



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 scrutinsier 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:

- in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- 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;
- 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;
- the directors had prepared the annual accounts on a going concern basis;
- 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;
- 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
Place : Mumbai

RAJEEV RUNGTA
Director
DIN: 00122221

MUKUND BERIWALA
Director
DIN: 00053669