



BOARD OF DIRECTORS

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

MANAGEMENT

SHRI S.S. IYER	CEO/President
SHRI K.D. SHARMA	CFO/V.P.Commercial
SHRI SHAILESH PANDEY	COO/ V.P.Operations
SHRI PRAVEEN BUKYALKAR	CMO/V.P .Marketing
Ms. SIDDHI SHAH	Company Secretary

AUDITORS

M/s. JAIN & HINDOCHA

BANKERS

HDFC BANK LTD.

REGD. OFFICE

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

WORKS

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

SHARE TRANSFER AGENT

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

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ZENITH FIBRES LIMITED NOTICE FOR TWENTY SEVENTH ANNUAL GENERAL MEETING

CIN: L17120MH1989PLC054580

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

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

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

Notice is hereby given that the Twenty Seventh Annual General Meeting of the members of Zenith Fibres Limited will be held on Thursday, the 29th of September, 2016 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, 2016 together with Directors' Report and Auditor's Report thereon.
2. To declare Dividend.
3. To appoint a director in place of Mr. Sanjeev Rungta, (DIN: 00053602) who retires by rotation, and being eligible, offers himself for re-appointment.
4. To appoint M/s Jain & Hindocha, Chartered Accountants, as statutory auditors of the Company, to hold office until the conclusion of 28th Annual General Meeting, and to fix their remuneration.

Special Business:

5. **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 Sections 197, 198 and other applicable provisions, if any, of Companies Act, 2013 (the Act) including any statutory modification(s) or re-enactment(s) thereof and Rules made thereunder and pursuant to the provisions of the Memorandum and Articles of Association of the Company and subject to all such applicable approval (s) as may be required, consent of the members of the Company be and is hereby accorded for reimbursement of medical expenses incurred by Mr. Sanjeev Rungta, Chairman of the Company, for his medical treatment; provided that the maximum amount so reimbursed shall not exceed 3% of the net profit calculated in accordance with the provisions of Section 198 of the Act."

"RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to release the payment towards the medical expenses incurred either to Mr. Sanjeev Rungta and/or directly to the concerned hospital and to do all such acts, deeds, matters and things including making application to the Central Government and such other authorities for obtaining such approval(s) as may be required under the Act."

By Order of the Board of Directors

Siddhi Shah
Company Secretary

Date : 06/08/2016
Place : Mumbai

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 limited companies, societies etc., 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 the 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. The Register of Members and Share Transfer Books of the Company will remain closed from Friday, 23rd September 2016 to Thursday, 29th September 2016, (both days inclusive).
4. 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, 2016 in case of physical shares and to those members as per the beneficiary position given by NSDL and CDSL.
5. 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.
6. 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.

7. As a part of “Green Initiative in Corporate Governance”, and pursuant to section 101 and section 136 of the Companies Act, 2013 read with relevant rules made thereunder, companies can serve Annual Reports and other Communication through electronic mode to those members who have registered their email address(es) with the Depository/Registrar & Share Transfer Agents (RTA) (and available with the Company). It is encouraged that members support green initiative and update desired email address. Please let us know in case you wish to receive the documents in paper mode. For members who have not registered their email address with the depository RTA, physical copies are being sent by the permitted modes. The notice of the meeting shall also be posted on the website of the Company at www.zenithfibres.com

8. **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 27th Annual General Meeting of the Company, to be held on 29th September, 2016.

9. The instructions for shareholders voting electronically are as under

Details of E-voting Schedule:

Particulars	Schedules
Date & time of commencement of voting through electronic means	26th September, 2016 at 09.00 a.m
Date & time of end of voting through electronic means	28th September, 2016 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.

- 5) 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.,
23.09.2009	2008-09	22.10.2016
28.09.2010	2009-10	27.10.2017
29.09.2011	2010-11	28.10.2018
28.07.2012	2011-12	27.08.2019
29.07.2013	2012-13	28.08.2020
30.07.2014	2013-14	29.08.2021
29.09.2015	2014-15	28.10.2022

9. The Securities and Exchange Board of India (SEBI) has mandated submission of Permanent Account Number (PAN) by every participant in security market. Members holding shares in demat form are therefore, requested to submit PAN details to the Depository Participants with whom they are maintaining their Demat Accounts.
10. Members desiring any information, relating to the accounts are requested to write to the Company at least seven working days in advance so as to enable the management to keep the information ready.
11. In accordance with the Articles of Association of the Company, Mr. Sanjeev Rungta, (DIN: 00053602) Director of the Company is liable to retire by rotation and being eligible offers himself for re-appointment. A brief resume and shareholding of Mr. Sanjeev Rungta, is provided in the Corporate Governance Report.

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

Item No. 5

Your Directors regret to inform that Mr. Sanjeev Rungta, Chairman of the Company, is suffering from decompensated liver disease and doctors have suggested for liver transplantation surgery. While he had taken some treatment in Mumbai, he was advised to take further treatment in Apollo Hospital in Chennai. The Chairman had to spend a substantial amount for the medical treatment and the said expenses is expected to go higher. Considering the valuable time being devoted by Mr. Sanjeev Rungta and under his able guidance and leadership, the Company has made a robust progress both in revenue and profitability, the Board is of the view that it would prudent that the Company should help the Chairman in such emergency by reimbursing the medical expenses. The Chairman is not drawing any remuneration in spite of his noteworthy contribution in development and working of the Company except sitting fees for attending the Board Meetings and Committee Meetings. The Company's Nomination and Remuneration Committee had also reviewed the position and had strongly recommended the reimbursement of medical expenses.

The proposed reimbursement of medical expenses would constitute director's remuneration. Pursuant to the provisions of Section 197 of the Companies Act, 2013, Directors can be paid a remuneration up to three percent of the net profit where there is no managing director or whole-time director or manager. Since the Company does not have managing director or whole-time director or a manager under the Act, it is proposed to reimburse the medical expenses incurred by Mr. Sanjeev Rungta on his medical treatment subject to a maximum limit of 3% of the profit made for the financial year 2015-16.

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 is interested or concerned in the proposed resolution financially or otherwise.

DIRECTORS' REPORT

Dear Members,

The Directors are pleased to present the 27th Annual Report together with Audited Financial Statements for the year ended March 31, 2016.

(₹ in Lacs)

PARTICULARS	2015-16	2014-15
Revenue from Operations(net of Excise)	6383	6689
Profit Before Tax	1317	887
Profit After Tax	849	591
Add: Balance brought forward	456	1010
Total	1305	1601
Appropriations		
• Transfer to General Reserve	500	1000
• Proposed Dividend	133	111
• Corporate Dividend Tax	27	23
• Adjustment for depreciation of earlier years	–	11
Profit & Loss Account Balance C/F	645	456

DIVIDEND

Enthused with the working of the Company, the Directors are pleased to recommend a higher dividend of ₹ 3/- on equity share of face value of ₹ 10/- each (30%) for the fiscal year ended 31st March, 2016 as against ₹ 2.50/- per Share (25%) for the previous financial year. The dividend, if approved by the Members in the ensuing Annual General Meeting, would absorb ₹ 159.67 Lacs including dividend distribution tax of ₹ 27 Lacs out of the distributable profits available.

PERFORMANCE

The Company has achieved total revenue of ₹ 6680 Lacs as compared to last year's revenue of ₹ 6921 Lacs. Profit before tax is ₹ 1317 Lacs and profit after tax stands at ₹ 849 Lacs during the year under review as against ₹ 887 Lacs and ₹ 591 Lacs respectively in the previous year.

PLANT OPERATIONS

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

SHARE CAPITAL

The paid up equity capital as on 31st March, 2016 was ₹ 442.23 Lacs consisting of 44,22,346 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.

In pursuance of the Resolution passed by the members in the Annual General Meeting held on 29th Sep. 2015 and as per the Expert opinion of legal experts taken by the Company, 13,32,181 Equity Share not re-issued by the Company has

been cancelled and as a result issued share capital of the Company stands reduced to 44,22,346 Equity Shares of ₹ 10/- each from 57,54,527 Equity Shares of ₹ 10/- each and as per legal opinion, amount originally paid on forfeited shares ₹ 66,60,905/- transferred to Capital Reserve Account.

APPOINTMENT/REAPPOINTMENT/CESSATION OF DIRECTORS/ KMP

The following Directors/KMP are appointed/reappointed/ceased during the year.

Name of Director/KMP	DIN/PAN	Appointment/ Reappointment/ Cessation
Shri Rajeev Rungta	00122221	Liable to retire by rotation and reappointed in 26 th AGM
Shri S.S. Iyer	AAKPI2184H	Designated as CEO on 8/8/2015
Shri K.D. Sharma	AJMPS8854P	Designated as CFO on 8/8/2015
Ms. Siddhi Shah	CZFPS9121N	Appointed as Company Secretary on 01/01/2016

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 Board as well as the evaluation of the working of its Audit, Nomination & Remuneration Committees. The manner in which the evaluation has been carried out has been explained in the Corporate Governance Report.

COMPANY'S POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION

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

FINANCE/ACCOUNTS

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 healthy cash flow. The Company kept surplus funds 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 the corporate governance requirements set out by SEBI. 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 (CSR Policy) indicating the activities to be undertaken by the Company, which has been approved by the Board and hosted on the Company's website. The Annual Report on CSR activities is annexed herewith marked as "Annexure A".

FIXED DEPOSITS

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

PARTICULARS OF LOANS, GUARANTEES, SECURITIES OR INVESTMENTS

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

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

The Company has received declaration from all Independent

Directors of the Company to the effect that they meet the criteria of independence as stipulated u/s 149(6) of the Act.

DIRECTORS' RESPONSIBILITY STATEMENT

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

- a) in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- b) the directors have selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit of the company for the year under review;
- c) the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) the directors 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 Annual General Meeting. They have confirmed their eligibility under Section 141 of the Companies Act, 2013 and the Rules framed thereunder for reappointment as Auditors of the Company.

The Statutory Auditors have not reported any incident of fraud to the Audit Committee of the Company in the year under review.

b) Internal Auditors:

The Board of Directors has appointed M/s Surendra Modiani & Associates as internal auditors of the Company for the F.Y. 2016-17

EXTRACT OF ANNUAL RETURN

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

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

The Code lays down the standard procedure of business conduct which is expected to be followed by the Directors and the Designated Employees in their business dealings and in particular on matters relating to integrity in the work place in business practices and in dealing with stakeholders. All the Board Members and the Senior Management Personnel have confirmed compliance with the Code. All Key Managerial Personnel have been given appropriate briefing in this regard.

WHISTLE BLOWER POLICY/VIGIL MECHANISM

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

PREVENTION OF INSIDER TRADING

The Company has adopted a Code of Conduct for Prevention of Insider Trading pursuant to new SEBI (Prohibition & Insider Trading) Regulations, 2015 with a view to regulate trading in securities by the Directors and Designated Employees of the Company. The Code requires pre-clearance for dealing in the Company's shares and prohibits the purchase or sale of Company shares by the Directors and the Designated Employees while in possession of unpublished price sensitive information in relation to the Company and during the period when the 'Trading Window' is closed. The Board is responsible for implementation of the Code. All Directors and the Designated Employees have confirmed compliance with the Code.

MEETINGS OF THE BOARD

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

SECRETARIAL AUDITOR

Pursuant to provisions of section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 the Company has appointed 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, 2016 is annexed herewith marked as "Annexure C" to this Report. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

RISK MANAGEMENT POLICY

The Company has identified elements of any possible risk threatening the existence of the Company and formulated Risk Management Policy which is already operational.

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

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

PREVENTION OF SEXUAL HARASSMENT AT WORKPLACE

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

PARTICULARS OF EMPLOYEES

The information required pursuant to Section 197 read with rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company is as per "Annexure D" 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 annexed and forms part of this report. The said annexure is not being sent alongwith this report to the members of the Company in line with the provisions of Section 136 of the Companies Act, 2013. Members who are interested in obtaining these particulars, may write to the Company at the Registered Office. The aforesaid annexure is also available for inspection by the members at the Registered Office of the Company, 21 days before the 27th Annual General Meeting and upto the date 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/- per month or Rs.1,02,00,000/- per annum.

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

In the year 2015-16 the economic stability was conducive for Polypropylene Staple Fibre

manufacturing. There is a steady improvement in the domestic geo-textile rates and in other domestic rates and exports. The demand pattern was encouraging.

2. Segment wise Operational Performance

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

Performances in terms of profits are substantially higher than previous year, though production and sales in terms of volume and value differs marginally as under: -

(Quantity in MT)

	2015-16	2014-15
Production	4823	4758
Sales	4725	4721

(₹ in Lacs)

	2015-16	2014-15
Net sales	6383	6689
Profit Before Tax	1317	887
Profit After Tax	849	591

Export was marginally lower at 1445MT (1550MT). Yarn processed outside on job work and sold (added in sales value above) was marginally higher at 1000MT (950MT)

3. Quality & Future Outlook

The general outlook for the Polypropylene Staple Fibre is encouraging.

Product quality of the company is far better than established norms and all efforts are made to improve further.

4. Threats and Concerns

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

For the above reasons, no major threat is overseen and the Company is confident to face any threat in case of capacity expansion by other manufacturers. The Company is also maintaining liquidity to meet any unforeseen exigencies

5. Internal Control Systems and their adequacy

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

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 96 as on 31st March, 2016. The Board of Directors wishes to place on record appreciation for the contribution made by all the employees during the year.

7. Cautionary Statement

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

INDUSTRIAL RELATIONS

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

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-E".

MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY, IF ANY, DURING THE PERIOD FROM 31ST MARCH, 2016 TO THE DATE OF THE REPORT

There has been no material change/commitment affecting the financial position of the Company during the period from the end of the financial year on 31st March, 2016 to the date of the Report.

ACKNOWLEDGEMENTS

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

On behalf of the Board of Directors

Date : 06/08/2016	RAJEEV RUNGTA	MUKUND BERIWALA
Place : Mumbai	Director	Director
	DIN: 00122221	DIN: 00053669

Annexure – A

ANNUAL REPORT ON CSR ACTIVITIES FOR THE FINANCIAL YEAR 2015-16

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.6,76,79,891/-
Prescribed CSR expenditure (Two percent of the above amount)	Rs.13,53,598/-
Details of CSR Spent during the Financial Year :	Budgeted Amount for the year 2015-16: ₹ 13,53,598/- Amount spent upto 31.03.2016 : ₹ 11,00,000/- Amount Unspent if any For F.Y 2015-16: ₹ 2,53,598/- For F.Y 2014-15: ₹ 11,24,557/-
Reason for Unspent amount if any	Projects related to our objects are being identified and evaluated and amounts will be spent as per the need and cash flow availability of the Company.
Responsibility Statement	The CSR Committee confirms that the implementation and monitoring of CSR activities are in compliance with CSR Objectives and Policy of the Company

(₹ in Lacs)

Sr. 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.	Shram Mandir Trust Health Care & Rehabilitation	Health Care	Vadodara-Gujarat	11.00	11.00	11.00	Shram Mandir Trust, Vadodara
	Total			11.00	11.00	11.00	

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

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

Date : 06/08/2016
Place : Mumbai

RAJEEV RUNGTA
Chairman of CSR Committee
DIN: 00122221

MUKUND BERIWALA
Director
DIN: 00053669

Annexure – B

FORM NO. MGT.9

EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31st March, 2016

[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, 2 nd Floor,
Marol Co-op Ind. Estate Ltd. M.V. Road,
J.B. Nagar Post, Andheri(E), Mumbai-400059,
Ph# 022-28599428 Fax# 022-28599429 |
| vi) | Whether listed Company Yes / No | : | Yes |
| vii) | Name, Address and Contact details of Registrar and 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 |

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 S. William Jone Sarani, Kolkata 700071	U70200WB1995PTC072904	ASSOCIATE	30.93%	2(6)

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

i) Category-wise Share Holding

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

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Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
2) Foreign									
a) NRIs - Individuals	--	--	--	--	--	--	--	--	--
b) Other - Individuals	--	--	--	--	--	--	--	--	--
c) Bodies Corp.	--	--	--	--	--	--	--	--	--
d) Banks/FI	--	--	--	--	--	--	--	--	--
e) Any Other...	--	--	--	--	--	--	--	--	--
Sub-total (A) (2):-	--	--	--	--	--	--	--	--	--
Total shareholding of Promoter (A) = (A)(1)+(A) (2)	6600	2216506	2223106	50.27	6600	2216506	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	--
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	277711	800	278511	6.30	180417	800	181217	4.10	(2.20)
ii) Overseas	34784	--	34784	0.79	50123	--	50123	1.13	0.34
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lacs	903882	292066	1195948	27.04	1154748	272766	1427514	32.28	5.24
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lacs	618547	--	618547	13.99	447350	--	447350	10.12	(3.87)
C. Others (specify)	--	--	--	--	--	--	--	--	--
Clearing Members	43850	--	43850	0.99	65436	--	65436	1.48	0.49
Sub-total (B)(2):-	1878774	292866	2171640	49.11	1898074	273566	2171640	49.11	--
Total Public Shareholding (B) = (B)(1) + (B)(2)	1898774	300466	2199240	49.73	1918074	281166	2199240	49.73	--
C. Shares held by Custodian for GDRs & ADRs	--	--	--	--	--	--	--	--	--
Grand Total (A+B+C)	1905374	2516972	4422346	100	1924674	2497672	4422346	100	--

(ii) Shareholding of Promoters

Sr. No.	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	5600	0.13	0	9100	0.21	0	0.08
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	200	0	0	5800	0.13	0	0.13
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.	Avantika S Rungta	3500	0.08	0	--	--	--	(0.08)
14.	Pratik Rungta	5600	0.13	0	--	--	--	(0.13)
15.	Alpha Overseas International Pvt. Ltd.	166700	3.77	0	166700	3.77	0	--
16.	Classic Steels Pvt. Ltd.	3000	0.07	0	3000	0.07	0	--
17.	Demris Finvest Pvt. Ltd.	481500	10.89	0	481500	10.89	0	--
18.	Galaxy Dealers Pvt. Ltd.	325810	7.37	0	325810	7.37	0	--
19.	Rainy Fiscal Services Pvt. Ltd.	560100	12.67	0	560100	12.67	0	--
20.	Shark Barter Pvt. Ltd.	450000	10.18	0	450000	10.18	0	--
21.	South Park Promoters Pvt. Ltd.	138166	3.12	0	138166	3.12	0	--
22.	Vinita Investment Ltd.	18500	0.42	0	18500	0.42	0	--

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

Sr. No.	Date	Name of Promoter	No. of share at the beginning of the year		Increase/ Decrease	Reason for Increase/ Decrease	No. of Shares at the end of the year	
			No. of Shares	%			No. of Shares	%
1		Aarti B Aggarwal	2000	0.05	--	No Change	2000	0.05
2		Abhishake Rungta	10530	0.24	--	No Change	10530	0.24
3	08/09/2015	Aman Rungta	5600	0.13	+3500	Increase	9100	0.21
4		Ashok Rungta	4900	0.11	--	No Change	4900	0.11
5		Ashokkumar Rungta (HUF)	2400	0.05	--	No Change	2400	0.05
6		Madhuridevi Rungta	31200	0.71	--	No Change	31200	0.71
7	08/09/2015	Pinky Rungta	200	0	+5600	Increase	5800	0.13
8		Purvi Rungta	3000	0.07	--	No Change	3000	0.07
9		Rajeev Rungta	6000	0.14	--	No Change	6000	0.14
10		Rajeev Rungta (HUF)	1000	0.02	--	No Change	1000	0.02
11		Sanjeev Rungta	1800	0.04	--	No Change	1800	0.04
12		Vinita Rungta	1600	0.04	--	No Change	1600	0.04
13	08/09/2015	Avantika S Rungta	3500	0.08	-3500	Decrease	--	--
14	08/09/2015	Pratik Rungta	5600	0.13	-5600	Decrease	--	--
15		Alpha Overseas International Pvt. Ltd.	166700	3.77	--	No Change	166700	3.77
16		Classic Steels Pvt. Ltd.	3000	0.07	--	No Change	3000	0.07
17		Demris Finvest Pvt. Ltd.	481500	10.89	--	No Change	481500	10.89
18		Galaxy Dealers Pvt. Ltd.	325810	7.37	--	No Change	325810	7.37
19		Rainy Fiscal Services Pvt. Ltd.	560100	12.67	--	No Change	560100	12.67
20		Shark Barter Pvt. Ltd.	450000	10.18	--	No Change	450000	10.18
21		South Park Promoters Pvt. Ltd.	138166	3.12	--	No Change	138166	3.12
22		Vinita Investment Ltd.	18500	0.42	--	No Change	18500	0.42
		Total	2223106		--		2223106	

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(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.	Mahendra Girdharilal	53119	1.20	--	--	53119	1.20
2.	Karan Singh	--	--	+50000	Increase	50000	1.13
3.	Integrated Financial Services Limited	72000	1.63	-22000	Decrease	50000	1.13
4.	Sujata	46723	1.06	--	--	46723	1.06
5.	Meenum Mohan	32802	0.74	--	--	32802	0.74
6.	Satya Prakash Mittal	100	0.00	+29731	Increase	29831	0.67
7.	Rajaram Sathish	28569	0.65	--	--	28569	0.65
8.	Ashok Maganlal Shah	26173	0.59	-285	Decrease	25888	0.59
9.	Sangeetha	26632	0.60	-1500	Decrease	25132	0.57
10.	Indianivesh Securities Limited	39342	0.89	-14342	Decrease	25000	0.57

(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	75,10,549	Nil	Nil	75,10,549
ii) Interest due but not paid	Nil	Nil	Nil	Nil
iii) Interest accrued but not due	Nil	Nil	Nil	Nil
Total (i+ii+iii)	75,10,549	Nil	Nil	75,10,549
Change in Indebtedness during the financial year				
• Addition	Nil	Nil	Nil	Nil
• Reduction	(29,56,399)	Nil	Nil	(29,56,399)
Net Change	(29,56,399)	Nil	Nil	(29,56,399)
Indebtedness at the end 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

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	
1. Independent Directors								
• Fees for attending board/committee meetings	N.A	10,000	25,000	10,000	15,000	N.A	25,000	85,000
• 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	10,000	25,000	10,000	15,000	N.A	25,000	85,000
2. Other Non-Executive Directors								
• Fees for attending board/committee meetings	25,000	N.A	N.A	N.A	N.A	10,000	N.A	35,000
• 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 (2)	25,000	N.A	N.A	N.A	N.A	10,000	N.A	35,000
Total (B) = (1+2)	25,000	10,000	25,000	10,000	15,000	10,000	25,000	1,20,000

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

(Amount in ₹)

Sr. No.	Particulars of Remuneration	Key Managerial Personnel	
		CEO	Mr. S.S. Iyer
		CFO	Mr. K.D. Sharma
		CS	Ms. Siddhi Shah
1	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961		24,81,575
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961		N.A
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961		N.A
2	Stock Option		N.A
3	Sweat Equity		N.A
4	Commission		N.A
	- as % of profit		
	- Others, specify...		
5	Others, please specify		N.A
	Total		24,81,575

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					
Punishment			NIL		
Compounding					
DIRECTORS					
Penalty					
Punishment			NIL		
Compounding					
OTHER OFFICERS IN DEFAULT					
Penalty					
Punishment			NIL		
Compounding					

Date : 06/08/2016

Place : Mumbai

RAJEEV RUNGTA

Director

DIN: 00122221

MUKUND BERIWALA

Director

DIN: 00053669

Annexure – C
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31st March, 2016

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

To,
The Members,
Zenith Fibres Limited,

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

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has during the audit period covering the financial year ended on 31st March, 2016 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, 2016 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) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 (upto 14th May,2015) and Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 (effect from 15th May,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 (effective from 1st July,2015); and
- b) Listing Agreement entered into by the Company with the Stock Exchanges in India and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (w.e.f. 1st December, 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 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 by respective Department Heads/ Company Secretary, which are reviewed by the Managing Director 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, except cancellation of 13,32,181 forfeited Equity Shares in pursuance to the special resolution passed in the 26th Annual General Meeting, 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 : 06/08/2016

Place : Mumbai

U.C. SHUKLA
COMPANY SECRETARY
FCS: 2727
CP: 1654

Annexure – D

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	No remuneration is paid to 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	1.05% remuneration increased
3.	The percentage increase in the median remuneration of employees in the financial year	9.58% remuneration increased in F.Y 2015-16
4.	The number of permanent employees on the rolls of Company	96 Employees were permanent on the rolls of Company as on 31st March, 2016
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 1.05% where as other employees remuneration increased by 8.24%
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 : 06/08/2016
Place : Mumbai

RAJEEV RUNGTA
Director
DIN: 00122221

MUKUND BERIWALA
Director
DIN: 00053669

Annexure – E

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, 2016.

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.
---	---

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

FORM – A

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

	Current Year (2015-16)	Previous Year (2014-15)
A Power and Fuel Consumption		
1 Electricity		
a. Purchased Units (KWH)	4133470	4356125
Total Amount (₹)	3,15,23,533	3,08,88,136
Rate/Unit (₹)	7.63	7.09
b. Own Generation		
i Through Diesel Generator Unit (KWH)	13878	18489
Total Amount (₹)	3,00,664	4,77,842
Rate/Unit (₹)	21.66	25.84
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)	4823	4758
Electricity (₹/kg)	6.54	6.49
Diesel & Oil (₹/kg)	0.06	0.09

B. FOREIGN EXCHANGE EARNINGS AND OUTGO :

Particulars	₹ in Lacs
• Earnings in Foreign Currency	
F.O.B. Value of Exports	1846.84
• Expenditure in Foreign Currency	
CIF Value of Imports	43.37
Travelling Expenses	4.83

Date : 06/08/2016

Place : Mumbai

RAJEEV RUNGTA

Director

DIN: 00122221

MUKUND BERIWALA

Director

DIN: 00053669

CORPORATE GOVERNANCE REPORT

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

1. Company’s Philosophy on Code of Governance

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

2. Board of Directors

- i. None of the Directors on the Board is a Member of more than 10 committees or a Chairman of more than 5 committees 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 and last Annual General Meeting held during the year and number of directorships held by them in Indian Public Companies and Private Companies and committee chairmanship/membership held by them in Indian Public Companies are given in below table. 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. Abhishake Rungta is a Bachelor of Commerce and has been associated with various types of industries viz Steel, Finance, and Information Technology for about 20 years, is a Non Executive and Independent Director.
- Dr. S.R. Vengsarker is B. Sc.(Hons), M. Text, and also Ph. D. from Leeds University. He has been associated with the Textile Industry for the past over five decades, and the major part of it has been spent in the Synthetic Fibre Industry. He is a Non Executive and Independent Director.
- Mr. Mukund Beriwal is B.A in Economics and has done advance course in Finance from the New York University, is a Non Executive and Independent Director.
- Mr. Amitabha Ghosh is retired Governor of Reserve Bank of India having vast experience in banking field and has very wide experience in Finance, Banking and Management. He is Fellow Member of the Indian Institute of Bankers and F.C.A, is a Non Executive and Independent Director.
- Ms. Shraddha Mookim is B.A (Hons.) in Economics, PGD in Mgmt (Fin), and International Exchange Prog. from Germany. She has very vast experience in the banking sector. She is Non Executive and Independent Director.
- iv. **Non-independent Directors**
- Mr. Sanjeev Rungta and Mr. Rajeev Rungta functioned as Non Executive Directors of the Company during the year 2015-16 and are related to each other. They are promoters of the Company. Except these, none of the Directors of the Company are inter-se-related to each other.

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

v. 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 2015-16	Attendance at the last AGM
Mr. Sanjeev Rungta	00053602	NED* & PD**	4	3	4 out of 4	P
Mr. Rajeev Rungta	00122221	NED & PD	8	(1)#	3 out of 4	P
Mr. Amitabha Ghosh	00055962	NED & ID***	9	(1)3	3 out of 4	A
Dr. S.R. Vengsarker	05307037	NED & ID	1	2	4 out of 4	P
Mr. Abhishake Rungta	00053730	NED & ID	9	--	3 out of 4	P
Mr. Mukund Beriwal	00053669	NED & ID	5	(2)	4 out of 4	P
Ms. Shraddha Mookim	06948233	NED & ID	3	2	3 out of 4	A

*NED - Non-executive Director, **PD- Promoter Director, ***ID-Independent Director, #() Chairmanship, A : Absent, P : Present

3. Board Meeting(s) held during the year 2015-16

In all, four Board Meetings were held during 2015-16 on the following dates:

Board Meeting (s)	I	II	III	IV
Dates	30.05.2015	08.08.2015	07.11.2015	13.02.2016
Venue	Mumbai	Mumbai	Mumbai	Mumbai

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

4. Profile of Directors seeking Appointment/Re-appointment in 27th Annual General Meeting.

Name	Mr. Sanjeev Rungta
Father's Name	Mr. Ajaykumar Rungta
Date of Birth	26/04/1960
DIN	00053602
Qualification	Mechanical Engineer
Category	Promoter & Non Executive Director
Shareholding in the Company	1800
Directorships	1. Zenith Ropes Pvt. Ltd 2. Pearl Industries Limited 3. Maharashtra Seamless Limited
Committee Membership(M)/Chairmanship(C)	Maharashtra Seamless Limited • Audit Committee(M) • Nomination & Remuneration Committee(M)

5. Composition of Committees

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

6. Audit Committee

The Company has an Audit Committee at the Board level, with the powers and roles in accordance with the requirements of the SEBI (LODR) Regulations, 2015 and the Companies Act, 2013. The Committee acts as a link between the Auditors, Key Managerial Personnel and the Board of Directors. The existing Audit Committee has all the power as per Companies Act, 2013 and rules made there under as well as per SEBI (LODR) Regulations, 2015. The composition of Audit Committee is as per para 5:

All the members of Audit Committee are financially literate and majority of them have accounting and financial management expertise. The Chairman of the Audit Committee, Mr. Mukund Beriwala, attended the 26th Annual General Meeting held on Tuesday, September

29, 2015. Details of the Audit Committee Meetings held during 2015-16 are as per table given below.

The audit committee mandatorily reviews:-

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

27th ANNUAL REPORT

Quarters	I	II	III	IV
Dates	30.05.2015	08.08.2015	07.11.2015	13.02.2016
Venue	Mumbai	Mumbai	Mumbai	Mumbai
Attended by Members	Mr. Mukund Beriwala Chairman	Mr. Mukund Beriwala Chairman	Mr. Mukund Beriwala Chairman	Mr. Mukund Beriwala Chairman
	Mr. Sanjeev Rungta Member	Mr. Sanjeev Rungta Member	Mr. Sanjeev Rungta Member	Mr. Sanjeev Rungta Member
	Dr. S.R. Vengsarker Member	Dr. S.R. Vengsarker Member	Dr. S.R. Vengsarker Member	Dr. S.R. Vengsarker Member
	-	-	-	Ms. Shraddha Mookim Member

The terms of reference

The terms of reference of this Committee, include matters specified in the Companies Act, 2013, Rules made thereunder, and Regulation, 18 of the SEBI (LODR) Regulations, 2015. The Committee may investigate any activity within its terms of reference, seek information from any employee, secure attendance of outsiders with relevant expertise, or obtain legal or other professional advice from external sources, whenever required. The terms of reference shall include;

- 1) Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible including;
 - a) Matters required to be included in the 'Director's Responsibility Statement'.
 - b) Changes, if any, in accounting policies and practices and reasons for the same.
 - c) Major accounting entries involving estimates based on the exercise of judgment by Management.
 - d) Significant adjustments made in the financial statements arising out of audit findings.
 - e) Compliance with listing and other legal requirements relating to financial statement.
 - f) Disclosure of any related party transactions and/or Approval or any subsequent modification of transactions of the Company with related parties.
 - g) If any, qualifications in the draft audit report.
 - h) Scrutiny of inter-corporate loans and investments;
 - i) Valuation of undertakings or assets of the Company, wherever it is necessary;
- 2) Recommendation for appointment, remuneration and terms of appointment of auditors of the Company and approval of payment to statutory auditors for any other services rendered. The Committee monitors Auditor's independence and performance and effectiveness of audit process.
- 3) Reviewing, with the Management, the quarterly financial statements before submission to the Board for approval;
- 4) Reviewing, with the Management, the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
- 5) Evaluation of internal financial controls and risk management systems;
- 6) It Reviews, with the Management, performance of statutory and internal auditors, adequacy of the internal control systems, adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit. They may discuss with internal auditors of any significant findings and follow up thereon;
- 7) Review the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
- 8) Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- 9) To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- 10) To review the functioning of the Whistle Blower Mechanism;
- 11) Recommend appointment of CFO (i.e. the whole-time Finance Director or any other person heading the finance function or discharging that function) with the consent of NRC Committee after assessing the qualifications, experience and background, etc.
- 12) Carrying out any other function as is included in the terms of reference of the Audit Committee.

7. Nomination and Remuneration Committee

Pursuant to provisions of Section 178 of the Companies Act, 2013 read with Regulation 19 of the SEBI (LODR) Regulations, 2015, the Composition of Nomination and Remuneration Committee is mentioned in Para no. 5 above and all the members were present in the meeting held on 8th August, 2015 and 7th November, 2015. Mr. Mukund Beriwal, Chairman of the committee attended the 26th AGM held on 29th September, 2015.

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

The terms of reference

The terms of reference includes;

- Formulation of the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a policy, relating to the remuneration of the Directors, key managerial personnel and other employees;
- Formulation of criteria for evaluation of performance of Independent Directors and the Board of Directors;
- Devising a policy on Board diversity;
- Identifying persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down, and recommend to the Board their appointment and removal;
- Evaluation of every Director's performance;
- Carrying out any other function, as is included in the terms of reference of the Committee.

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 Mr. C. Unnikrishnan, Secretarial Officer till 31st December, 2015 and from 1st January, 2016 Ms. Siddhi Shah is appointed. There were 6 complaints received from the shareholders during the year and the same had been duly addressed. All valid share transfers received during the year have been acted upon and there were no shares pending for transfer as on 31st March, 2016.

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 and all the members were present in the meeting held on 30th May, 2015 except Ms. Shraddha Mookim and Projects are being identified and evaluated and amounts spent as per the need and cash flow availability of the Company.

10. General Body Meetings

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

- On 26th AGM held on 29th September, 2015 Special Resolution was passed for cancellation of Equity Shares forfeited by the Company.
- No Extraordinary General Meeting was held during the last three years.
- No postal ballot was conducted during the year.
- At the forthcoming Annual General Meeting, there is no item on the agenda requiring postal ballot.

Particulars	24th AGM	25th AGM	26th AGM
Date	29th July, 2013	30th July, 2014	29th September, 2015
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 Directors Mr. Amitabha Ghosh Mr. Mukund Beriwal	Appointment of Directors • Dr. S.R. Vengsarker • Mr. Abhishake Rungta • Ms. Shraddha Mookim Cancellation of Equity Shares forfeited by the Company

11. Formal 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. The process includes multi-layered evaluation based on well defined criteria consisting of relevant parameters. For the year 2015-16, the Board has carried out an annual performance evaluation of its own, and that of its Committees and individual Directors. Performance evaluation criteria for the Board, its Committees, the Directors and the Chairman of the Company were circulated to and responded by the Directors. A consolidated summary of the ratings as provided by the Directors was prepared and 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. The report of performance evaluation so arrived

at was noted and discussed by the Nomination and Remuneration Committee and the Board in their respective meetings. Board of Directors has expressed their satisfaction with the evaluation process.

12. Independent Directors' Meeting:

The Independent Directors met on 13th February, 2016 to carry out the evaluation for the financial year 2015-16 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.

Shri Sanjeev Rungta and Shri Rajeev Rungta were not present at the Meeting.

13. Managerial Remuneration

All the directors of the Company are Non Executive and only get sitting fees. The details of same 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 2015-16 are mentioned in notes forming part of financial statements.

Name of Directors	No of Meetings Attended		Amount (Rs.)		
	Board Meetings*	Audit Committee Meetings (Rs 2500)	Sitting Fees	Ex-Gratia	Total
Mr. Amitabha Ghosh	3	-	10,000	-	10,000
Mr. Sanjeev Rungta	4	4	25,000	-	25,000
Mr. Mukund Beriwal	4	4	25,000	-	25,000
Mr. Abhishake Rungta	3	-	10,000	-	10,000
Mr. Rajeev Rungta	3	-	10,000	-	10,000
Dr. S.R. Vengsarker	4	4	25,000	-	25,000
Ms. Shraddha Mookim	3	1	15000	-	15000
Total			1,20,000		1,20,000

*From 8th August, 2015 sitting fees of Board Meetings Increased from Rs. 2500/- to Rs. 5000/- per Meeting.

14. Disclosures

a) Directors' Shareholding in the Company

Name of Director	No. of Share held as on 31.03.2016
Mr. Sanjeev Rungta	1800
Mr. Abhishake Rungta	10530
Mr. Rajeev Rungta	6000

b) Subsidiary Companies

The Company has no subsidiary Company.

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

d) The Board has received disclosures from the Key Managerial Personnel relating to material, financial and commercial transactions, where they and/or their relatives have personal interest. There are no materially significant related party transactions of the Company, which have potential conflict with the interest of the Company at large; however, transactions with related parties as per requirements of Accounting Standard – 18 are disclosed under notes to accounts and all transactions with related party, as defined under the Companies Act, 2013 and 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

Date of AGM & Time	29 th September, 2016 at 11.00. A.M.
Venue	Hotel Atithi, 77 A/B Nehru Road, Ville Parle (E), Mumbai
Financial Calendar	April 2016 to March 2017
First Quarter results	First week August, 2016
Second Quarter results	Last week October, 2016
Third Quarter results	Last week January, 2017
Results for year ending March, 2017	before end of May, 2017
Date of Book closure	23rd September, 2016 to 29th September, 2016 (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	1924674 (43.52%) shares of the paid-up capital have been dematerialized as on 31/3/2016. Out of the promoters' capital 6600 shares (0.15%) has been dematerialized.
Outstanding GDRs/ADRs/Warrants or any Convertible Instruments, conversion dates and likely impact on equity	Not issued
Plant Location	Block 458, Village Post Tundav, Taluka Savil, Dist. Vadodara-391 775
Address for Shareholders correspondence	M/s. Zenith Fibres Limited, 2nd Floor, 205 Marol Bhavan, Marol Co-op. Indl. 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.

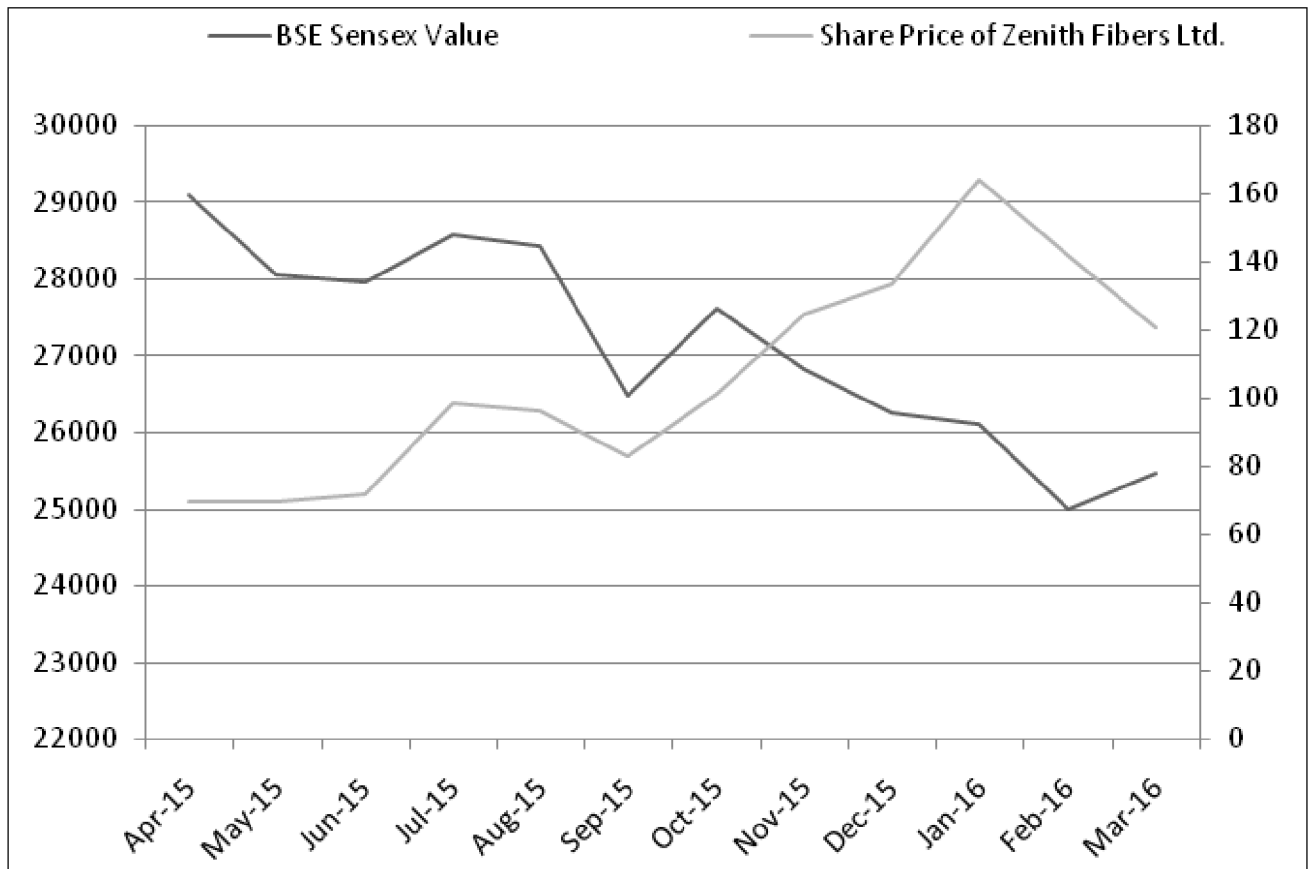
18. Distribution and Shareholding Pattern as on 31st March, 2016

No. of Equity Shares	No. of Folios	%	No. of Shares	%
01-500	4251	88.29	600031	13.57
501-1000	286	5.94	241095	5.45
1001-2000	109	2.26	166324	3.76
2001-3000	42	0.87	106092	2.4
3001-4000	28	0.58	104140	2.36
4001-5000	26	0.54	121847	2.76
5001-10000	37	0.77	275882	6.24
10001 and above	36	0.75	2806935	63.47
TOTAL	4815	100.00	4422346	100
In Physical Mode			2497672	56.48
In Electronic Mode			1924674	43.52

Shareholding Pattern as on 31st March, 2016

Category	No. of Shares	%
Promoters	2223106	50.27
Mutual Funds & UTI	27600	0.62
Financial Institutions	—	—
Domestic Companies	182017	4.10
FII's and NRI's	50123	1.13
Resident Individuals/ others	1940300	43.88
TOTAL	4422346	100

Performance of Share price compared with BSE Sensex



Monthly High/Low in Rs. for April 2015 to March 2016

	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
High	69.80	69.80	71.85	98.55	96.50	83.30	101.6	124.80	133.20	163.90	141.00	121.00
Low	54.50	55.05	61.00	63.50	65.15	63.25	80.15	85.50	127.70	111.70	93.10	95.00

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 Statements

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 : 06/08/2016
Place : Mumbai

RAJEEV RUNGTA
Director
DIN: 00122221

MUKUND BERIWALA
Director
DIN: 00053669

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, 2016, as stipulated in chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations, 2015 pursuant to the Listing Agreement of the said Company with the stock exchanges in India.

The compliance of conditions of Corporate Governance is the responsibility of the Company's management. Our examination was limited to the review of the procedures and implementation thereof, adopted by the Company for ensuring the compliance with the conditions of Corporate Governance. 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 provisions as specified in chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations, 2015 pursuant to the Listing Agreement of the said Company with the stock exchanges in India.

We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

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

Jaswant Jain
Partner
M.No 035126

Date : 06/08/2016
Place : Vadodara

CEO /CFO COMPLIANCE CERTIFICATE

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:
- i. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading
 - ii. these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. There are, to the best of our 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:
1. significant changes in internal control over financial reporting during the year;
 2. significant changes if any, in accounting policies made during the year and that the same have been disclosed in the notes to the financial statements; and
 3. instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the listed entity's internal control system over financial reporting.

Date : 28/05/2016
Place : Vadodara

S.S. IYER
CEO

K.D. SHARMA
CFO

CODE OF CONDUCT COMPLIANCE CERTIFICATE

We 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, 2016

Date : 06/08/2016
Place : Mumbai

RAJEEV RUNGTA
Director
DIN: 00122221

MUKUND BERIWALA
Director
DIN: 00053669

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, 2016, 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, 2016, and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 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;
 - 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, 2016, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016, 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 has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, and as required on long-term contracts including derivative contracts.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

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

Date : 28th May, 2016
Place : Vadodara

Jaswant Jain
Partner
M. No. 035126

Annexure-A to the Independent Auditor's Report of Zenith Fibres Limited for the year ended 31st March, 2016

(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, 2016 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) According to the information and explanations given to us, the Company has not paid or provided for any managerial remuneration and hence, the provisions of clause 3(xi) of the Order are not applicable to the Company.
- 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
Firm Reg. No.103868W

Date : 28th May, 2016
Place : Vadodara

Jaswant Jain
Partner
M. No. 035126

Annexure-B to the Independent Auditor's Report of Zenith Fibres Limited for the year ended 31st March, 2016

(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, 2016 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 judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

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, 2016, 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
Firm Reg. No.103868W

Date : 28th May, 2016
Place : Vadodara

Jaswant Jain
Partner
M. No. 035126

BALANCE SHEET AS AT 31st MARCH, 2016

PARTICULARS	NOTE No.	AS AT 31.03.2016 (₹)	AS AT 31.03.2015 (₹)
I. EQUITY AND LIABILITIES			
Shareholders' funds			
(a) Share Capital	2	4,42,23,460	5,08,84,365
(b) Reserves and Surplus	3	35,89,38,180	28,33,36,657
Non-current Liabilities			
(a) Long term Borrowings	4	15,80,693	46,36,204
(b) Deferred tax liabilities (Net)	5	38,29,357	51,51,386
(c) Long term provisions	6	35,19,387	28,56,153
Current Liabilities			
(a) Trade payables	7	87,34,286	76,61,276
(b) Other current liabilities	8	1,32,19,869	1,10,93,100
(c) Short-term provisions	9	2,47,09,303	1,62,77,301
TOTAL		45,87,54,535	38,18,96,442
II. ASSETS			
Non-current assets			
(a) Fixed Assets			
(i) Tangible assets	10(i)	4,91,65,754	5,70,48,939
(ii) Intangible	10(ii)	5,34,781	1,23,908
(b) Non-current Investments	11	1,42,15,000	1,00,00,000
(c) Long term Loans and Advances	12	50,60,175	45,11,901
Current Assets			
(a) Inventories	13	4,55,90,198	4,84,95,858
(b) Trade receivables	14	3,86,80,327	4,46,98,829
(c) Cash and Bank Balances	15	27,63,27,495	18,81,54,378
(d) Short-term loans and advances	16	2,91,80,805	2,88,62,629
TOTAL		45,87,54,535	38,18,96,442
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

RAJEEV RUNGTA
DIN:00122221

Director

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

MUKUND BERIWALA
DIN:00053669

Director

K.D. SHARMA

C. F. O.

Place : Mumbai
Date : 28th May, 2016

SIDDHI SHAH

Co. Secretary

27th ANNUAL REPORT

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31st MARCH 2016

PARTICULARS	NOTE No.	AS AT 31.03.2016 (₹)	AS AT 31.03.2015 (₹)
I Revenue from operations (Gross) :			
(a) Sale of Product	17	68,75,49,702	71,97,62,499
		<u>68,75,49,702</u>	<u>71,97,62,499</u>
Less : Excise Duty		4,92,12,180	5,08,66,864
Revenue from operations (Net)		<u>63,83,37,522</u>	<u>66,88,95,635</u>
II Other Income	18	<u>2,96,32,751</u>	2,31,90,477
III Total Revenue		<u><u>66,79,70,273</u></u>	<u><u>69,20,86,112</u></u>
IV Expenses			
Cost of materials consumed	19	39,66,98,565	46,91,59,956
Change in inventories of finished goods/Waste and work in progress	20	(77,50,317)	4,49,968
Employees benefits expenses	21	3,17,38,880	2,92,10,542
Finance cost	22	26,71,926	26,63,419
Depreciation and Amortization Expenses	10	72,03,635	81,09,609
Other expenses	23	10,56,93,607	10,00,73,799
Total Expenses		<u><u>53,62,56,296</u></u>	<u><u>60,96,67,293</u></u>
V Profit before Exceptional and Extraordinary items and Tax		<u>13,17,13,977</u>	8,24,18,819
VI Prior Period Items (Refer Note No. vii)		—	62,74,363
VII Profit before tax		<u>13,17,13,977</u>	8,86,93,182
VIII Less : Tax expenses			
1) Current tax		4,79,00,000	2,87,50,000
2) Tax relating to earlier years		2,27,493	4,01,712
3) Deferred tax		(13,22,029)	4,79,124
Total Tax Expenses		<u>4,68,05,464</u>	2,96,30,836
IX Profit for the Year		<u><u>8,49,08,513</u></u>	<u><u>5,90,62,346</u></u>
X Earnings per share (of ₹10/- each)			
(a) Basic		19.20	13.36
(b) Diluted		19.20	13.36
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

RAJEEV RUNGTA
DIN:00122221

Director

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

MUKUND BERIWALA
DIN:00053669

Director

K.D. SHARMA

C. F. O.

Place : Mumbai
Date : 28th May, 2016

SIDDHI SHAH

Co. Secretary

CASH FLOW STATEMENT FOR THE YEAR ENDED AS ON 31st MARCH, 2016

PARTICULARS	AS AT 31.03.2016 (₹)	AS AT 31.03.2015 (₹)
(A) CASH FLOW FROM OPERATING ACTIVITIES :		
Profit before Tax and Extra Ordinary Items.	13,17,13,977	8,24,18,819
ADJUSTMENT FOR :		
Depreciation	72,03,635	81,09,609
(Profit) / Loss on Fixed Assets Discarded	7,48,990	1,61,890
Interest (Net)	(2,22,03,324)	(1,56,39,233)
Operating Profit Before Working Capital Changes	11,74,63,278	7,50,51,085
ADJUSTMENT FOR :		
Trade Receivables	60,18,502	2,99,08,705
Inventories	29,05,660	21,25,577
Trade Payables and Other Payables	38,34,550	18,18,327
Other Receivables	21,35,189	(18,94,548)
CASH IN-FLOW FROM OPERATIONS	13,23,57,179	10,70,09,146
Taxation	(4,27,96,851)	(3,08,31,434)
Cash Flow before Extra Ordinary Items	8,95,60,328	7,61,77,712
Extra Ordinary Items	—	—
Net Cash Flow from Operating Activities (A)	8,95,60,328	7,61,77,712
(B) CASH FLOW FROM INVESTING ACTIVITIES :		
Interest Received	2,00,59,278	1,23,35,202
Purchase of Fixed Assets	(8,87,813)	(45,50,863)
Disposal of Fixed Assets	4,07,500	2,500
Investments (Non-Current)	(42,15,000)	—
Net Cash Received (Spent) from (In) Investing Activities (B)	1,53,63,965	77,86,839
(C) CASH FLOW FROM FINANCE ACTIVITIES :		
Repayment of Term Loans	(29,56,399)	18,52,677
Interest Payment	(6,58,152)	(8,71,379)
Dividend and Tax on Dividend Paid	(1,31,36,625)	(77,03,399)
Bank Borrowings	—	(2,81,77,079)
Net Cash In (Out) Flow from Financing Activities (C)	(1,67,51,176)	(3,48,99,180)
Net Increase/ (Decrease) in Cash and Cash Equivalents (A + B + C)	8,81,73,117	4,90,65,371
Cash & Cash Equivalents as at Beginning of the Year	18,81,54,378	13,90,89,007
Cash and Cash Equivalents as at End of the Year	27,63,27,495	18,81,54,378

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 : 28th May, 2016

RAJEEV RUNGTA
DIN:00122221

MUKUND BERIWALA
DIN:00053669

K.D. SHARMA

SIDDHI SHAH

Director

Director

C. F. O.

Co. Secretary

NOTES FORMING PART OF FINANCIAL STATEMENTS

1.

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 Advise.

	Name of Assets	Life as per Schedule II	Life as per Technical Advise
(1)	Plant & Machinery	25 Years	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.

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.

NOTES FORMING PART OF FINANCIAL STATEMENTS

PARTICULARS	AS AT 31.03.2016 (₹)	AS AT 31.03.2015 (₹)
2 Share Capital		
Authorised		
60,00,000 (60,00,000) Equity Shares of ₹ 10 each	6,00,00,000	6,00,00,000
Issued		
44,22,346 (57,54,527) Equity Shares of ₹ 10 each	4,42,23,460	5,75,45,270
Subscribed & Paid up		
44,22,346 Equity Shares of ₹ 10 each (P.Y 4422346)	4,42,23,460	4,42,23,460
Add: Forfeited Shares (amount originally paid)	—	66,60,905
Total	4,42,23,460	5,08,84,365
a) Reconciliation of Number of Shares at the beginning & at the end of year	31st March 2016	31st March 2015
	No. of Shares	Amount
At the Commencement of the year	44,22,346	4,42,23,460
At the End of the year	44,22,346	4,42,23,460
b) List of Shareholders holding more than 5% of the total number of Shares		
Demris Finvest Pvt. Ltd.	4,81,500	4,81,500
Galaxy Dealers Pvt. Ltd.	3,25,810	3,25,810
Rainy Fiscal Services (P) Ltd.	5,60,100	5,60,100
Shark Barter Pvt. Ltd.	4,50,000	4,50,000
3 Reserves and Surplus		
a) Capital Reserves		
Subsidy received from the District Industries Centre, Govt. of Gujarat.	25,00,000	25,00,000
Share Premium Reserve	91,83,588	91,83,588
Profit on Re-issue of Forfeited shares	33,500	33,500
Cancellation of Forfeited Shares*	66,60,905	—
	1,83,77,993	1,17,17,088
b) General Reserve		
Opening Balance	22,60,00,000	12,60,00,000
Add: Transfer from surplus	5,00,00,000	10,00,00,000
Closing Balance	27,60,00,000	22,60,00,000
c) Surplus in statement of Profit and Loss		
Opening Balance	4,56,19,569	10,09,88,078
Add: Profit for the year	8,49,08,513	5,90,62,346
Closing Balance	13,05,28,082	16,00,50,424
Less: Appropriations		
- Transfer to General Reserve	5,00,00,000	10,00,00,000
- Adjustment relating to Fixed Assets	—	11,24,276
- Dividend @ ₹ 3/- per share (₹ 2.5/- per share)	1,32,67,038	1,10,55,865
- Dividend Distribution Tax	27,00,857	22,50,714
	6,45,60,187	4,56,19,569
Total	35,89,38,180	28,33,36,657

*In pursuance of the Resolution passed by the members in the Annual General Meeting held on 29th Sep. 2015 and as per the Expert opinion of M/s Khaitan & Co. taken by the Company, 13,32,181 Equity Share not re-issued by the Company has been cancelled and as a result Issued Share Capital of the Company stands reduced to by 44,22,346 Equity Shares of Rs 10/- each from 57,54,527 Equity Shares of Rs 10/- each and Amount originally paid on forfeited shares Rs 66,60,905/- transferred to Capital Reserve Account.

NOTES FORMING PART OF FINANCIAL STATEMENTS

PARTICULARS	AS AT 31.03.2016 (₹)	AS AT 31.03.2015 (₹)
4 Long-term Borrowings (Secured by Hypothecation of Vehicles)		
Tenure Maturity Payable EMI Rate of Int.		
From Banks		
- ICICI Bank Ltd., Kolkata	60 15.11.17 99922 10.02%	7,40,125 18,88,254
From Other Parties		
-BMW India Financial Ser.Pvt.Ltd.	60 10.11.16 72397 10.47%	— 5,57,088
- Volkswagen Finance Pvt. Ltd	36 15.10.17 125385 9.75%	8,40,568 21,90,862
Total	15,80,693	46,36,204
(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	62,17,402	67,71,596
b. Deferred Tax Assets		
- Employee benefits	23,88,045	16,20,210
Net Deferred Tax Liability	38,29,357	51,51,386
6 Long-term provisions		
Provision for Employee Benefits		
- Provision for compensated absences	18,45,576	15,62,329
- Gratuity	16,73,811	12,93,824
Total	35,19,387	28,56,153
7 Trade payables		
Amount due to Micro and Small Enterprises [Refer Note No. 24(iii)]	—	—
Amount due to Others	87,34,286	76,61,276
Total	87,34,286	76,61,276
8 Other current liabilities		
Current Maturity of Long-term Borrowings	29,73,457	28,74,345
From Banks ₹ 10,66,075/- (₹ 8,82,720/-)		
From Other Parties ₹ 19,07,382/- (₹ 19,91,625/-)		
(For other details refer note no. 4)		
Unpaid Dividend*	19,49,820	17,79,866
Other payables		
Statutory liabilities ₹ 21,70,269/- (₹ 14,28,666/-)	82,96,592	64,38,889
Interest received in advance ₹ 83,993/- (₹ 65,925/-)		
Others ₹ 60,42,330/- (₹ 49,44,298/-)		
Total	1,32,19,869	1,10,93,100

*These amounts represent warrants issued to shareholders which remained unrepresented as on 31st March, 2016.

NOTES FORMING PART OF FINANCIAL STATEMENTS

PARTICULARS	AS AT	
	31.03.2016 (₹)	31.03.2015 (₹)
9 Short-term provisions		
Provision for Employee Benefits – Provident Fund	1,51,527	1,17,876
Provision for Compensated Absences	10,97,658	9,20,780
Provision for Gratuity	8,41,312	7,57,460
Provision for Current Tax	4,79,00,000/-	
Less:		
Advance Tax	3,90,00,000/-	
TDS Receivable (2015-16)	21,03,908/-	
TDS Receivable (2014-15)	1,45,181/-	4,12,49,089/-
Provision for Wealth Tax	—	29,337
Proposed dividend	1,32,67,038	1,10,55,865
Tax on proposed dividend	27,00,857	22,50,714
Total	2,47,09,303	1,62,77,301

10(i) Tangible Assets

(Amt. in ₹)

Particulars	GROSS BLOCK				DEPRECIATION						NET BLOCK	
	As At 01.04.2015	Additions	Deductions 31.03.2016	Total As At	As At 01.04.2015 W/back	Excess Depreci- ation	Current Period Op. Balance	Adjusted Against	Deductions 31.03.2016	Total As At	As At 31.03.2016	As At 31.03.2015
Land	10,86,398	0	0	10,86,398	0	0	0	0	0	0	10,86,398	10,86,398
Previous Year	10,86,398	0	0	10,86,398	0	0	0	0	0	0	10,86,398	10,86,398
Building	1,62,39,114	0	0	1,62,39,114	89,66,994	0	5,05,945	0	0	94,72,939	67,66,175	72,72,120
Previous Year	1,62,39,114	0	0	1,62,39,114	82,35,592	0	5,04,425	2,26,977	0	89,66,994	72,72,120	80,03,522
Plant & Machineries	16,02,23,049	1,85,662	69,24,122	15,34,84,589	12,59,77,465	0	34,85,690	0	65,82,482	12,28,80,673	3,06,03,916	3,42,45,584
Previous Year	16,52,29,511	1,50,000	51,56,462	16,02,23,049	13,14,04,065	(60,91,134)	45,40,835	10,43,693	49,19,994	12,59,77,465	3,42,45,584	3,38,25,446
Furniture & Fixtures	15,13,571	0	0	15,13,571	8,13,855	0	2,27,212	0	0	10,41,067	4,72,504	6,99,716
Previous Year	31,19,039	0	16,05,468	15,13,571	23,25,851	(1,44,424)	2,30,566	0	15,98,138	8,13,855	6,99,716	7,93,188
Office Equipments	12,22,590	52,280	1,75,761	10,99,109	10,33,520	0	1,16,763	0	1,66,194	9,84,089	1,15,020	1,89,070
Previous Year	16,69,359	66,165	5,12,934	12,22,590	8,17,887	(38,805)	2,57,712	3,93,568	3,96,842	10,33,520	1,89,070	8,51,472
Electric Fittings	1,22,050	0	0	1,22,050	93,645	0	10,038	0	0	1,03,683	18,367	28,405
Previous Year	1,22,050	0	0	1,22,050	83,646	0	9,999	0	0	93,645	28,405	38,404
Vehicles	2,06,64,563	63,411	42,59,065	1,64,68,909	71,96,022	0	27,59,584	0	34,53,781	65,01,825	99,67,084	1,34,68,541
Previous Year	1,63,41,315	43,23,248	0	2,06,64,563	46,90,314	0	25,05,708	0	0	71,96,022	1,34,68,541	1,16,51,001
Computers	18,69,162	1,36,115	23,050	19,82,227	18,10,056	0	58,931	0	23,050	18,45,937	1,36,290	59,105
Previous Year	23,01,512	11,450	4,43,800	18,69,162	22,19,055	0	34,802	0	4,43,800	18,10,057	59,105	82,457
Total	20,29,40,497	4,37,468	1,13,81,998	19,19,95,967	14,58,91,557	0	71,64,164	0	1,02,25,507	14,28,30,214	4,91,65,754	5,70,48,939
Previous Year	20,61,08,298	45,50,863	77,18,664	20,29,40,497	14,97,76,410	(62,74,363)	80,84,047	16,64,238	73,58,774	14,58,91,558	5,70,48,939	5,63,31,888

10(ii) Intangible Assets

(Amt. in ₹)

Particulars	GROSS BLOCK				DEPRECIATION						NET BLOCK	
	As At 01.04.2015	Additions	Deductions	Total As At 31.03.2016	As At 01.04.2015	Additions	Deductions	Adjusted Against Op. Balance	Deductions	Total As At 31.03.2016	As At 31.03.2016	As At 31.03.2015
Intangible Assets	3,42,750	4,50,345	0	7,93,095	2,18,842	39,472	0	0	0	2,58,314	5,34,782	1,23,908
Previous Year	3,42,750	0	0	3,42,750	1,93,280	0	25,562	0	0	2,18,842	1,23,908	1,49,470
Total	3,42,750	4,50,345	0	7,93,095	2,18,842	39,472	0	0	0	2,58,314	5,34,782	1,23,909
Previous Year	3,42,750	0	0	3,42,750	1,93,280	0	25,562	0	0	2,18,842	1,23,908	1,49,470

NOTES FORMING PART OF FINANCIAL STATEMENTS

PARTICULARS	AS AT 31.03.2016 (₹)	AS AT 31.03.2015 (₹)
11 Non-current Investments (Other Investment)		
Unquoted		
10,00,000 Fully paid Equity Shares of ₹ 10/- each (30.94%) of Associated Co. M/s. Rainy Properties Pvt. Ltd., Kolkata (at cost).	1,00,00,000	1,00,00,000
Quoted		
IRFC Tax Free Bonds Series 1A at Cost (M.V ₹ 5,88,000)	5,88,000	—
NHAI Tax Free Bonds Series 1A at Cost (M.V ₹ 36,27,000)	36,27,000	—
Total	<u>1,42,15,000</u>	<u>1,00,00,000</u>
12 Long term Loans and Advances (Unsecured, considered Good)		
(a) Capital Advance	3,91,800	—
(b) Deposit with related party	54,000	54,000
(c) Security Deposits	8,26,674	6,70,200
(d) VAT Credit receivable	37,87,701	37,87,701
Total	<u>50,60,175</u>	<u>45,11,901</u>
13 Inventories (at lower of cost or net realizable value)		
a. Raw Material	2,19,37,767	3,30,88,887
b. Work in Progress	2,42,709	3,39,628
c. Finished Goods	2,05,42,373	1,26,95,762
d. Stores and Spares	22,02,551	17,24,310
e. Packing Materials & Fuel	6,59,298	6,42,396
f. Waste	5,500	4,875
Total	<u>4,55,90,198</u>	<u>4,84,95,858</u>
14 Trade Receivables (Unsecured considered good)		
Exceeding Six months from due date	2,145	2,954
Others	3,86,78,182	4,46,95,875
Total	<u>3,86,80,327</u>	<u>4,46,98,829</u>
15 Cash and Bank Balances		
a) Cash and cash equivalents	2,12,119	46,459
b) <u>Balance with Banks</u>		
- Current Account	73,15,556	58,68,053
- Fixed Deposit Accounts	26,27,00,000	17,74,00,000
c) <u>Other Bank Balances</u>		
Balance with Banks to the extent held as margin money	41,50,000	30,60,000
Un-paid Dividend Accounts	19,49,820	17,79,866
Total	<u>27,63,27,495</u>	<u>18,81,54,378</u>

NOTES FORMING PART OF FINANCIAL STATEMENTS

PARTICULARS	AS AT 31.03.2016 (₹)	AS AT 31.03.2015 (₹)
16 Short Term loans and advances (Unsecured, considered Good)		
a. Advances recoverable in cash or in kind or for value received*	1,53,56,819	1,20,35,345
b. Deposits	75,00,000	75,00,000
c. Balance with Central Excise Authorities	32,18,354	20,76,311
d. VAT Credit Receivable	27,19,260	53,94,912
e. Prepaid Expenses	3,86,372	4,53,063
f. Cenvat Credit of Service Tax receivable	—	14,02,998
Total	2,91,80,805	2,88,62,629
* includes ₹ 429500 /- due from Officers of the Company (₹ 14000/-)		
17 Sales		
Exports	18,39,96,488	19,89,46,653
Fibre	30,76,17,677	32,31,25,547
Yarn	19,26,62,729	19,31,68,748
Waste	32,72,808	45,21,550
Total	68,75,49,702	71,97,62,498
18 Other Income		
Interest Income:		
- Interest from Fixed Deposits	1,98,50,340	1,45,56,565
- Other Interest	30,17,509	19,54,047
Cash Discount	25,98,944	24,64,375
Misc. Scrap Sales	1,86,288	3,59,278
Net Gain/(Loss) on Foreign Currency Transactions & Translations	39,77,962	38,55,073
Other Non-Operating Income	1,708	1,139
Total	2,96,32,751	2,31,90,477
19 Cost of Materials Consumed		
Materials Consumed Comprises of :		
PP Resin	37,27,73,471	44,14,92,952
Master Batch	1,44,06,829	1,82,48,814
Spin Finish	95,18,265	94,18,190
Total	39,66,98,565	46,91,59,956
20 Change in inventories of finished goods/waste and work in progress		
Opening Stock		
Work-in-Progress and waste	3,44,503	4,93,681
Finished goods	1,26,95,762	1,29,96,552
	1,30,40,265	1,34,90,233
Closing Stock		
Work-in-Progress and waste	2,48,209	3,44,503
Finished goods	2,05,42,373	1,26,95,762
	2,07,90,582	1,30,40,265
(Increase)Decrease in inventories of finished goods and WIP-Total	(77,50,317)	4,49,968

NOTES FORMING PART OF FINANCIAL STATEMENTS

PARTICULARS	AS AT 31.03.2016 (₹)	AS AT 31.03.2015 (₹)
21 Employee benefits expenses		
Salaries, Wages and Bonus	2,79,84,252	2,52,07,080
Contribution to Provident and other Funds	28,05,228	35,79,977
Staff Welfare Expenses	9,49,400	4,23,485
Total	3,17,38,880	2,92,10,542
22 Finance cost		
Interest Expenses	6,54,505	7,66,516
Other borrowing costs including Bank Charges	20,17,421	18,96,903
Total	26,71,926	26,63,419
23 Other expenses		
Stores Consumed	39,74,282	37,83,360
Packing Consumed	41,45,645	42,77,893
Power and Fuel	3,18,24,197	3,13,65,978
Rent & Service Charges	20,92,861	22,39,735
Repairs to Building	21,290	—
Repairs to Machinery	7,95,376	9,40,196
Insurance	7,80,927	6,35,253
Rates and Taxes	1,26,417	1,55,226
Processing Charges	3,27,87,507	2,97,48,441
Transportation charges on Job work	17,08,098	15,66,854
Commission and Discount on Sales	35,96,201	42,32,811
Donation	40,85,101	26,26,001
Freight & Forwarding charges – Export	61,70,013	57,48,783
Travelling and Conveyance	43,00,038	35,59,369
Directors Sitting Fees	1,20,000	90,000
<u>Auditors' Remuneration</u>		
- Audit Fees	1,25,000	1,05,000
- Tax Matters	1,25,000	1,40,000
- Other Services	33,500	64,500
Loss on Fixed Assets Discarded	7,48,990	1,61,890
Miscellaneous Expenses*	81,33,164	86,32,509
Total	10,56,93,607	1,00,07,399

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

24 OTHER NOTES:

(i) CONTINGENT LIABILITIES AND COMMITMENTS :

a) **Contingent Liabilities:** Bank Guarantee ₹ 41,50,000/- (₹ 30,60,000/-)

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

Excise department has raised demand of ₹ 90,48,505/- (Including Penalty of ₹ 59,74,353/-) pertaining to period 01/04/2010 to 31/03/2011 vide order of Commissioner, Central Excise and Customs dated 28/08/2014. No provision for the same is made as the Company has contested the same before the higher authority and as per the legal advice received, 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) ₹ 31,500/- (NIL).

- (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 ₹ 20,92,861/- (₹ 23,94,010/-) and future minimum lease payments are as follows :

	Current Year (₹)	Previous Year (₹)
Not later than one year.	10,77,197/-	19,53,363/-
Later than one year but not later than five years	21,07,459/-	31,83,906/-
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	Transaction During the year		Amount Outstanding	
		2015-16	2014-15	2015-16	2014-15
Rainy Properties Private Limited	Investment in Equity Shares	-	-	1,00,00,000	1,00,00,000
Navigator Software Private Limited	Website Hosting Charges	-	13,000	-	-
Sanjeev Rungta	Sitting Fees	25,000	20,000	-	-
Rajeev Rungta	Sitting Fees	10,000	10,000	-	-
Abhishake Rungta	Sitting Fees	10,000	5,000	-	-
S.S. Iyer	Remuneration	12,00,000	12,00,000	-	-
K.D. Sharma	Remuneration	11,00,400	10,88,892	-	-

- (vii) The Company has an investment of Rs.1,00,00,000 in Equity Shares of an Associate Company M/s. Rainy Properties Private Limited. As per the latest audited accounts available for the year 2014-15 it has accumulated loss of Rs.56,40,530 against paid up share capital of Rs.3,23,22,000. Diminution in the value of this investment as on the Balance Sheet date, being temporary in nature and hence not been provided for.

(viii) Foreign Currency Contracts

The Outstanding Foreign Currency Contracts as on 31st March, 2016 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	27900	NIL	17,42,355/-

(ix) a) Defined Contribution Plan – Provident Fund :

During the year, the company has recognized the Company's Contribution to Employees Provident Fund amounting to ₹ 14,79,505/- (₹ 11,64,152/-) 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.

(x) 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, 2016

Sr. No.	Particulars	Gratuity (Funded)		Leave Encashment (Un-funded)	
		31/03/2016	31/03/2015	31/03/2016	31/03/2015
a)	Change in benefit Obligation	10,096,261	7,542,785	2,483,109	1,791,986
	Service cost for the year	764,035	617,719	413,193	292,408
	Interest cost for the year	665,555	646,951	155,749	136,615
	Actuarial losses / (gains) on curtailments	377,932	1,572,432	309,659	8,835,343
	Benefits Paid	246,277	283,626	418,476	621,443
	Closing defined benefit obligation on 31/03/2016	11,657,506	10,096,261	2,943,234	2,483,109
b)	Change in Fair Value of Plan Assets				
	Opening fair value of plan assets	8,044,977	7,106,605	--	--
	Expected Return on Plan Assets	490,186	563,842	--	--
	Contribution by employer	691,941	650,548	--	--
	Benefits paid	246,277	283,626	--	--
	Actuarial (Loss) / Gain on plan assets	161,556	7,608	--	--
	Closing balance of fair value of plan assets	9,142,383	8,044,977	--	--
	Excess of Liability over plan obligation	2,515,123	2,051,284	--	--
	Accrued Liability (Asset)	2,515,123	2,051,284	--	--
c)	Actuarial Gain/Loss recognized				
	Actuarial (gain)/loss on obligations	377,932	1,572,432	--	--
	Actuarial (gain)/loss for the year – plan assets	(161,556)	(7,608)		
	Actuarial (gain)/loss recognized in the year	216,376	1,564,824	--	--
d)	Amount to be recognized in the Balance sheet				
	Present value of obligations as at the end of year	11,657,506	10,096,261	--	--
	Fair value of plan assets as at the end of the year	9,142,383	8,044,977	--	--
	Funded status	2,515,123	2,051,284	--	--
	Net asset/(liability) recognized in balance sheet	(2,515,123)	(2,051,284)	2,943,234	2,483,109
	Current Liability	841,312	757,460	1,097,658	920,780
	Non-current Liability	1,673,811	1,293,824	1,845,576	1,562,329
e)	Expense recognized in statement of Profit & Loss Current Service Cost	764,035	617,719	413,193	292,408
	Interest cost	665,555	646,951	155,749	136,615
	Expected return on plan assets	(490,186)	(629,186)	NIL	NIL
	Net Actuarial (gain)/loss recognized in the year	216,376	1,564,824	309,659	883,543
	Expenses recognized in statement of profit and loss	1,155,780	2,200,308	878,601	1,312,566

27th ANNUAL REPORT

(xi) Actuarial Assumptions

	Published Table of Mortality Rate		
	Weighted Average		
Mortality Rate			
Valuation Method			
Discount Rate Current	7.90%	8.80%	7.90% (7.70%)
Salary Escalation	7.00%	6.00%	7.00% (7.00%)

(xii) Earnings per share

	<u>Current Year</u>	<u>Previous Year</u>
Profit after taxation (₹ in lacs)	849.09	590.62
Weighted average number of shares (Nos.)	4422346	4422346
Earnings per share (Basic and Diluted) (₹)	19.20	13.36
Face value per share (₹)	10	10

(xiii) Deferred Tax Liability

Components of Deferred Tax

Nature of Timing Difference

	<u>Deferred Tax Asset (Liability) as at 31.03.2015</u>	<u>Credit (change) for the year</u>	<u>Deferred Tax Asset (Liability) as at 31.03.2016</u>
a. Deferred tax Liability			
- Depreciation	67,71,595	5,54,193	6217402
b. Deferred tax Asset			
- Gratuity	6,65,539	2,04,895	8,70,434
- Provision for compensated absences.	8,05,645	2,12,949	10,18,594
- Bonus Provision	1,49,027	3,49,990	4,99,017
Net Amount	51,51,384	13,22,029	38,29,357

(xiv) a. TURNOVER :

CLASS OF GOODS

	<u>Sales Amount (₹)</u>	<u>Opening Stock Amount (₹)</u>	<u>Closing Stock Amount (₹)</u>
Polypropylene Staple Fibre	49,48,86,973 (52,65,93,751)	1,24,93,125 (1,22,66,163)	1,37,55,665 (1,24,93,125)
P.P. Yarn	19,26,62,729 (19,31,68,748)	2,02,637 (7,18,780)	50,94,103 (2,02,637)
TOTAL	68,75,49,702 (71,97,62,499)	1,26,95,762 (1,29,84,943)	1,88,49,768 (1,26,95,762)

b. Work in Progress :

	<u>Opening Stock Amount (₹)</u>		<u>Closing Stock Amount (₹)</u>	
	<u>2015-16</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2014-15</u>
- Master Batch	3,10,069	4,42,138	2,09,137	3,10,069
- Polypropylene Resin	17,309	30,189	19,920	17,309
- Standard Fibre	12,250	21,354	13,369	12,250
Total	3,39,628	4,93,681	2,42,426	3,39,628

c. PURCHASES :

Raw Materials	Current Year (₹)	Previous Year (₹)
- Polypropylene Resin	36,33,65,592	38,38,00,473
- Master Batch	1,45,58,188	1,32,79,518
- Spin Finish	76,23,665	84,29,593
Total	38,55,47,445	40,55,09,584

d. VALUE OF RAW MATERIAL CONSUMPTION

Raw Materials	Current Year (₹)	%	Previous Year (₹)	%
a) IMPORTED				
- Spin Finish	64,44,949	1.62	67,30,754	1.43
- Polypropylene Resin	3,88,11,467	9.78	48,25,109	1.03
b) INDIGENOUS				
- Polypropylene Resin	33,39,62,004	84.19	43,66,67,843	93.08
- Master Batch	1,44,06,829	3.63	1,82,48,814	3.89
- Spin Finish	3,07,33,16	0.78	26,87,436	0.57
Total Value of Raw Material Consumption	39,66,98,565	100.00	46,91,59,956	100.00

e. VALUE OF IMPORTS ON CIF BASIS :

	Current Year (₹)	Previous Year (₹)
i) Raw Materials	43,36,507	1,08,05,358
ii) Spares	--	--

f. EXPENDITURE IN FOREIGN CURRENCY

	Current Year (₹)	Previous Year (₹)
i) Travelling	4,82,552	--

g. EARNINGS IN FOREIGN EXCHANGE

	Current Year (₹)	Previous Year (₹)
F.O.B. Value of Exports	18,46,83,984	19,99,35,376

For Jain & Hindocha
Chartered Accountants

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

Place : Mumbai
Date : 28th May, 2016

RAJEEV RUNGTA
DIN:00122221 Director

MUKUND BERIWALA
DIN:00053669 Director

K.D. SHARMA
C. F. O.

SIDDHI SHAH
Co. Secretary



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, 2nd Floor, Marol co-op. Ind. Estate Ltd. M.V. Road, J.B. Nagar Post, Andheri East, Mumbai-400059

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

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

- Name: _____
Address: _____
E-mail ID: _____ Signature: _____, or failing him
- 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 27th Annual General Meeting of the company, to be held on the 29th September, 2016 Thursday 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:

- Adoption of accounts
- Confirmation of dividend
- Re-appointment of Mr. Sanjeev Rungta as Director
- Appointment of Statutory Auditors
- Reimbursement of Medical Expenses to Mr. Sanjeev Rungta

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, 2nd Floor, 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 27th Annual General Meeting of the company, to be held on Thursday the 29th September, 2016 at 11.00.a.m. at Hotel Atithi, 77A/B Nehru Road, Vile Parle(East), Mumbai-400099.

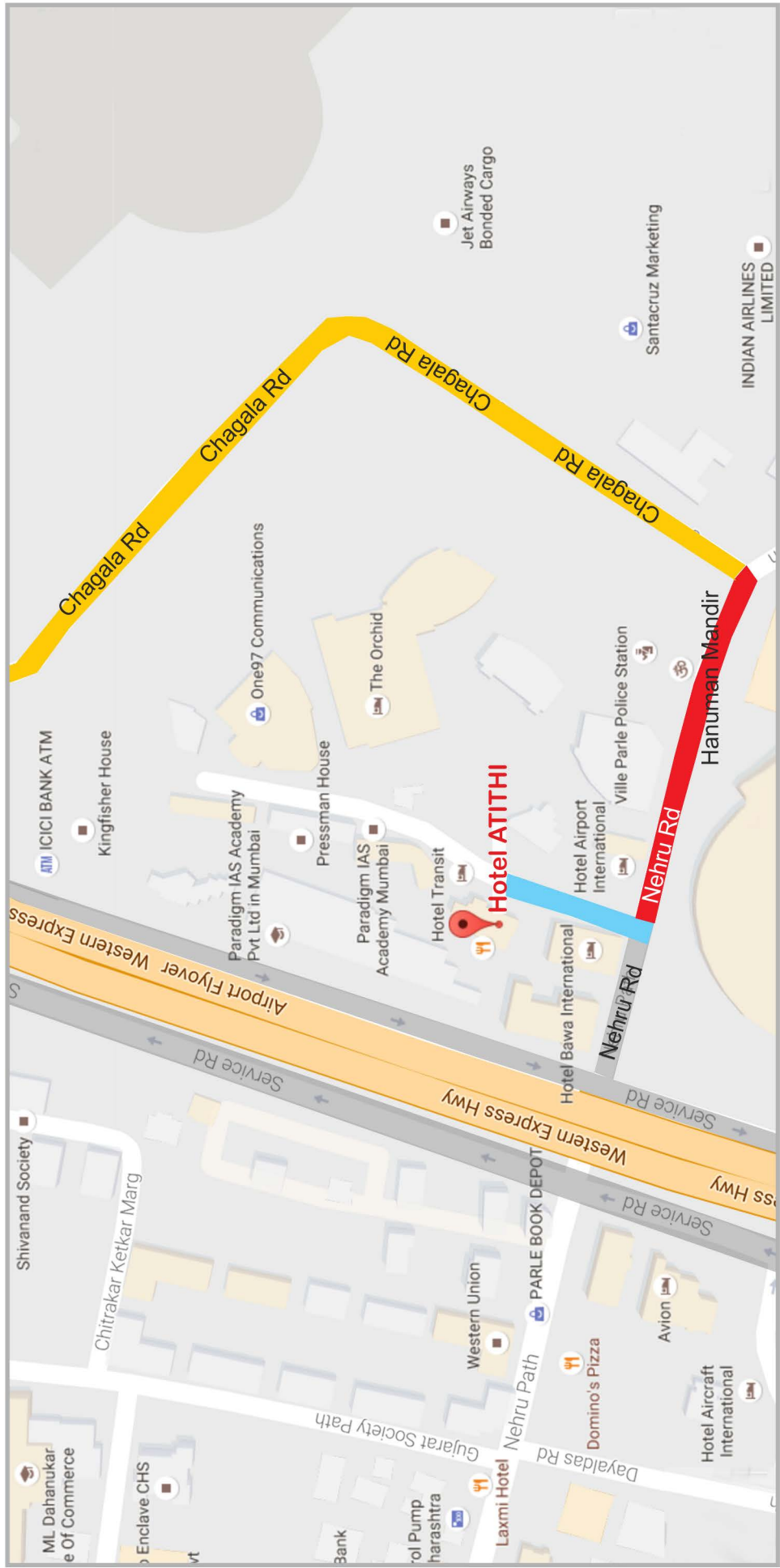
Member's/Proxy Name in Block Letters

Member's/Proxy signature

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

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

Venue of AGM : Route Map



Book-Post

To,



If undelivered please return to:

ZENITH FIBRES LIMITED

Registered Office:

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



(ISO 9001:2008 Certified Company)