 read with Regulation 20 of the SEBI (LODR) Regulations, 2015 Stakeholders Relationship Committee of the Board was constituted with the Composition of Committee is as per Para no. 5 above.

Company has authorized Ms. Siddhi Shah as Secretarial officer. There were 8 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, 2017.

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 with the members as mentioned in Para no. 5 above. Mr. Rajeiv Rungta Chairman and Mr. Mukund Beriwalla members were present in the meeting held on 28th May, 2016 and on 12th November, 2016 all members were present. Committee identifies Projects and after due evaluation decides regarding the extent of financial involvement.

10. General Body Meetings

- On 27th AGM held on 29th September, 2016 Special Resolution was passed for Reimbursement Medical Expenses as Managerial Remuneration.
- No Extraordinary General Meeting was held during the last three years.
- No postal ballot was conducted during the year.
- At the forthcoming AGM, there is no item on the agenda requiring postal ballot.

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

Particulars	25th AGM	26th AGM	27th AGM
Date	30th July, 2014	29th September, 2015	29th September, 2016
Starting Time	11.00 A.M.	11.00 A.M.	11.00 A.M.
Venue	Hotel Atithi, 77 A/B Nehru Road, Ville Parle(E), Mumbai-400099	Hotel Atithi, 77 A/B Nehru Road, Ville Parle(E), Mumbai-400099	Hotel Atithi, 77 A/B Nehru Road, Ville Parle(E), Mumbai-400099
Special Businesses	Appointment of Mr. Amitabha Ghosh, Mr. Mukund Beriwalla as an Independent Director	Appointment of Dr. S.R. Vengsarkar, Mr. Abhishake Rungta, & Ms. Shraddha Mookim as an Independent Director and Cancellation of Equity Shares forfeited	Reimbursement of Medical expenses as managerial remuneration to Mr. Sanjeev Rungta

11. Annual Evaluation

The Company believes that systematic evaluation contributes significantly to improved performance at three levels - Organisational, Board and Individual Board Member. It encourages the leadership, teamwork, accountability, decision making, communication and efficiency of the Board. Evaluation also ensures teamwork by creating better understating of Board dynamics, board-management relations and thinking as a group within the Board. For the year 2016-17, the Board has carried out an annual performance evaluation of its own, and that of its Committees and individual Directors. Independent Directors in their meeting have, evaluated performance of the 'Board', the 'Non-Independent Directors' as well

as the 'Chairman' of the Company and submitted their recommendation to the Board. The Nomination and Remuneration Committee has further carried out evaluation of all Directors including Independent Directors. Board of Directors has expressed their satisfaction with the evaluation process.

12. Independent Directors' Meeting

The Independent Directors met on 9th February, 2017 to carry out the evaluation for the year and inter alia, discussed evaluation of the performance of Non Independent Directors and Board of Directors as whole, evaluation of the performance of the Chairman, taking into account the views of the other Directors.

None of the Non-Independent Directors were present at the Meeting.

13. Managerial Remuneration

All the directors of the Company are Non Executive and only get sitting fees except Mr. Sanjeev Rungta during the year. He received Rs 35,14,356/- as reimbursement of Medical Expenses as managerial remuneration during the year 2016-17. The other details of remuneration are

as under. 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 2016-17 are mentioned in notes forming part of financial statements.

Name of Directors	No of Meetings Attended		Amount (Rs.)		
	Board Meetings	Audit Committee Meetings	Sitting Fees	Ex-Gratia	Total
Mr. Sanjeev Rungta	1	1	7,500	-	7,500
Mr. Amitabha Ghosh	4	-	20,000	-	20,000
Mr. Rajeev Rungta	4	-	20,000	-	20,000
Mr. Abhishake Rungta	2	-	10,000	-	10,000
Mr. Mukund Beriwal	4	4	30,000	-	30,000
Ms. Shraddha Mookim	2	2	15,000	-	15,000
Dr. S.R. Vengsarkar	4	4	30,000	-	30,000
Total			1,32,500		1,32,500

14. Disclosures

a) Directors' Shareholding in the Company

Name of Director	No. of Share held as on 31.03.2017
Mr. Sanjeev Rungta	1800
Mr. Rajeev Rungta	6000
Mr. Abhishake Rungta	10530

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 Chapter IV of the SEBI (LODR) Regulations, 2015 during the year were in ordinary course of business & at arm's length basis and do not attract provisions of Section 188 of the Companies Act, 2013.

15 Means of Communication

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

16. General Shareholder Information

28th AGM Date and Time	29th September, 2017 at 11.00 A.M
Venue	Hotel Atithi, 77 A/B Nehru Road, Ville Parle (E), Mumbai
Financial Calendar	April, 2017 to March, 2018
First Quarter results	Second week August, 2017
Second Quarter results	Second week November, 2017
Third Quarter results	Second week February, 2018
Results for year ending March 2018	before end of May, 2018
Date of Book closure	23rd September, 2017 to 29th September, 2017(both days inclusive)
Dividend payment	shall be paid within the time limit prescribed in the Companies Act, 2013
Listing on Stock Exchange	BSE Limited
Listing Fees for 2016-2017 has been paid to the Bombay Stock Exchange Limited	
Stock Code	514266
Demat ISIN No. for NSDL and CDSL	INE 106C01013
Corporate Identification Number (CIN)	L17120MH1989PLC054580
Dematerialization of shares and liquidity	37,31,140 (84.37%) shares of the paid-up capital have been dematerialized as on 31/3/2017. Out of the promoters' capital 18,05,066 shares (40.82%) has been dematerialized.
Outstanding GDRs/ADRs/Warrants or any Convertible Instruments, conversion dates and likely impact on equity	Not issued
Plant Location	Village Tundav, Taluka Savli, District Vadodara, Gujarat
Address for Shareholders correspondence	M/s. Zenith Fibres Limited, 205 Marol Bhavan, Marol Co-op. Indi. Estate Ltd., M.V. Road, J.B. Nagar Post, Andheri (E), Mumbai 400059 or Shareholders holding shares in Electronic mode should address all their correspondence to their respective depository participant
Company's Share Transfer Agent	M/s.Universal Capital Securities Pvt. Ltd., 21, Shakil Niwas, Opp. Satya Saibaba Temple, Mahakali Caves Road, Andheri(E), Mumbai- 400093

17. Share Transfer System

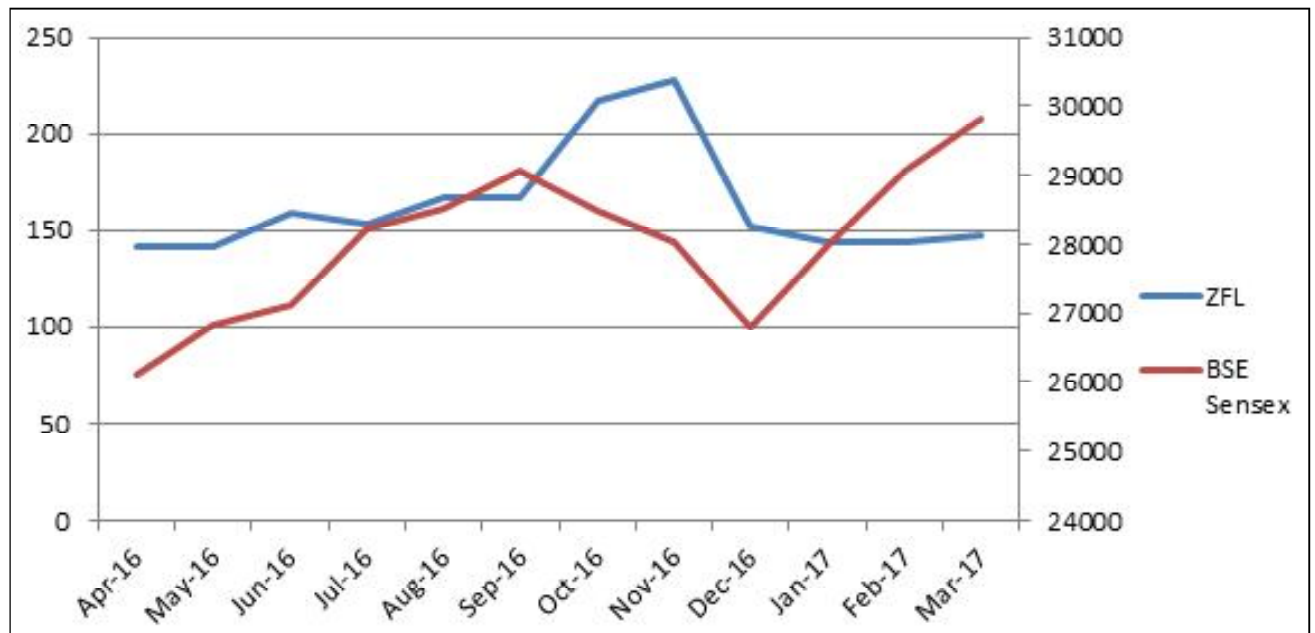
Transfers of shares are processed by the Share Transfer Agent and approved by the Share Transfer Committee called as 'Stakeholder Relationship Committee', which meets at frequent intervals. Share transfers are registered and returned generally within 15 days from the date of receipt, if the relevant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

18. Distribution and Shareholding Pattern as on 31st March, 2017

No. of Equity Shares	No. of Folios	%	No. of Shares	%
01-500	4557	88.95	613874	13.88
501-1000	275	5.37	224879	5.09
1001-2000	114	2.22	168193	3.8
2001-3000	49	0.95	125865	2.85
3001-4000	27	0.53	95168	2.15
4001-5000	23	0.45	110657	2.5
5001-10000	41	0.80	301463	6.82
10001 and above	37	0.72	2782247	62.91
TOTAL	4815	100.00	4422346	100
In Physical Mode			2497672	56.48
In Electronic Mode			1924674	43.52

Shareholding Pattern as on 31st March, 2017

Category	No. of Shares	%
Promoters	2223106	50.27
Mutual Funds & UTI	27600	0.62
Financial Institutions	-	-
Domestic Companies	260717	5.90
FII's and NRI's	117222	2.65
Resident Individuals/ others	1793701	40.56
TOTAL	4422346	100

Performance of Share price compared with BSE Sensex

Monthly High/Low in Rs. for April 2016 to March 2017

	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
High	141.90	141.00	159.35	152.70	166.60	166.60	216.55	227.35	151.60	143.90	144.00	147.00
Low	122.70	118.45	130.50	130.20	131.00	158.60	174.90	151.60	130.00	130.15	115.00	129.40

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 Regulation 17(8) of the SEBI (LODR) Regulations, 2015, was placed before the Board and the same is annexed herewith.

B. NON-MANDATORY REQUIREMENTS

The Company has complied with all mandatory requirements of SEBI (LODR) Regulations, 2015 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.

On behalf of the Board of Directors

Date : 12/08/2017

Place : Mumbai

SANJEEV RUNGTA
Chairman
DIN:00053602

CEO /CFO COMPLIANCE CERTIFICATE

Pursuant to Provisions of Regulation 17(8) of the Listing Regulations WP hereby Certify that:

To
The Board of Directors
Zenith Fibres Limited

Dear Sir/Madam,

Pursuant to provisions of Regulation 17(8) of the Listing Regulations, we hereby certify that;

- A. We have reviewed financial statements and the cash flow statement for the year and that to the best of our knowledge and belief:
- these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading
 - these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. There are, to the best of their knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting and evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps taken or propose to be taken for rectifying these deficiencies.
- D. We have indicated to the Auditors and the Audit Committee:
- significant changes in internal control over financial reporting during the year;
 - 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 fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the listed entity's internal control system over financial reporting.

Date : 27/05/2017
Place : Vadodara

S.S. IYER
CEO

K.D. SHARMA
CFO

Code of Conduct Compliance Certificate

I hereby declare that all members of the Board of Directors and Senior Management Personnel have affirmed compliance with the Code of Conduct of the Company for the financial year ended on 31st March, 2017

Date : 12/08/2017
Place : Mumbai

SANJEEV RUNGTA
Chairman
DIN: 00053602

AUDITORS' CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE

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, 2017, as stipulated in Clause 49 of the Listing Agreement ("the Listing Agreement") of the Company with the stock exchanges and as per the relevant provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('the Listing Regulations') as applicable for the financial year ended 31st March, 2017.

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. 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 / Listing Regulations, as applicable.

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.

Date : 12/08/2017
Place : Vadodara

For Jain & Hindocha
Chartered Accountants
F.R.N 103868W

Jaswant Jain
Partner
M.No 035126

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF ZENITH FIBRES LIMITED

Report on Financial Statements

We have audited the accompanying standalone financial statements of Zenith Fibres Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2017, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended and a summary of 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 standalone 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 standalone 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 misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and 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. An audit also includes evaluating the appropriateness of 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 standalone financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the 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 March 31, 2017, and its profit and its cash flows for the year ended on that date.

Emphasis of Matter

We draw attention to Note No.24(ix) to the Financial Statements regarding remuneration of Rs.3514356 paid to a Director of the Company during the year ended March 31, 2017 which is in excess of 3% of the Net Profits computed in the manner laid down in Section 198 of the Act. As informed to us, the Company is seeking approval of ensuing General Meeting mandated by the provisions of Section 197 of the Act.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ('the Order'), issued by the Central Government of India in terms of sub section 11 (of) section 143 of the Act, we give in the Annexure 'A', a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
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;

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- 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 standalone 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 March 31, 2017, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017, from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of internal financial controls over financial reporting of the company and the operating effectiveness of such control, refer our separate report in Annexure 'B'.
- g) 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.
 - (ii) The Company did not have long term contracts including derivative contracts requiring provision for material foreseeable losses.
 - (iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
 - (iv) The Company has provided requisite disclosures in the financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016. Based on audit procedures and relying on the management representation we report that the disclosures are in accordance with books of account maintained by the Company and as produced to us by the Management.

For Jain & Hindocha
Chartered Accountants
(FRN No.103868W)

Jaswant Jain
Partner
M. No.035126

Date : 27/05/2017
Place : Vadodara

Annexure-A to the Independent Auditor's Report of Zenith Fibres Limited for the year ended 31st March, 2017

(Referred to in Paragraph 1 under the heading 'Report on Other Legal and regulatory requirements of our report of even date)

- i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets;
- (b) These fixed assets have been physically verified by the management at reasonable intervals. We are informed that no material discrepancies were noticed on such verification;
- (c) According to the information and explanation given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties of the company are held in the name of the company.
- ii) The physical verification of inventory has been conducted at reasonable intervals by the management. The discrepancies between the physical stocks and book stocks have been appropriately adjusted and properly dealt with in the books of account;
- 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 and therefore, the matters referred in paragraph (iii)(a), (iii)(b) and (iii)(c) of the order are not applicable.
- iv) The Company has not granted any loans, or provided any guarantees or security to the parties covered under Section 185 and 186. In respect of investment made, the Company has complied with the provisions of Section 186 of the Act.
- v) The Company has not accepted any deposits during the year and does not have any unclaimed deposits.

- vi) Pursuant to the Rules made by the Central Government, the Company is required to maintain cost records as specified under section 148(1) of the Act in respect of its Products. We have broadly reviewed the same and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
- 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 material statutory dues applicable to it to the appropriate authorities.
- (b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of income tax or sales tax or service tax or duty of customs or value added tax which have not been deposited on account of any dispute.

The particulars of dues of Duty of Excise which have not been deposited as on March 31, 2017 on account of disputes are as under;

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

- viii) The Company has not defaulted in repayment of loans or borrowings to Bank and government. There are no loans or borrowings from financial institutions and the Company has not issued any debentures.
- ix) The Company has not raised any moneys by way of initial public offer, further public offer (including debt instruments) and term loans. Accordingly, the provisions of Clause 3(ix) of the Order are not applicable to the Company.
- x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no fraud on the Company by its officers or employees has been noticed or reported during the year.
- xi) As per the information given to us, the Company has paid/ provided Rs.4876069/- for managerial remuneration to a Director during the year, out of which Rs.1361713/- has been refunded by the Director during the year. For the balance amount of Rs.3514356/-, the Company is seeking approval in General Meeting mandated by the provisions of Section 197 of the Act, as it exceeded the limit of 3% of the net profits computed in the manner laid down in section 198 of the Act.
- xii) As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the provisions of Clause 3(xii) of the Order are not applicable to the Company.
- xiii) The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv) The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, the provisions of Clause 3(xiv) of the Order are not applicable to the Company.
- xv) The Company has not entered into any non cash transactions with its directors or persons connected with him. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company.
- xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For Jain & Hindocha
Chartered Accountants
(FRN No.103868W)

Jaswant Jain
Partner
M. No.035126

Date : 27/05/2017
Place : Vadodara

Annexure-B to the Independent Auditor's Report of Zenith Fibres Limited for the year ended 31st March, 2017

(Referred to in Paragraph 2(f) under the heading 'Report on Other Legal and regulatory requirements of our report of even date)

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Zenith Fibres Limited ("the Company") as of March 31, 2017 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Jain & Hindocha
Chartered Accountants
(FRN No.103868W)

Jaswant Jain
Partner
M. No.035126

Date : 27/05/2017
Place : Vadodara

BALANCE SHEET AS AT 31st MARCH, 2017

Particulars	NOTE No.	As At 31.03.2017 (₹)	As At 31.03.2016 (₹)
I. EQUITY AND LIABILITIES			
Shareholders' funds			
(a) Share Capital	2	44,223,460	44,223,460
(b) Reserves and Surplus	3	412,494,897	358,938,180
Non-current Liabilities			
(a) Long term Borrowings	4	0	1,580,693
(b) Deferred tax liabilities (Net)	5	2,642,439	3,829,357
(c) Long term provisions	6	5,131,030	3,519,387
Current Liabilities			
(a) Trade payables	7	11,854,502	8,734,286
(b) Other current liabilities	8	12,590,055	13,219,869
(c) Short-term provisions	9	2,376,127	24,709,303
TOTAL		<u>491,312,510</u>	<u>458,754,535</u>
II. ASSETS			
Non-current assets			
(a) Fixed Assets			
(i) Tangible assets	10(i)	46,362,168	49,165,754
(ii) Intangible	10(ii)	434,299	534,781
(b) Non-current Investments	11	171,715,000	14,215,000
(c) Long term Loans and Advances	12	4,693,465	5,060,175
Current Assets			
(a) Inventories	13	40,159,806	45,590,198
(b) Trade receivables	14	55,038,333	38,680,327
(c) Cash and Bank Balances	15	131,707,858	276,327,495
(d) Short-term loans and advances	16	41,201,581	29,180,805
TOTAL		<u>491,312,510</u>	<u>458,754,535</u>
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 : 27th May, 2017

SANJEEV RUNGTA Chairman
DIN:00053602

RAJEEV RUNGTA Managing Director
DIN:00122221

K.D. SHARMA C. F. O.

SIDDHI SHAH Co. Secretary

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STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31st MARCH 2017

Particulars	NOTE No.	As At 31.03.2017 (₹)	As At 31.03.2016 (₹)
I Revenue from operations (Gross) :			
(a) Sale of Product	17	560,244,819	687,549,702
		<u>560,244,819</u>	<u>687,549,702</u>
Less : Excise Duty		38,825,650	49,212,180
Revenue from operations (Net)		<u>521,419,169</u>	<u>638,337,522</u>
II Other Income	18	21,821,504	28,933,761
III Total Revenue		<u>543,240,673</u>	<u>667,271,283</u>
IV Expenses			
Cost of materials consumed	19	316,625,552	396,698,565
Change in inventories of finished goods/Waste and work in progress	20	4,558,851	(7,750,317)
Employees benefits expenses	21	39,909,766	31,738,880
Finance cost	22	2,429,271	2,671,926
Depreciation and Amortization Expenses	10	6,195,440	7,203,635
Other expenses	23	91,520,658	104,994,617
Total Expenses		<u>461,239,537</u>	<u>535,557,306</u>
V Profit before Exceptional and Extraordinary items and Tax		82,001,136	131,713,977
VI Prior Period Items (Refer Note No. vii)		—	—
VII Profit before tax		82,001,136	131,713,977
VIII Less : Tax expenses			
1) Current tax		28,700,000	47,900,000
2) Tax relating to earlier years		931,335	227,493
3) Deferred tax		(1,186,918)	(1,322,029)
Total Tax Expenses		<u>28,444,417</u>	<u>46,805,464</u>
IX Profit for the Year		<u>53,556,719</u>	<u>84,908,513</u>
X Earnings per share (of ₹10/- each)			
(a) Basic		12.11	19.20
(b) Diluted		12.11	19.20
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 : 27th May, 2017

SANJEEV RUNGTA
DIN:00053602 Chairman

RAJEEV RUNGTA
DIN:00122221 Managing Director

K.D. SHARMA C. F. O.

SIDDHI SHAH Co. Secretary

CASH FLOW STATEMENT FOR THE YEAR ENDED AS ON 31st MARCH, 2017

Particulars	As At 31.03.2017 (₹)	As At 31.03.2016 (₹)
(A) CASH FLOW FROM OPERATING ACTIVITIES :		
Profit before Tax and Extra Ordinary Items.	82,001,136	131,713,977
ADJUSTMENT FOR :		
Depreciation	6,195,440	7,203,635
(Profit) / Loss on Fixed Assets Discarded	(70,641)	748,990
Interest (Net)	(15,191,732)	(22,203,324)
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	72,934,203	117,463,278
ADJUSTMENT FOR :		
Trade Receivables	(16,358,006)	6,018,502
Inventories	5,430,392	2,905,660
Trade Payables and Other Payables	(1,131,343)	3,834,550
Other Receivables	(15,691,685)	2,135,189
CASH IN-FLOW FROM OPERATIONS	45,183,561	132,357,179
Taxation	(29,669,631)	(42,796,851)
Cash Flow before Extra Ordinary Items	15,513,930	89,560,328
Extra Ordinary Items	-	-
Net Cash Flow from Operating Activities (A)	15,513,930	89,560,328
(B) CASH FLOW FROM INVESTING ACTIVITIES :		
Interest Received	19,698,129	20,059,278
Purchase of Fixed Assets	(3,351,532)	(887,813)
Disposal of Fixed Assets	130,801	407,500
Proceed from Disposal of Fixed Assets	—	—
Investments (Non-Current)	(157,500,000)	(4,215,000)
Net Cash Received (Spent) from (In) Investing Activities (B)	(141,022,601)	15,363,965
(C) CASH FLOW FROM FINANCE ACTIVITIES :		
Repayment of Term Loans	(2,973,457)	(2,956,399)
Interest Payment	(418,670)	(658,152)
Dividend and Tax on Dividend Paid	(15,718,838)	(13,136,625)
Net Cash In (Out) Flow from Financing Activities (C)	(19,110,965)	(16,751,176)
Net Increase/ (Decrease) In Cash and Cash Equivalents (A + B + C)	(144,619,637)	88,173,117
Cash & Cash Equivalents as at Beginning of the Year	276,327,495	188,154,378
Cash and Cash Equivalents as at End of the Year	131,707,858	276,327, 495

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 : 27th May, 2017

SANJEEV RUNGTA
DIN:00053602 Chairman

RAJEEV RUNGTA
DIN:00122221 Managing Director

K.D. SHARMA
C. F. O.

SIDDHI SHAH
Co. Secretary

Notes Forming Part of Financial Statements

A. Corporate Information:

Zenith Fibres Limited (“the Company”) is a Public Limited Company domiciled in India and incorporated under the provisions of the Companies Act, 1956. Its shares are listed on Bombay Stock Exchange Limited. The Company is engaged in manufacturing of PP Staple Fibre and Yarn and caters to domestic as well as international markets

B. SIGNIFICANT ACCOUNTING POLICIES:

a) Accounting Convention:

The Financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and other relevant provisions of the Companies Act, 2013 and other relevant provisions of the Companies Act, 2013 (“the 2013 Act”), as applicable. The Financial statements have been prepared under the historical cost convention on an accrual basis except otherwise stated. In the preparation of the financial statements, the accounting policies have been consistently applied with those in the previous year.

Use of estimates:

The preparation of financial statements in conformity with generally accepted accounting principles requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period. Although these estimates are based upon management’s best knowledge of current events and actions, actual results could differ from these estimates.

b) Fixed Assets

- i. Fixed Assets are stated at cost, less accumulated depreciation and impairment loss if any (except on free hold land).
- 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. Cenvat credit availed for excise duty and countervailing duty availed for customs duty payments made on fixed assets is reduced from the cost of fixed assets.
- v. 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 Advice.

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

- vi. Intangible assets are stated at the consideration paid for acquisition less accumulated amortization and impairment losses.
- vii. 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.

c) 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.

d) 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.

e) **Sales**

Revenue Recognition:

Revenue is recognized to the extent that it is probable that economic benefits will flow to the Company and the revenue can be reliably measured.

- 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.
- iii. Other Income

Interest: Revenue is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.

Other Income: The amounts receivable from various agencies are accounted on accrual basis to the extent it is possible to ascertain the income with reasonable accuracy.

Insurance Claims: Revenue is recognized on actual receipt basis.

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

g) **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.

h) **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.

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

j) **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).

k) **Operating leases**

Lease charges paid for operating leases are charged to profit and loss account on straight line basis over the lease term. Initial direct expenses at the time of inception of lease are charged to profit and loss account.

l) **Earnings per Share:**

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

m) **Cash and Cash Equivalents:**

Cash and cash equivalents in balance sheet comprise cash at bank and in hand and fixed deposits with banks.

n) **Cash Flow Statement:**

Cash flows are report using the indirect method, whereby profit before tax is adjusted for the effect of transaction of a non cash nature and items of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the company are segregated.

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NOTES FORMING PART OF FINANCIAL STATEMENTS

Particulars	As At 31.03.2017 (₹)	As At 31.03.2016 (₹)
2 Share Capital		
AUTHORISED		
6,000,000 (6,000,000) Equity Shares of ₹ 10 each	60,000,000	60,000,000
ISSUED		
4,422,346 (4,422,346) Equity Shares of ₹ 10 each	44,223,460	44,223,460
Subscribed & Paid up		
4,422,346 Equity Shares of ₹10 each (P.Y 4,422,346)	44,223,460	44,223,460
Total	44,223,460	44,223,460
a) Reconciliation of Number of Shares at the beginning & at the end of year	31 st March 2017	31 st March 2016
	No. of Shares	Amount
At the Commencement of the year	4,422,346	44,223,460
At the End of the year	4,422,346	44,223,460
b) List of Shareholders holding more than 5% of the total number of Shares		
Demris Finvest Pvt. Ltd.	481,500	481,500
Galaxy Dealers Pvt. Ltd.	325,810	325,810
Rainy Fiscal Services (P) Ltd.	560,100	560,100
Shark Barter Pvt. Ltd.	450,000	450,000
3 Reserves and Surplus		
(a) Capital Reserves		
Subsidy received from the District Industries Centre, Govt. of Gujarat.	2,500,000	2,500,000
Share Premium Reserve	9,183,588	9,183,588
Profit on Re-issue of Forfeited shares	33,500	33,500
Cancellation of Forfeited Shares	6,660,905	6,660,905
	18,377,993	18,377,993
(b) General Reserve		
Opening Balance	276,000,000	226,000,000
Add: Transfer from surplus	30,000,000	50,000,000
Closing Balance	306,000,000	276,000,000
(c) Surplus in statement of Profit and Loss		
Opening Balance	64,560,187	45,619,569
Add: Profit for the year	53,556,719	84,908,513
Closing Balance	118,116,906	130,528,082
Less: Appropriations		
- Transfer to General Reserve	30,000,000	50,000,000
- Dividend @ ₹ 2 /- per share (₹ 3/- per share)	—	13,267,038
- Dividend Distribution Tax	—	2,700,857
	88,116,906	64,560,187
Total	412,494,897	358,938,180

NOTES FORMING PART OF FINANCIAL STATEMENTS

Particulars	As At 31.03.2017 (₹)	As At 31.03.2016 (₹)
4 Long-term Borrowings (Secured by Hypothecation of Vehicles)		
Tenor Maturity Payable EMI Rate of Int.		
From Banks		
- ICICI Bank Ltd., Kolkata 60 15.11.17 0 10.02%	0	740,125
From Other Parties		
- Volkswagen Finance Pvt. Ltd 36 15.10.17 0 9.75%	0	840,568
Total	<u>0</u>	<u>1,580,693</u>
(No default as on Balance Sheet date in repayment of Principle & Interest for above loans)		
5 Deferred Tax Liabilities (Net)		
a. Deferred Tax Liabilities		
- Depreciation on fixed assets	5,572,352	6,217,402
b. Deferred Tax Assets		
- Employee benefits	2,929,913	2,388,045
Net Deferred Tax Liability	<u>2,642,439</u>	<u>3,829,357</u>
6 Long-term provisions		
Provision for Employee Benefits		
- Provision for compensated absences	2,039,343	1,845,576
- Gratuity	3,091,687	1,673,811
Total	<u>5,131,030</u>	<u>3,519,387</u>
7 Trade payables		
Amount due to Micro and Small Enterprises [Refer Note No. 24(iii)]	—	—
Amount due to Others	11,854,502	8,734,286
Total	<u>11,854,502</u>	<u>8,734,286</u>
8 Other current liabilities		
Current Maturity of Long-term Borrowings	1,580,693	2,973,457
From Banks ₹ 7,40,125/- (₹ 10,66,075/-)		
From Other Parties ₹ 8,40,568/- (₹ 16,23,163/-)		
(For other details refer note no. 4)		
Unpaid Dividend*	2,198,877	1,949,820
Other payables		
Statutory liabilities ₹ 21,39,414/- (₹ 21,70,269/-)	8,810,485	8,296,592
Interest received in advance ₹ 1,34,101/- (₹ 83,993/-)		
Others ₹ 60,60,650/- (₹ 60,42,330/-)		
Total	<u>12,590,055</u>	<u>13,219,869</u>

*These amounts represent warrants issued to shareholders which remained un-presented as on 31st March 2017.

NOTES FORMING PART OF FINANCIAL STATEMENTS

Particulars	As At 31.03.2017 (₹)	As At 31.03.2016 (₹)
9 Short-term provisions		
Provision for Employee Benefits – Provident Fund	138,300	151,527
Provision for compensated absences	1,278,587	1,097,658
Provision for Gratuity	959,240	841,312
Provision for Current Tax	0	6,650,911
Proposed dividend	0	13,267,038
Tax on proposed dividend	0	2,700,857
Total	2,376,127	24,709,303

10(i) Tangible Assets

(Amt. in ₹)

Particulars	GROSS BLOCK				DEPRECIATION						NET BLOCK	
	As At 01-04-2016	Additions	Deductions	Total As At 31-03-2017	As At 01-04-2016	Excess Depreci- ation W/back	Current Period Depreci- ation	Adjusted Against Op. Balance	Deductions	Total As At 31-03-2017	As At 31-03-2017	As At 31-03-2016
Land	1,086,398	0	0	1,086,398	0	0	0	0	0	0	1,086,398	1,086,398
Previous Year	1,086,398	0	0	1,086,398	0	0	0	0	0	0	1,086,398	1,086,398
Building	16,239,114	1,907,684	0	18,146,798	9,472,939	0	525,114	0	0	9,998,053	8,148,745	6,766,175
Previous Year	16,239,114	0	0	16,239,114	8,966,994	0	505,945	0	0	9,472,939	6,766,175	7,272,120
Plant & Machineries	153,484,589	453,300	0	153,937,889	12,288,0673	0	3,088,076	0	0	125,968,749	27,969,140	30,603,916
Previous Year	160,223,049	185,662	6,924,122	153,484,589	125,977,465	0	3,485,690	0	6,582,482	122,880,673	30,603,916	34,245,584
Furniture & Fixtures	1,513,571	0	0	1,513,571	1,041,067	0	227,025	0	0	1,268,092	245,479	472,504
Previous Year	1,513,571	0	0	1,513,571	813,855	0	227,212	0	0	1,041,067	472,504	699,716
Office Equipments	1,099,109	231,194	7,875	1,322,428	984,089	0	101,284	0	7,481	1,077,892	244,536	115,020
Previous Year	1,222,590	52,280	175,761	1,099,109	1,033,520	0	116,763	0	166,194	984,089	115,020	189,070
Electric Fittings	1,22,050	0	0	1,22,050	103,683	0	10,033	0	0	113,716	8,334	18,367
Previous Year	1,22,050	0	0	1,22,050	93,645	0	10,038	0	0	103,683	18,367	28,405
Vehicles	16,468,909	730,454	443,051	16,756,312	6,501,825	0	2,072,748	0	383,286	8,191,287	8,565,025	9,967,084
Previous Year	20,664,563	63,411	4,259,065	16,468,909	7,196,022	0	2,759,584	0	3,453,781	6,501,825	9,967,084	13,468,541
Computers	1,982,227	28,900	0	2,011,127	1,845,937	0	70,678	0	0	1,916,615	94,512	136,290
Previous Year	1,869,162	136,115	23,050	1,982,227	1,810,056	0	58,931	0	23,050	1,845,937	136,290	59,105
Total	191,995,967	3,351,532	450,926	194,896,573	142,830,213	0	6,094,958	0	390,767	148,534,404	46,362,168	49,165,754
Previous Year	202,940,497	437,468	11,381,998	191,995,967	145,891,557	0	7,164,163	0	10,225,507	142,830,214	49,165,754	57,048,939

10(ii) Intangible Assets

(Amt. in ₹)

Particulars	GROSS BLOCK				DEPRECIATION						NET BLOCK	
	As At 01-04-2016	Additions	Deductions	Total As At 31-03-2017	As At 01-04-2016	Additions	Deductions	Adjusted Against Op. Balance	Deductions	Total As At 31-03-2017	As At 31-03-2017	As At 31-03-2016
Intangible Assets	793,095	0	0	793,095	258,314	100,482	0	0	0	358,796	434,299	534,782
Previous Year	342,750	450,345	0	793,095	218,842	39,472	0	0	0	258,314	534,782	123,908
Total	793,095	0	0	793,095	258,314	100,482	0	0	0	358,796	434,299	534,781
Previous Year	342,750	450,345	0	793,095	218,841	39,472	0	0	0	258,313	534,782	123,909

NOTES FORMING PART OF FINANCIAL STATEMENTS

Particulars	As At 31.03.2017 (₹)	As At 31.03.2016 (₹)
11 Non-current Investments (Other Investment)		
Unquoted		
1,000,000 Fully paid Equity Shares of ₹ 10/- each (30.94%) of Associated Co. M/s. Rainy Properties Pvt. Ltd., Kolkata (at cost).	10,000,000	10,000,000
Quoted		
Tax Free Bonds		
IRFC Tax Free Bonds Series 1A at cost (M.V ₹ 588,000)	588,000	588,000
NHAI Tax Free Bonds Series 1A at Cost (M.V ₹ 3,627,000)	3,627,000	3,627,000
Mutual Funds		
Birla Sunlife Medium Term Plan at Cost (M.V ₹ 18,248,363)	17,500,000	0
DHFL Pramerica Collection at Cost (M.V ₹ 5,242,773)	5,000,000	0
DSP Black Rock Mutual Fund at Cost (M.V ₹ 7,929,116)	7,500,000	0
Franklin India Corporate Bond Opp. Fund at Cost (M.V ₹15,792,351)	15,000,000	0
Franklin India Dynamic Fund at Cost (M.V ₹31,087,503.42)	30,000,000	0
Franklin India Ultra short fund at coost(M.V ₹ 13,569,484)	12,500,000	0
HDFC Corporate Debt Opportunities Fund at Cost (M.V ₹ 18,276,358)	17,500,000	0
ICICI Prudential Regular Savings Fund at Cost (M.V ₹15,643,726)	15,000,000	0
Indiabulls High Yield Fund at Cost (M.V ₹ 4,945,022)	5,000,000	0
Kotak Medium Term Fund at Cost (M.V ₹ 18,296,632)	17,500,000	0
Reliance Regular Saving Fund - Debt (M.V ₹ 15,641,450)	15,000,000	0
Total	171,715,000	14,215,000
12 Long term Loans and Advances		
(Unsecured, considered Good)		
(a) Capital Advance	0	391,800
(b) Deposit with related party	0	54,000
(c) Security Deposits	923,838	826,674
(d) VAT Credit receivable	3,769,627	3,787,701
Total	4,693,465	5,060,175
13 Inventories (at lower of cost or net realizable value)		
a. Raw Material	21,291,616	21,937,767
b. Work in Progress	653,649	242,709
c. Finished Goods	15,536,332	20,542,373
d. Stores and Spares	2,056,333	2,202,551
e. Packing Materials & Fuel	580,126	659,298
f. Waste	41,750	5,500
Total	40,159,806	45,590,198
14 Trade Receivables (Unsecured considered good)		
Exceeding Six months from due date	2,145	2,145
Others	55,036,188	38,678,182
Total	55,038,333	38,680,327

NOTES FORMING PART OF FINANCIAL STATEMENTS

Particulars	As At 31.03.2017 (₹)	As At 31.03.2016 (₹)
15 Cash and Bank Balances		
a) Cash and cash equivalents	213,219	212,119
b) Cheque on hand	688,375	0
c) <u>Balance with Banks</u>		
- Current Account	2,015,039	7,315,556
- Fixed Deposit Accounts	122,442,348	262,700,000
d) <u>Other Bank Balances</u>		
Balance with Banks to the extent held as margin money	4,150,000	4,150,000
Un-paid Dividend Accounts	2,198,877	1,949,820
Total	<u>131,707,858</u>	<u>276,327,495</u>
16 Short Term loans and advances (Unsecured, considered Good)		
a. Advances recoverable in cash or in kind or for value received*	9,093,979	15,356,819
b. Deposits	27,500,000	7,500,000
c. Balance with Central Excise Authorities	452,261	3,218,354
d. VAT Credit Receivable	3,197,054	2,719,260
e. Prepaid Expenses	777,733	386,372
e. Tax Deducted at source Receivable	180,554	-
Total	<u>41,201,581</u>	<u>29,180,805</u>
* includes ₹ 6,88,375 /- due from Officers of the Company (₹4,29,500)		
17 Sales		
Exports	147,510,970	183,996,488
Fiber	256,197,803	307,617,677
Yarn	154,013,634	192,662,729
Waste	2,522,412	3,272,808
Total	<u>560,244,819</u>	<u>687,549,702</u>
18 Other Income		
Interest Income:		
- Interest from Fixed Deposits	14,558,270	19,850,340
- Other Interest	3,923,043	3,017,509
Cash Discount	2,037,600	2,598,944
Misc. Scrap Sales	128,524	186,288
Sundry Balances Written off	5,868	0
Gain/(Loss) on Fixed Assets Discarded	70,641	(748,990)
Other Non-Operating Income	100,000	51,708
Net Gain/(Loss) on Foreign Currency Transactions & Translations	997,558	3,977,962
Total	<u>21,821,504</u>	<u>28,933,761</u>
19 Cost of Materials Consumed		
Materials Consumed Comprises of :		
Opening Stock	21,937,767	33,088,887
Add : Purchase	315,979,401	385,547,445
Less : Closing Stock	21,291,616	21,937,767
Total	<u>316,625,552</u>	<u>396,698,565</u>

NOTES FORMING PART OF FINANCIAL STATEMENTS

Particulars	As At 31.03.2017 (₹)	As At 31.03.2016 (₹)
20 Change in inventories of finished goods/waste and work in progress		
Opening Stock		
Work-in-Progress and waste	248,209	344,503
Finished goods	20,542,373	12,695,762
	<u>20,790,582</u>	<u>13,040,265</u>
Closing Stock		
Work-in-Progress and waste	695,399	248,209
Finished goods	15,536,332	20,542,373
	<u>16,231,731</u>	<u>20,790,582</u>
(Increase)Decrease in inventories of finished goods and WIP-Total	<u>4,558,851</u>	<u>(7,750,317)</u>
21 Employee benefits expenses		
Salaries, Wages and Bonus	31,941,875	27,984,252
Contribution to Provident and other Funds	3,989,844	2,805,228
Staff Welfare Expenses	463,691	949,400
Remuneration to Director (Medical Expenses Reimbursement)	3,514,356	0
Total	<u>39,909,766</u>	<u>31,738,880</u>
22 Finance cost		
Interest Expenses	418,670	654,505
Other borrowing costs including Bank Charges	2,010,600	2,017,421
Total	<u>2,429,271</u>	<u>2,671,926</u>
23 Other expenses		
Stores Consumed	3,494,521	3,974,282
Packing Consumed	3,455,640	4,145,645
Power and Fuel	25,195,601	31,824,197
Rent & Service Charges	2,199,474	2,092,861
Repairs to Building	62,222	21,290
Repairs to Machinery	1,916,558	795,376
Insurance	691,665	780,927
Rates and Taxes	288,788	126,417
Processing Charges	27,294,016	32,787,507
Transportation charges on Job work	1,320,774	1,708,098
Commission and Discount on Sales	2,758,047	3,596,201
Donation	3,953,001	4,085,101
Freight & Forwarding charges – Export	5,038,441	6,170,013
Travelling and Conveyance	5,320,388	4,300,038
Directors Sitting Fees	132,500	120,000
<u>Auditors' Remuneration</u>		
- Audit Fees	165,000	125,000
- Tax Matters	105,000	125,000
- Other Services	30,000	33,500
Miscellaneous Expenses	8,099,022	8,183,164
Total	<u>91,520,658</u>	<u>104,994,617</u>

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24 OTHER NOTES:

(i) CONTINGENT LIABILITIES AND COMMITMENTS :

a) **CONTINGENT LIABILITIES:** Bank Guarantee ₹ 4,150,000/- (₹ 4,150,000/-)

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

Excise and Service Tax Department

Excise department has raised demand of ₹ 9,048,505/- (Including Penalty of ₹ 5,974,353/-) 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, the Company is hopeful of favourable decision.

c) **COMMITMENTS :**

Estimated amount of contracts remaining to be executed and not provided for in respect of Capital purchases (Net of Advance) Nil (₹ 31,500/-).

- (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 manmade 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 ₹ 2,199,474/- (₹ 2,092,861/-) and future minimum lease payments are as follows :

	Current Year (₹)	Previous Year (₹)
Not later than one year.	2,919,720/-	1,077,197/-
Later than one year but not later than five years	4,263,108/-	2,107,459/-
Later than five years and above	Nil	Nil

(vi) **Related Party Disclosures:**

Related Party disclosures as required by AS-18 "Related Party Disclosures" are given below:

Name of the Related Parties/Key Management Personnel	Nature of Relationship
Sanjeev Rungta	Key Management Personnel
Rajeev Rungta	Key Management Personnel
Abhishake Rungta	Key Management Personnel
S.S. Iyer	Key Management Personnel
K.D. Sharma	Key Management Personnel
Rainy Properties Private Limited	Associate Company
Navigator Software Private Limited	Director's Interest in the Company

The following transactions were carried out with the related parties in ordinary course of business.

(Amount in ₹)

Name of the related parties	Nature of Transaction	Transactions During the year		Amount Outstanding	
		2016-17	2015-16	2016-17	2015-16
Rainy Properties Private Limited	Investment in Equity Shares	-	-	1,00,00,000	1,00,00,000
Sanjeev Rungta	Sitting Fees	7,500	25,000	-	-
Rajeev Rungta	Sitting Fees	20,000	10,000	-	-
Abhishake Rungta	Sitting Fees	10,000	10,000	-	-
S.S. Iyer	Remuneration	2,184,000	1,200,000		
K.D. Sharma	Remuneration	1,251,600	1,100,400		
Sanjeev Rungta	Remuneration	3,514,356*	-	-	-

* After refund of Rs.1,361,713/-.

(vii) The Company has an investment of Rs.10,000,000/- in Equity Shares of an Associate Company M/s. Rainy Properties Private Limited. As per the latest audited accounts available for the year 2015-16 it has accumulated loss of Rs.5,608,338 against paid up share capital of Rs.32,322,000. Diminution in the value of this investment as on the Balance Sheet date, being temporary in nature and hence not been provided for.

(viii) Proposed Dividend

Amount of proposed Dividend to be distributed is Rs.8,844,692/- i.e. Rs.2/- (Rs.3/-) per share to equity share holders and Dividend Distribution Tax is Rs.1,800,571/- thereon. Until 31st March, 2016, Provision was made for such proposed dividend. However, in view of amendment in accounting Standard, such provision is not made in respect of proposed dividend after the date of Balance Sheet.

(ix) Managerial Remunerations

The company has during the year incurred various expenses of Rs.4,876,069/- related to medical treatment of Director Mr. Sanjeev Rungta out of which he has refunded Rs.1,361,713/- and net payment of Rs.3,514,356/- being hospitalization expenses has been claimed and paid as Managerial Remuneration. The Company is seeking approval from members in the ensuring General Meeting mandated by the provision of section 197 of The Companies Act, 2013, since it has exceeded the limit of 3% of the Net Profit by Rs.1,056,441/- and as approved by the members in last General meeting held on 29.09.2016.

(x) Foreign Currency Contracts

The Outstanding Foreign Currency Contracts on 31st March, 2017 in respect of Exports risk being hedged is as follows:

Currency	Amount in Foreign Currency		Equivalent Indian Rupees	
	Current Year	Previous Year	Current Year	Previous Year
USD/INR	NIL	NIL	NIL	NIL

a) Defined Contribution Plan – Provident Fund :

During the year, the company has recognized the Company's Contribution to Employees Provident Fund amounting to ₹ 1,600,619/- (₹ 1,479,505/-) 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.

(xi) 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, 2017

Sr No.	Particulars	Gratuity (Funded)		Leave Encashment (Un-funded)	
		31/03/2017	31/03/2016	31/03/2017	31/03/2016
a)	Change in benefit Obligation	11,657,506	10,096,261	2,943,234	2,483,109
	Service cost for the year	8,41,312	764,035	4,38,195	413,193
	Interest cost for the year	7,80,487	665,555	1,89,158	155,749
	Actuarial losses / (gains) on curtailments	1,224,659	377,932	5,88,618	309,659
	Benefits Paid	(1,006,220)	246,277	(8,41,275)	418,476
	Closing defined benefit obligation on 31/03/2017	13,497,744	11,657,506	3,317,930	2,943,234
b)	Change in Fair Value of Plan Assets				
	Opening fair value of plan assets	9,142,383	8,044,977	—	—
	Expected Return on Plan Assets	6,15,024	490,186	—	—
	Contribution by employer	6,69,254	691,941	—	—
	Benefits paid	(1,006,220)	246,277	—	—
	Actuarial (Loss) / Gain on plan assets	26,376	161,556	—	—
	Closing balance of fair value of plan assets	94,46,817	9,142,383	—	—
	Excess of Liability over plan obligation	40,50,927	2,515,123	—	—
	Accrued Liability (Asset)	40,50,927	2,515,123	—	—

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Sr No.	Particulars	Gratuity (Funded)		Leave Encashment (Un-funded)	
		31/03/2017	31/03/2016	31/03/2017	31/03/2016
c)	Actuarial Gain/Loss recognized				
	Actuarial (gain)/loss on obligations	1,224,659	377,932	—	—
	Actuarial (gain)/loss for the year – plan assets	(26,376)	(161,556)		
	Actuarial (gain)/loss recognized in the year	1,198,283	216,376	—	—
d)	Amount to be recognized in the Balance sheet				
	Present value of obligations as at the end of year	13,497,744	11,657,506	—	—
	Fair value of plan assets as at the end of the year	9,446,817	9,142,383	—	—
	Funded status	4,050,927	2,515,123	—	—
	Net asset/(liability) recognized in balance sheet	(4,050,927)	(2,515,123)	3,317,930	2,943,234
	Current Liability	959,240	841,312	1,278,587	1,097,658
	Non-current Liability	3,091,687	1,673,811	2,039,343	1,845,576
e)	Expense recognized in statement of Profit & Loss Current Service Cost				
	Interest cost	8,41,312	764,035	438,195	413,193
	Expected return on plan assets	(615,024)	(575,109)	NIL	NIL
	Net Actuarial (gain)/loss recognized in the year	1,198,283	216,376	588,618	309,659
	Expenses recognized in statement of profit and loss	2,205,058	1,070,857	1,215,971	878,601

(xii) Earnings per share	Current Year	Previous Year
Profit after taxation (₹ in lacs)	535.57	849.09
Weighted average number of shares (Nos.)	4422346	4422346
Earnings per share (Basic and Diluted) (₹)	12.11	19.20
Face value per share (₹)	10	10

(xiii) Deferred Tax Liability

Components of Deferred Tax

Nature of Timing Difference	Deferred Tax Asset (Liability) as at 31.03.2016	Credit (change) for the year	Deferred Tax Asset (Liability) as at 31.03.2017
a. Deferred tax Liability			
- Depreciation	6,217,402	(645,050)	5,572,352
b. Deferred tax Asset			
- Gratuity	870,434	468,924	1,339,358
- Provision for compensated absences.	1,018,594	78,413	1,097,007
- Bonus Provision	499,017	(5,469)	493,548

(xiv) a. TURNOVER :

CLASS OF GOODS	Sales Amount (₹)	Opening Stock Amount (₹)	Closing Stock Amount (₹)
Polypropylene Staple Fibre	406,231,185 (494,886,973)	13,755,665 (12,493,125)	12,793,324 (13,755,665)
P.P. Yarn	154,013,634 (192,662,729)	5,094,103 (202,637)	9,91,755 (5,094,103)
TOTAL	560,244,819	18,849,768	13,785,079

b. Work in Progress :

	Opening Stock Amount (₹)		Closing Stock Amount (₹)	
	2016-17	2015-16	2016-17	2015-16
- Master Batch	209,137	3,10,069	289,703	209,137
- Polypropylene Resin	19,920	17,309	35,982	19,920
- Standard Fibre	10,214	12,250	192,964	10,214
- Mix Fibre	3,438	0	135,000	3,438
Total	242,709	339,628	653,649	242,709

c. VALUE OF RAW MATERIAL CONSUMPTION

Raw Materials	Current Year (₹)	%	Previous Year (₹)	%
a) IMPORTED				
- Spin Finish	14,475,425	4.57	6,444,949	1.62
- Polypropylene Resin	4,715,063	1.49	38,811,467	9.78
b) INDIGENOUS				
- Polypropylene Resin	281,399,158	88.88	333,962,004	84.19
- Master Batch	12,683,845	4.01	14,406,829	3.63
- Spin Finish	3,352,061	1.06	3,073,316	0.78
Total Value Of Raw Material Consumption	316,625,552	100.00	396,698,565	100.00

d. VALUE OF IMPORTS ON CIF BASIS :

	Current Year (₹)	Previous Year (₹)
i) Raw Materials	22,197,408	4,336,507
ii) Spares	--	--

e. EXPENDITURE IN FOREIGN CURRENCY

	Current Year (₹)	Previous Year (₹)
i) Travelling	429,929	482,552

f. EARNINGS IN FOREIGN EXCHANGE

	Current Year (₹)	Previous Year (₹)
F.O.B. Value of Exports	146,833,726	184,683,984

g. Details of Specified Bank Notes (SBN) held and transacted during the demonetization period from 8th November, 2016 to 30th December, 2016 as provided

Particulars	Total	SBNs Notes	Others Notes
Closing Balance as on 08/11/2016	277,120	249,500	27,620
(+) Permitted Receipts	365,306	0	365,306
(-) Permitted Payments	187,615	0	187,615
(-) Amount Deposited in Banks	249,500	249,500	0
Closing Cash in hand as on 30/12/2016	205,311	0	205,311

h. Details of expenditure on "Corporate Social Responsibility"

Particulars	Current Year (₹)	Previous Year (₹)
a) Gross Amount required to be spent by the Company during the year	1,778,671/-	1,353,598/-
b) Amount spent during the year; Contribution to Registered Trust	2,241,000/-	1,100,000/-

i. Figures of the previous year have been regrouped and/or re-class wherever considered necessary to confirm to the grouping of the current year.



ZENITH FIBRES LIMITED

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 Company : **ZENITH FIBRES LIMITED**

Registered Office : 205, Marol Bhavan, 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

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

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 28th Annual General Meeting of the company, to be held on the 29th September, 2017 Friday 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 Shri. Abhishake Rungta as Director
4. Appointment of Statutory Auditors for Five consecutive financial years
5. Reimbursement of Medical Expenses to Shri. Sanjeev Rungta
6. Appointment of Shri. Sanjeev Rungta as Whole Time Director for Three Years
7. Appointment of Shri. Rajeev Rungta as Managing Director for Three Years

Affix
₹ 1/-
Revenue
Stamp

Place:

Date:

Signature of shareholder

Signature of Proxy holder(s)

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



ZENITH FIBRES LIMITED

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

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 28th Annual General Meeting of the company, to be held on the 29th September, 2017 Friday at 11.00.a.m. at Hotel Atithi, 77A/B Nehru Road, Ville Parle(East), Mumbai- 400099

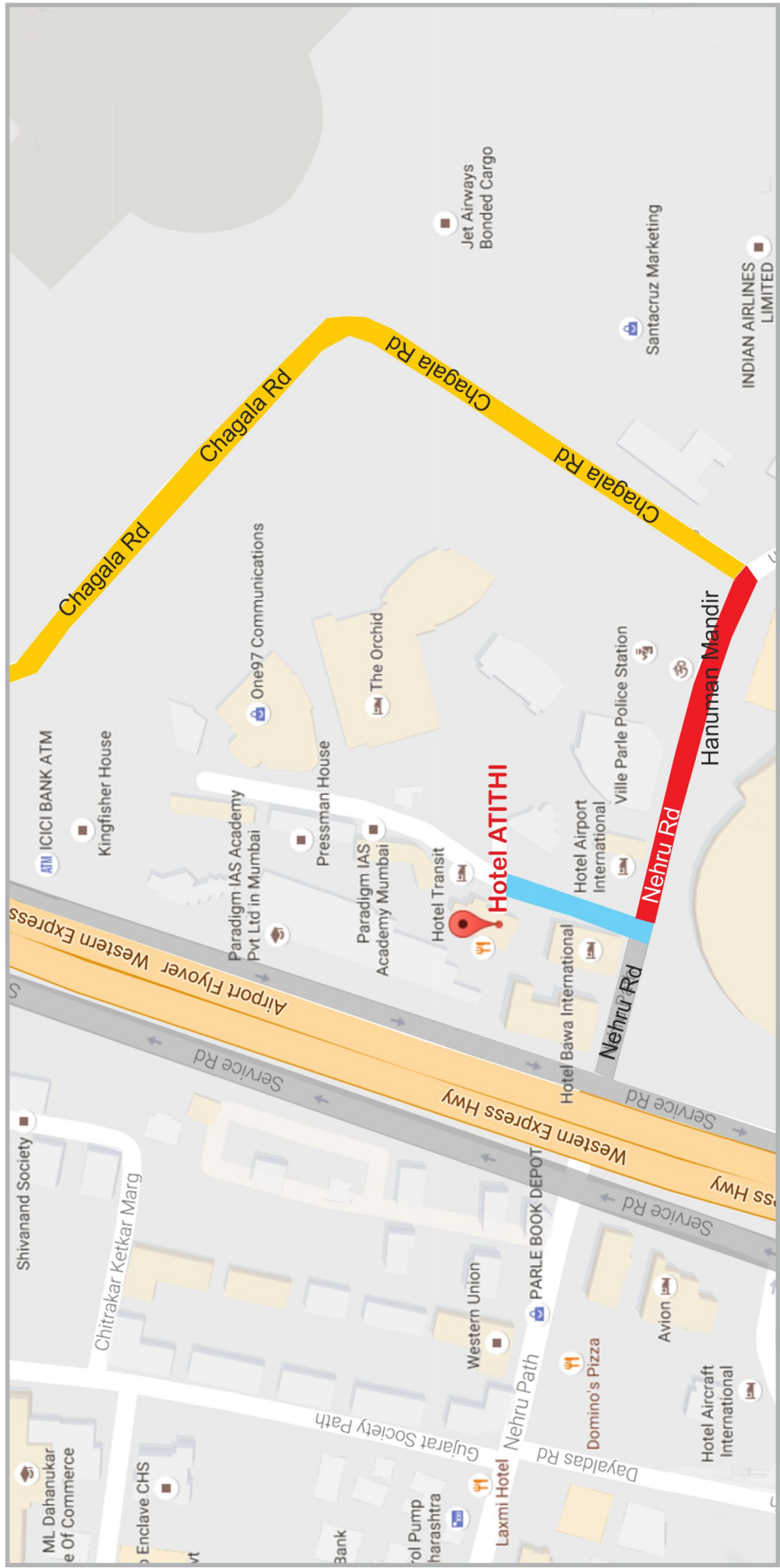
Member's /Proxy Name in Block Letters

Member's/ Proxy signature

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

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

Venue of AGM : Route Map



To,



If undelivered please return to:

ZENITH FIBRES LIMITED

Registered Office:

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



(ISO 9001:2008 Certified Company)