

26th Annual Report
2014-2015



Zenith Fibres Limited

कर्मण्येवाधिकारस्ते मा फलेषु कदाचन ।
मा कर्मफलहेतुर्भूर्मा ते सङ्गोऽस्त्वकर्मणि ॥

**RESPECTFUL HOMAGE TO OUR
LATE CHAIRMAN**



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

BOARD OF DIRECTORS

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

MANAGEMENT

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

AUDITORS

M/s. JAIN & HINDOCHA

BANKERS

HDFC BANK LTD.

REGD. OFFICE

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

WORKS

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

REGISTRAR & SHARE TRANSFER AGENT

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

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ZENITH FIBRES LIMITED NOTICE FOR TWENTYSIXTH ANNUAL GENERAL MEETING

CIN: L17120MH1989PLC054580

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

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

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

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

Notice is hereby given that the Twenty Sixth Annual General Meeting of the members of Zenith Fibres Limited will be held on Tuesday, the 29th September of 2015 at 11.00 a.m. at Hotel Atithi, 77A/B Nehru Road, Ville Parle(East), Mumbai- 400099, to transact the following business:

Ordinary Business:

1. To receive, consider and adopt the audited Financial Statements for the year ended on 31st March, 2015 together with Directors' Report and Auditor's Report thereon.
2. To declare Dividend.
3. To appoint a Director in place of Mr. Rajeev Rungta, (DIN: 00122221) who retires by rotation, and being eligible, offers himself for re-appointment.
4. To appoint statutory auditors of the Company, to hold office until the conclusion of 27th Annual General Meeting, and to fix their remuneration.

Special Business:

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

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

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

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

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

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

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

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

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

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

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

8. Cancellation of Equity Shares forfeited by the Company

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

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

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

By Order of the Board of Directors

Place : Mumbai
Date : 08.08.2015

SANJEEV RUNGTA
(DIN: 00053602)
CHAIRMAN

NOTES :

1. A member entitled to attend and vote at the meeting is entitled to appoint one or more proxy(ies) to attend and vote instead of himself and proxy(ies) so appointed need not be a member of the company. A form of proxy is enclosed, and if intended to be used, should be returned to the company duly completed not less than 48 (forty eight) hours before the commencement of the Annual General Meeting.
2. Proxies submitted on behalf of limited companies, societies, etc., must be supported by an appropriate resolution /authority, as applicable.
2. The Register of Members and Share Transfer Books of the Company will remain closed from Wednesday 23rd September 2015 to Tuesday, 29th September 2015 (both days inclusive).
3. The dividend on equity shares as recommended by the Board of Directors, if declared at the Annual General Meeting, will be paid to those shareholders, whose names stand on the Register of Members of the Company on 29th September, 2015 in case of physical shares and to those members as per the beneficiary position given by NSDL and CDSL.
4. Members holding shares in demat form are hereby informed that bank particulars registered with demat accounts, will be used by the Company for the payment of dividend. Members are requested to notify any change in their registered address and/or bank details quoting the folio number of the company to registered Depository participants. Members are requested to register their e-mail address and changes therein with Depositories.
5. Members holding shares in physical form are requested to intimate any change of address and or/ bank mandate to M/s. Universal Capital Securities Pvt. Ltd., 21 Shakil Niwas, Opp. Sai Baba Temple, Mahakali Caves Road, Andheri (E) Mumbai-400093.
6. As a part of "Green Initiative in Corporate Governance", and pursuant to section 101 and section 136 of the Companies Act 2013 read with relevant rules made thereunder, companies can serve Annual Reports and other Communication through electronic mode to those members who have registered their email address(es) with the Depository/Registrar & Share Transfer Agents (RTA) (and available with the Company). It is encouraged that members support green initiative and update desired email address. Please let us know in case you wish to receive the documents in paper mode. For members who have not registered their email address with the depository RTA, physical copies are being sent by the permitted modes. The notice of the meeting shall also be posted on the website of the Company at www.zenithfibres.com
7. Pursuant to section 108 of the Companies Act, 2013, read with rule 20 of the Companies (Management & Administration) Rules, 2014, as amended Clause 35B of the Listing Agreement, the Company is pleased to provide e-voting facility to the Members to cast their votes electronically for the businesses to be transacted at 26th Annual General Meeting of the company, to be held on 29th September, 2015.

Details of E-voting Schedule:

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

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

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

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

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

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

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

- xi. Voting has to be done for each item of the Notice separately. In case you do not cast your vote on any specific item it will be treated as abstained.
- xii. Click on the 'Resolution File Link' if you wish to view the entire Resolutions.
- xiii. Members holding multiple demat accounts / folios shall choose the voting process separately for each demat account / folio.
- xiv. You may then cast your vote by selecting an appropriate option and click on "SUBMIT". A confirmation box will be displayed. Click "OK" to confirm else "CANCEL" to modify. Once you confirm, you will not be allowed to modify your vote. During the voting period, members can login any number of times till they have voted on the Resolution(s).
- xv. Note for Non - Individual Shareholders and Custodians.
 - Non-Individual shareholders (i.e. other than Individuals, HUF, and NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporate.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com
 - After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
 - A scanned copy of the Board Resolution or Power of Attorney (POA) which they have issued in favor of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
 - In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com
- 5) The Scrutinizer shall within a period not exceeding 3 (three) working days from the conclusion of the

e-voting period unblock the votes in the presence of at least 2 (two) witnesses not in the employment of the Company and will make the Scrutinizer's Report of the votes cast in favor or against, if any, forthwith to the Chairman of the Company or any other officer authorized by Chairman.

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

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

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

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

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

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

Item No. 5

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

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

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

Item No. 6

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

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

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

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

Item No. 7

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

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

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

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

Item No. 8

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

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

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

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

Place : Mumbai
Date : 08.08.2015

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