



Zenith Fibres Limited

**28th Annual Report
2016-2017**

BOARD OF DIRECTORS

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

MANAGEMENT

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

AUDITORS

M/s. JAIN & HINDOCHA

BANKERS

HDFC BANK LIMITED

REGD. OFFICE

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

WORKS

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

SHARE TRANSFER AGENT

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

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ZENITH FIBRES LIMITED

NOTICE FOR TWENTY EIGHTH ANNUAL GENERAL MEETING

CIN: L17120MH1989PLC054580

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

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

Notice is hereby given that the Twenty Eighth Annual General Meeting of the members of Zenith Fibres Limited will be held on Friday, the 29th of September, 2017 at 11.00 a.m. at Hotel Atithi, 77A/B Nehru Road, Ville Parle(East), Mumbai-400099, to transact the following business:

Ordinary Business:

1. To receive, consider and adopt the audited Financial Statements for the year ended on 31st March, 2017 together with Directors' Report and Auditor's Report thereon.
2. To declare Dividend.
3. To appoint a director in place of Mr. Abhishake Rungta, (DIN: 00053730) who retires by rotation, and being eligible, offers himself for re-appointment.
4. **To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:**

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

Special Business:

5. Reimbursement of Medical Expenses

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

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

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

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

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

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

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

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

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

OTHER TERMS:

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

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

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

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

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

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

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

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

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

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

OTHER TERMS :

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

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

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

By order of the Board of Directors

Date : 12/08/2017
Place : Mumbai

Siddhi Shah
Company Secretary

NOTES:

1. **A member entitled to attend and vote at the meeting is entitled to appoint one or more proxy(ies) to attend and vote instead of himself and proxy(ies) so appointed need not be a member of the company. A form of proxy is enclosed, and if intended to be used, should be returned to the company duly completed not less than 48 (forty eight) hours before the commencement of the Annual General Meeting.**
Proxies submitted on behalf of corporate members must be supported by an appropriate resolution/authority, as applicable.
2. A person can act as a proxy on behalf of members not exceeding fifty and holding in aggregate not more than ten percent of the total share capital of the company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy provided such person shall not act as a proxy for any other person or shareholder.
3. An explanatory statements pursuant to Section 102 of the Companies Act, is annexed.
4. The Register of Members and Share Transfer Books of the Company will remain closed from Saturday, 23rd September 2017 to Friday, 29th September 2017, (both days inclusive).

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5. The dividend on equity shares as recommended by the Board of Directors, if declared at the Annual General Meeting, will be paid to those shareholders, whose names stand on the Register of Members of the Company on 29th September, 2017 in case of physical shares and to those members as per the beneficiary position given by NSDL and CDSL.
6. Members holding shares in demat form are hereby informed that bank particulars registered with demat accounts, will be used by the Company for the payment of dividend. Members are requested to notify any change in their registered address and/or bank details quoting the folio number of the company to registered Depository participants. Members are requested to register their e-mail address and changes therein with Depositories.
7. Members holding shares in physical form are requested to intimate any change of address and/or bank mandate to M/s. Universal Capital Securities Pvt. Ltd., 21 Shakil Niwas, Opp. Sai Baba Temple Mahakali, Caves Road, Andheri (E), Mumbai-400093.
8. As part of "Green Initiative in Corporate Governance", and pursuant to section 101 and section 136 of the Companies Act, 2013 read with relevant rules made thereunder, companies can serve Annual Reports and other communication through electronic mode to those members who have registered their email address(es) with the Depository/Registrar & Share Transfer Agents (RTA) (and available with the Company). It is encouraged that members support green initiative and update desired email address(es). Please let us know in case you wish to receive the documents in paper mode. For members who have not registered their email address with the depository RTA, physical copies of Notice along with abridged Balance Sheet and P&L account are being sent by the permitted modes. The notice of the meeting shall also be posted on the website of the Company at www.zenithfibres.com
9. Voting Process and Declaration of Results :
- Pursuant to section 108 of the Companies Act 2013, read with rule 20 of the Companies (Management & Administration) Rules, 2014 and amendments thereof and Regulation 44 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide e-voting facility to the Members to cast their votes electronically for the businesses to be transacted at 28th Annual General Meeting of the Company, to be held on 29th September, 2017.
10. Members are requested to note that as per Section 123 of the Companies Act 2013, dividend(s) not encashed/claimed within seven years from the date of declaration will be transferred to Investor Education and Protection Fund (IEPF). After transfer of said amount to IEPF, no claims in this respect shall lie against IEPF or the Company.

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

Date of declaration of Dividend	Dividend for the year	Due date of transfer to the Govt.
28.09.2010	2009-10	27.10.2017
29.09.2011	2010-11	28.10.2018
28.07.2012	2011-12	27.08.2019
29.07.2013	2012-13	28.08.2020
30.07.2014	2013-14	29.08.2021
29.09.2015	2014-15	28.10.2022
29.09.2016	2015-16	28.10.2023

10. The Securities and Exchange Board of India (SEBI) has mandated submission of Permanent Account Number (PAN) by every participant in security market. Members holding shares in demat form are therefore, requested to submit PAN details to the Depository Participants with whom they are maintaining their Demat Accounts.
11. Members desiring any information, relating to the accounts are requested to write to the Company at least seven working days in advance so as to enable the management to keep the information ready.
12. In accordance with the Articles of Association of the Company, Mr. Abhishake Rungta, (DIN: 00053730) Director of the Company is liable to retire by rotation and being eligible offers himself for re-appointment. A brief resume of Mr. Abhishake Rungta, is provided in the Annexure to the Notice.

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

Item No. 4

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

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

Item No. 5

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

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

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

Item No. 6

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

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

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

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

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

Item No. 7

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

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

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

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

ANNEXURE TO THE NOTICE

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

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The instructions for shareholders voting electronically are as under

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

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

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

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

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

DIRECTORS' REPORT

Dear Members,

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

(₹ in Lacs)

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

DIVIDEND

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

PERFORMANCE

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

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

PLANT OPERATIONS

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

SHARE CAPITAL

The paid up capital as on 31st March, 2017 was ₹ 4,42,23,460 consisting of 44,22,346 numbers of Equity Shares of ₹ 10/- each. During the year under review, the Company has not issued any bonus shares, equity shares nor any right shares with differential voting rights etc., neither granted any stock options or sweat equity.

APPOINTMENT/REAPPOINTMENT/CESSATION OF DIRECTORS/ KMP

The following Directors/KMP is appointed/ reappointed/ ceased during the year :

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

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

BOARD EVALUATION

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

SUBSIDIARY / JOINT VENTURE / ASSOCIATE COMPANY

Please refer Form AOC 1 at "Annexure A".

COMPANY'S POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION

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

FINANCE

The Company continued to focus on improved cash generation without any compromise in the quality of its product. The focus on managing optimal levels of inventory, sound capacity utilization of each line in operation and cost saving/cutting across the organisation helped generate satisfactory cash flow. However the overall generation was reduced due to reduced sales. The Company has in the past kept surplus funds invested prudently, without any undue risk so as to ensure safety and liquidity of the funds. The Company was able to raise the short-term/long term funds if and as and when required at reasonable rates and repaid strictly on due date as per terms.

CORPORATE GOVERNANCE

The Company is committed to maintain the highest standards of Corporate Governance and adhere to these requirements as set out by law. The report on Corporate Governance as stipulated under Securities Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations, 2015 forms an integral part of this Report. The requisite certificate

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

CORPORATE SOCIAL RESPONSIBILITY

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

FIXED DEPOSITS

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

PARTICULARS OF LOANS, GUARANTEES, SECURITIES OR INVESTMENTS

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

DECLARATION GIVEN BY INDEPENDENT DIRECTORS

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

DIRECTORS' RESPONSIBILITY STATEMENT

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

- a) in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- b) the directors have selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for the year under review;
- c) the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) the directors had prepared the annual accounts on a going concern basis;
- e) the directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively;
- f) the directors had devised proper system to ensure compliance with the provisions of all applicable laws and that such system were adequate and operating effectively.

PARTICULARS OF CONTRACTS OR ARRANGMENTS WITH RELATED PARTIES REFERRED TO IN SECTION 188 OF THE COMPANIES ACT, 2013

There are no materially significant related party transactions made by the company with Promoters, Key Managerial Personnel or other designated persons during the year, which may have potential conflict with interest of the Company at large.

AUDIT COMMITTEE RECOMMENDATIONS

During the year, the Board has accepted all recommendations of Audit Committee and accordingly no disclosure is required to be made in respect of non acceptance of the recommendation of the Audit Committee by the Board.

AUDITORS

a) Statutory Auditors

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

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

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

b) Internal Auditors

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

EXTRACT OF ANNUAL RETURN

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

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

Since there was no qualification/reservation/ adverse remark/disclaimer either by the Auditors or Secretarial Auditors in their respective report, no explanation/ comment is offered.

CODE OF CONDUCT

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