

BOARD OF DIRECTORS
Sarvashree

A.K. RUNGTA	<i>Chairman</i>
AMITABHA GHOSH	<i>Director</i>
C.I. GANDHI	<i>Director (upto 13/07/2011)</i>
SANJEEV RUNGTA	<i>Director</i>
RAJEEV RUNGTA	<i>Director</i>
ABHISHAKE RUNGTA	<i>Director</i>
MUKUND BERIWALA	<i>Director</i>

Dr. S.R. VENGSARKER *Advisor*

BANKIM PUROHIT *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.

WORKS

Block 460/P,
Village Post Tundav,
Taluka Savli,
Dist. Vadodara - 391 775.

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NOTICE FOR TWENTY SECOND ANNUAL GENERAL MEETING

NOTICE is hereby given that the Twenty Second Annual General Meeting of the members of Zenith Fibres Limited will be held at 3.30 p.m. on Thursday, 29th September, 2011 at Hotel Atithi, 77 A/B Nehru Road, Ville Parle (East), Mumbai - 400099, to transact the following business :

ORDINARY BUSINESS :

- 1) To receive, consider and adopt the audited Balance Sheet and Profit & Loss Account for the year ended on 31st March, 2011 together with Directors' Report and Auditors' Report thereon.
- 2) To declare dividend.
- 3) To appoint a Director in place of Mr. Amitabha Ghosh, who retires by rotation, but being eligible offers himself for reappointment.
- 4) To appoint a Director in place of Mr. Munkund Beriwala, who retires by rotation, but being eligible offers himself for reappointment.
- 5) To appoint Auditors and fix their remuneration.

Place : Mumbai
Date : 30th July, 2011

By Order of the Board of Directors
SANJEEV RUNGTA
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 OR PROX (IES) SO APPOINTED NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT APPOINTING PROXY SHOULD BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
2. The Share Transfer Register and Register of Members will be kept closed from 24th September, 2011 to 29th September, 2011 (both days inclusive).
3. As required under Clause 49 of the Listing Agreement, profile of Directors being re-appointed is mentioned in Corporate Governance Report.
4. The dividend on equity shares as recommended by the Board of Directors, if declared at the Annual General Meeting, will be paid :
 - (i) In respect of shares held in physical form to those shareholders, whose names stand on the Register of Members of the Company as on the last date of book closure i.e. 29.09.2011.
 - (ii) in respect of shares held in the dematerialized form to those members, whose name appear in the statements as furnished by the depositories for this purpose as at the end of the business hours on 24.09.2011.
5. Members desiring any information as regards accounts or operations of the Company are requested to send their queries in writing at least seven days in advance of the date of the meeting so as to enable the management to keep the information ready.
6. Members are hereby informed that the dividends which remain unclaimed/unpaid over a period of seven years, have to be transferred by the Company to the Investors' Education & Protection Fund constituted by the Central Government under Section 205(A) and 205(C) of the Companies Act, 1956.

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.
28.09.2004	2003-04	27.10.2011
27.09.2005	2004-05	26.10.2012
27.09.2006	2005-06	26.10.2013
22.09.2007	2006-07	21.10.2014
29.09.2008	2007-08	28.10.2015
23.09.2009	2008-09	22.10.2016
28.09.2010	2009-10	27.10.2017

It may be noted that no claim of the shareholders will be entertained for the unclaimed dividends which have been transferred to the credit of the Investor Education & Protection Fund of Central Government under the provisions of Section 205(B) of the Companies Act, 1956.

In view of above, the shareholders are advised to send all the unpaid dividend warrants to the Registered Office of the Company for revalidation and encash them before the due date for transfer to the Central Government.

Place : Mumbai
Date : 30th July, 2011

By Order of the Board of Directors
SANJEEV RUNGTA
CHAIRMAN

DIRECTORS' REPORT

Dear Members,

Your Directors are pleased to present the Twenty Second Annual Report on the working of the Company along with the audited statement of accounts for the financial year ended 31st March, 2011.

FINANCIAL HIGHLIGHTS

	(Rupees in Lacs)	
	Current Year	Previous Year
TURNOVER	4177.55	3581.49
OPERATING PROFIT	481.87	501.30
CASH PROFIT	467.33	485.50
PROFIT BEFORE TAX	372.55	390.34
PROFIT AFTER TAX	247.81	286.37

MANAGEMENT DISCUSSION AND ANALYSIS

(a) Industry Structure and Development : With gradual recovery from global economic turbulence in major sectors of the economy, Man-made Fibre Industry maintained consumption pattern and Polypropylene Fibre, industry in our country followed the same trend. However, there continued to remain a wide gap in per capita consumption of PP Fibre as compared to developed countries. The major areas of consumption of PP Fibre in the world market viz. 'Geo-Textiles' and for hygiene applications are showing signs of necessary and once the consumption picks up it can lead to phenomenal growth and development of PP Fibre Industry.

(b) Segment-wise operational performance : Your Company operates into only one business segment - Manufacturing of Man Made Fibres.

Turnover for the year ended 31st March, 2011 amounted to Rs. 4177.55 lacs as against Rs. 3581.49 lacs last year. Operating profit stood at Rs. 481.87 lacs as against Rs. 501.30 lacs in the previous year. Cash profit was at Rs. 467.33 lacs as against Rs. 485.50 lacs in the earlier year. Profit before tax stood at Rs. 372.55 lacs as against Rs. 390.34 lacs in the earlier year and Profit after tax was at Rs. 247.81 lacs as against Rs. 286.37 lacs in the previous year.

Production during the year was higher at 3830 tons than in the previous year at 3398 tons. Sales of fibre including self consumption for conversion was 3809 tons as compared to 3471 tons last year. Sales of yarn was lower at 636 tons as compared to 798 tons last year.

(c) Outlook : The general outlook for the industry is fairly steady. The domestic market continued to maintain steady consumption. With special emphasis on 'Infrastructure' sector it can further augur well for the Company. Use of geo-textile in construction of new roads, rails, which is a standard norm in developed countries can lead to a phenomenal rise in demand of your Company's products.

(d) Threats and concerns : Your Company continues to maintain constant guard from possible imports and to ward off this threat the pricing of the finished goods is done accordingly so as to match the international prices. The non utilization of geo-textiles as a standard in large projects by the Government is of concern to the Company, whereby the requirement of PP Fibre should be highest as per international standards. The Company continues to maintain close vigil on supplies in the domestic market from the new players and is constantly taking necessary measures to ward off any un-warranted threat from the new players.

(e) Internal control systems and their adequacy : Adequate internal control systems are in place to maintain quality of product, proper accounting as per norms laid, asset maintenance and its proper use. All assets are adequately covered by comprehensive insurance. Independent Internal Auditor reviews accounts periodically and 'Audit Committee' of the Board overviews the same and ensures compliance.

(f) Human Resources and Industrial Relations : The Company has adequate and qualified human resources and enjoys cordial relations with all its employees at all levels. Number of employees are 97 as on 31st March 2011. The Board of Directors wish to place on record its highest appreciation for the contribution made by all the employees during the year.

DIVIDEND

Your Directors recommend for your approval a dividend of 15% for the financial year 2010-11. There will be no tax deduction at source on dividend payment and your Company will pay dividend distribution tax on this dividend along with surcharge thereon and education cess. The dividend received at shareholders end will be free of tax. The total outgo to the Company on this score shall be about Rs. 78 lacs.

DIRECTORS

To comply with the requirement of the Companies Act, 1956 and Articles of Association of the Company, Shri Amitabha Ghosh and Shri Mukund Beriwalla, retire from the Board by rotation and being eligible offer themselves for re- appointment.

As required under Clause 49 of the Listing Agreement, the details concerning the Directors seeking appointment/ re-appointment are included in the Corporate Governance Report.

DIRECTORS' RESPONSIBILITY STATEMENT

To the best of their knowledge and belief and according to the information and explanations provided to them, your Directors make the following statement, pursuant to Section 217(2AA) of the Companies Act, 1956 that :

1. in preparation of the annual accounts, the applicable accounting standards have been followed and there has been no material departure.
2. appropriate accounting policies have been selected and applied consistently, and judgments and estimates that are reasonable and prudent made so as to give a true and fair view of affairs of the Company as at March 31, 2011 and of the profit of the Company for the year ended on March 31, 2011.
3. proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
4. the annual accounts are prepared on a going concern basis.

AUDITORS' QUALIFICATION

With regard to Qualification in the auditors' report for non-provision of doubtful advances of Rs. 247745/- your directors wish to state that efforts are underway to recover this outstanding and the company is hopeful towards recovering the same.

CORPORATE GOVERNANCE

As per clause 49 of the Listing Agreement with the Stock Exchange, a separate section on Corporate Governance together with a certificate from the Company's Auditors confirming compliance is set out in the Annexure forming part of this report.

ENERGY, TECHNOLOGY & FOREIGN EXCHANGE

Information pertaining to conservation of energy, technology absorption and foreign exchange earnings and outgo pursuant to section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of particulars in the Report of the Board of Directors) Rules, 1988 is annexed hereto and forms part of this report.

AUDITORS

Members are requested to appoint Auditors for the period from the conclusion of the ensuing Annual General Meeting till the conclusion of the next Annual General Meeting and to authorize the Board of Directors to fix their remuneration.

EMPLOYEES

Since none of the employee was in receipt of a remuneration exceeding Rs. 2,00,000/- per month or Rs. 24,00,000/- per annum during the year under review, provisions of Section 217(2A) along with relevant rules do not apply to the Company.

ACKNOWLEDGEMENT

Your Directors are thankful to all who contributed and assisted to achieve these results. They wish to place on record their appreciation for the support extended by the bankers, valuable customers, suppliers and the 'Share holders'.

For and on behalf of Board of Directors

SANJEEV RUNGTA
CHAIRMAN

Place : Mumbai
Date : 30th July, 2011

ANNEXURE TO THE DIRECTORS' REPORT

Disclosure of particulars in respect of Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo, required under the Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988 :

A) Conservation of Energy :

1. By maintaining very good power factor of 0.99 almost throughout the year, the company manages to receive applicable rebate in the monthly power bill from the electricity supplying utility firm.
2. The overall increase in the power cost by the electricity supplying utility firm is of concern to the Company and the increase in fuel cost increased per unit of production on captive power to an extent.
3. There is continued endeavour to maintain capacity utilization at optimum levels to ensure that overall cost per unit of production does not go up.

B) Technology Absorption :

With continued modifications and possible technology upgrades, we continue to produce better quality product in all the grades. We continue to receive very satisfactory feedback from almost all the customers, both domestic and foreign.

C) Foreign Exchange Earnings and Outgo :

	(Rupees)	
	Current Year	Previous Year
1. Total Foreign Exchange used (including CIF value of raw-materials, stores, spare parts, plant & machinery, fees for technical services, commission and traveling)	36,02,424	1,58,90,125
2. Total Foreign Exchange earned (FOB value of exports)	13,81,92,497	9,84,79,387

FORM - A

(See Rule – 2)

Form for disclosure of particulars with respect to Conservation of Energy

	CURRENT YEAR 2010-2011	PREVIOUS YEAR 2009-2010
A) POWER & FUEL CONSUMPTION :		
1. Electricity		
a) Purchased Units	3261690	2898606
Total Amount (Rs.)	17286972	15786278
Rate/Unit (Rs.)	5.30	5.45
b) Own Generation		
(i) Through Diesel Generator Units	29916	33205
Total Amount (Rs.)	517729	512466
Cost per unit (Rs.)	17.31	15.43
(ii) Through Steam Turbine/Generator	N.A.	N.A.
2. Coal (for steam generation)	N.A.	N.A.
3. LSHS Oil	N.A.	N.A.
4. Others (LDO / Furnace Oil)	N.A.	N.A.
B) CONSUMPTION PER UNIT OF PRODUCTION :		
Polypropylene Staple Fibre (MT)	3830	3398
Electricity Rs./kg.	4.51	4.65
Diesel & Oil Rs./kg.	0.14	0.15

FORM-B

Form for disclosure of particulars with respect to Technology Absorption.

A) RESEARCH & DEVELOPMENT :

1. The specific areas in which Research & Development is carried out by the Company : NIL
2. Benefits derived as a result of the above Research & Development Work : NIL
3. Future Plan of Action : The Company is making strenuous efforts to add new Fibre grade in its range, reduce the cost of production and develop export market.
4. Expenditure on Research & Development :
 - (a) Capital Expenditure : NIL
 - (b) Recurring Expenditure : NIL
 - (c) Percentage of Expenditure of turn-over : NIL

B) TECHNOLOGY ABSORPTION, ADOPTION AND INNOVATION :

1. Efforts made towards technology absorption, adoption and innovation : NIL
2. Benefits derived as a result of above efforts : NIL
3. Information relating to the technology imported during the last 5 years
 - (a) Technology Imported : NIL
 - (b) Year of Import : N.A.
 - (c) Has technology been fully absorbed : N.A.
4. If not fully absorbed area where this has not taken place, reasons thereof and future plan of action : N.A.

For and on Behalf of the Board

Place : Mumbai
Date : 30th July, 2011

SANJEEV RUNGTA
CHAIRMAN

CORPORATE GOVERNANCE REPORT

Pursuant to Clause 49 of the Listing Agreement, a Report on Corporate Governance is given below :

A MANDATORY REQUIREMENTS

1 Company's philosophy on Code of Governance

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

2 Board of Directors

Composition, Status, Attendance at the Board Meetings & the last AGM :

Name of Director	Status i.e. Executive/ Non-Executive/Independent	No. of Board Meetings Attendend	Attendance at the last AGM
Mr. A. K. Rungta (Promoter)	Non-Executive	1	No
Mr. A. Ghosh	Independent	2	No
Mr. C. I. Gandhi	Independent	4	Yes
Mr. Sanjeev Rungta (Promoter)	Non-Executive	4	Yes
Mr. Rajeev Rungta (Promoter)	Non-Executive	3	Yes
Mr. A. Rungta	Independent	0	Yes
Mr. M. Beriwala	Independent	4	Yes

Number of Companies or Committees in which the Director is a Director/Chairman

Name of Director	No. of other Companies in which Director/Chairman (other than Private Limited Companies)	No. of Committees of other Companies in which member / Chairman
Mr. A. K. Rungta	2	0
Mr. A. Ghosh	13	Member - 9 Chairman - 5
Mr. C. I. Gandhi	1	0
Mr. Sanjeev Rungta	1	0
Mr. Rajeev Rungta	4	0
Mr. A. Rungta	4	0
Mr. M. Beriwala	1	0

Apart from reimbursement of expenses incurred in the discharge of their duties and receipt of sitting fees for attending Board/Committee Meetings as Non-Executive Directors none of the Directors has any other material pecuniary relationship or transactions with the Company, its Promoters, its Directors, its Senior Management or its subsidiaries and associates, which in judgment would affect their independence. Mr. A. K. Rungta is the father of Mr. Sanjeev Rungta and Mr. Rajeev Rungta and are related to each other. Except this, none of the Directors of the Company are inter-se-related to each other.

Four Board Meetings were held during the year on 23/4/10, 26/7/10, 21/10/10 & 29/1/11.

3 Audit Committee

The Audit Committee comprises of Mr. C. I. Gandhi, Chairman of the Committee and Mr. M. Beriwala, both being Independent Directors and Mr. S. Rungta, Non-Executive Director. The terms of reference of this Committee are wide enough covering the matters specified for Audit Committee under the Listing Agreement and the provisions of Section 292A of the Companies Act, 1956. The meetings of the Committee were held on 23/4/10, 26/7/10, 21/10/10 & 29/1/11. All the members attended all the meetings,

4 Remuneration Committee

Since none of the Directors of the Company is drawing any salary or commission the Board of Directors has decided not to constitute the said Committee. The Directors only received Sitting Fees for attending Board and Audit Committee Meetings as detailed below :

Name of Director	Sitting Fees Paid (Rupees)
Mr. A.K. Rungta	1,000.00
Mr. A. Ghosh	2,000.00
Mr. C. I. Gandhi	8,000.00
Mr. Sanjeev Rungta	8,000.00
Mr. Rajeev Rungta	3,000.00
Mr. Mukund Beriwal	8,000.00

During the year the Company did not advance any loans to any of the Directors. No stock options have been issued to any of the Directors. No relative of any of the Directors is employed by the Company or to any place of profit.

5 Investors/Shareholders' Grievance Committee

The Committee functions under the Chairmanship of Mr. C. I. Gandhi, an Independent Director, along with Mr. M. Beriwal, Independent Director and Mr. S. Rungta, Non-Executive Director.

The Compliance Officer is Mr. C. Unnikrishnan, Secretarial officer. There were 4 complaints received from the shareholders during the year and all have been duly addressed.

All valid share transfers received during the year have been acted upon and there were no shares pending for transfer as on 31st March, 2011.

6 General Body Meetings

The location and time of the Annual General Meetings held during the last three years are as below. No Extra-Ordinary General Meeting was held during the period.

Date	Venue	Time	No. of Special Resolutions passed
28/09/2010	Sangathan Hall, Hotel Atithi, Ville Parle Mumbai 400 099	11.00 a.m.	Nil
23/09/2009	- do -	04.00 p.m.	One
29/09/2008	- do -	11.30 a.m.	Nil

7 Notes on Directors seeking appointment / re-appointment

Mr. Amitabha Ghosh

Mr. Amitabha Ghosh, aged 81 years is a highly renowned banking professional of our country and has very wide experience in Finance, Banking and Management. He is the Ex-Chairman of Allahbad Bank and retired as Deputy Governor of Reserve Bank of India. He is F.C.A. and a Fellow Member of the Indian Institute of Bankers.

He is a Director of the Board of following Public Limited Companies :

Name of Company	Designation	Chairman/Membership of Audit Committee / Shareholders'/Investors' Grievance Committee Remuneration Committee of the Board
Kesoram Industries Ltd.	Director	Audit Committee - Member
Peninsula Land Ltd.	Director	Audit Committee - Chairman Remuneration Committee - Member
Sahara India Life Insurance Co. Ltd.	Director	Audit Committee - Member Investment Committee - Member Risk & Asset Liability Management committee - Member
Orient Paper & Industries Ltd.	Director	Audit Committee - Chairman
Shreyas Shipping and Logistics Ltd.	Director	Audit Committee - Chairman
Heidelberg Cement India Ltd.	Director	Audit Committee - Chairman Share Transfer and Shareholders/ Investors Grievances Committee - Member
Sahara Infrastructure & Housing Ltd.	Director	Audit Committee - Member
Xpro India Ltd.	Director	Remuneration Committee - Member
Sahara Prime City Ltd.	Director	Audit Committee - Chairman
Sahara Hospitality Ltd.	Director	Audit Committee - Member
Centenary Leasing Company P. Ltd.	Director	--
Joonktolle Tea & Industries Ltd.	Director	--
Palit Consultancy Pvt. Ltd.	Director	--
Shreyas Relay System Ltd.	Director	--
Shree Cement Ltd.	Director	--

Mr. Mukund Beriwal

Mr. Mukund Beriwal aged 36 years is a B.A. in Economics and has done advance course in Finance from the New York University. Besides being the Member of Audit Committee and Investors' Grievance Committee, he provides Valuable guidance to the Board. He is a Director of the Board of following Public Limited Company :

Name of Company	Designation	Chairman/Membership of Audit Committee / Shareholders'/Investors' Grievance Committee Remuneration Committee of the Board
Kamal Realty Ltd.	Director	-

8 Disclosures

Transaction with related parties are disclosed under clause no.11 of schedule 'P' forming part of the Accounts. Details of related parties transactions are placed before the Audit Committee for its review. The register of contracts containing the transactions in which Directors are interested is placed before the Board for its approval.

Details of shareholding held by Directors are as below :

Name of Director	No. of shares held as on 31/3/2011
Mr. A.K. Rungta	4,500
Mr. A. Ghosh	Nil
Mr. C. I. Gandhi	Nil
Mr. Sanjeev Rungta	Nil
Mr. Rajeev Rungta	5,000
Mr. Abhishake Rungta	10,530
Mr. Mukund Beriwal	Nil

Subsidiary Companies : The Company has no subsidiary company.

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

9 Means of Communication

Newspapers in which Quarterly results are normally published	Financial Express – Mumbai edition Dainik Sagar – Mumbai edition
Any website where displayed	Yes, at the site www.zenithfibres.com
Whether it also displays official news releases and presentation made to institutional investors or to Analyst	No
Whether Management Discussion and Analysis Report Is a part of Annual Report or not	Yes

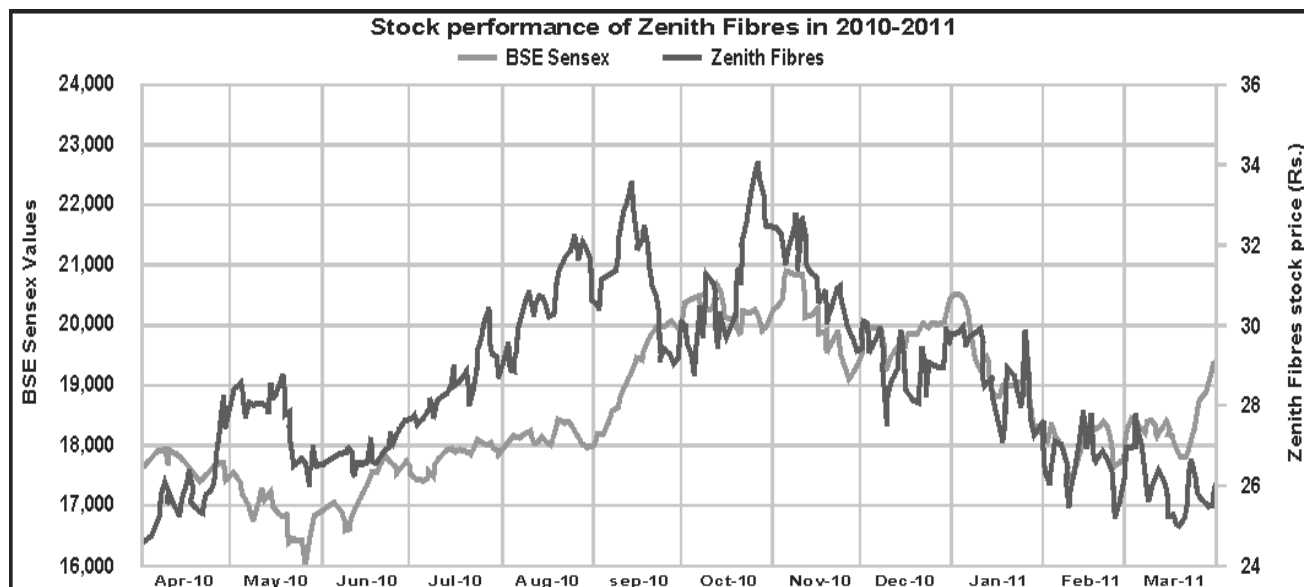
10 General Shareholder Information

AGM - Date	29th September, 2011
Time	03.30 p.m.
Venue	Hotel Atithi, Ville Parle (E), Mumbai.
Financial Calendar	April 2011 to March 2012
(a) First Quarter results	fourth week July, 2011
(b) Second Quarter results	third week October, 2011
(c) Third Quarter results	last week January, 2012
(d) Results for year ending March 2011	before end of July 2012
Date of Book closure	24/09/11 to 29/09/11 (both days inclusive)
Dividend payment date	On or after 4th October, 2011
Listing on Stock Exchange	The Stock Exchange – Mumbai
Listing Fees for 2011-2012 has been paid to the Stock Exchange.	
Stock Code : The Stock Exchange - Mumbai	514266
Demat ISIN No. for NSDL and CDSL	INE 106C01013

Monthly Highs and Lows of Market Price of the Company's shares traded for the period April-2010 to March-2011 on The Stock Exchange - Mumbai

(High / Low in Rupees)

Month	High	Low	Month	High	Low
April, 2010	29.60	24.50	October, 2010	36.00	28.10
May, 2010	29.50	26.00	November, 2010	34.40	27.10
June, 2010	29.80	25.05	December, 2010	32.50	26.25
July, 2010	32.20	27.30	January, 2011	31.90	27.00
August, 2010	32.85	28.05	February, 2011	28.85	25.15
September, 2010	35.00	28.20	March, 2011	28.80	24.55



Registrars and share transfer agents

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

Share Transfer system

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

Distribution and Shareholding Pattern as on 31st March, 2011

No. of Equity Shares	No. of Folios	%	No. of Shares	%
01-500	4066	88.161	608520	13.760
501-1000	262	5.681	225567	5.101
1001-2000	119	2.580	187797	4.247
2001-3000	40	0.867	104040	2.353
3001-4000	24	0.520	84972	1.921
4001-5000	22	0.477	105007	2.374
5001-10000	37	0.802	273585	6.186
10001 and above	42	0.911	2832858	64.058
TOTAL	4612	100.00	4422346	100.00
In Physical Mode			2551957	57.71
In Electronic Mode			1870389	42.29

Shareholding Pattern as on 31st March, 2011

Category	No. of Shares	%
Promoters	2221106	50.225
Mutual Funds & UTI	30600	0.692
Financial Institutions	0	0.000
Domestic Companies	174343	3.942
FII's and NRI's	12865	0.291
Resident Individuals / others	1983432	44.850
TOTAL	4422346	100.00

Promoters have not pledged or created any encumbrance on any of the shares held by them.

Dematerialisation of shares and liquidity : 1870389 (42.29%) shares of the paid-up capital has been dematerialized as on 31/3/2011. However, out of the promoters' capital of 2221106 (50.225 %) shares, only 4600 shares (0.10%) has been dematerialised.

Outstanding GDRs/ADRs/Warrants or any Convertible Instruments, conversion dates and likely impact on equity.

Not issued

Plant Location

Tundav, Savli, Vadodara, Gujarat

Address for Shareholders correspondence :

M/s. Zenith Fibres Limited,
2nd Floor, 205 Marol Bhavan, Marol Co-op. Indl. Estate Ltd.,
M.V. Road, J.B. Nagar Post, Andheri (E), Mumbai 400 059
or at the Company's Share Transfer Agent :
M/s.Universal Capital Securities Pvt. Ltd. (formerly M/s. Mondkar
Computers Pvt. Limited), 21 Shakil Niwas, Opp Sai Baba Temple,
Mahakali Caves Road, Andheri (E), Mumbai – 400093.
Shareholders holding shares in Electronic mode should address all
their correspondence to their respective depository participant.

11. CODE OF CONDUCT

In Compliance with the SEBI regulation of prevention of insider trading, the Company has instituted a comprehensive Code of Conduct for prevention of insider trading for designated employees in Senior Management including Members of Board of Directors. The code lays down guidelines, which advises them a process to be followed and disclosure to be made, while dealing with shares of the Company and cautioning them of the consequences of violations. A copy of the Code of Conduct is available on the web site of the Company. All the Board Members, Senior Management Executives and designated employees of the Company have affirmed compliance with the Code of Conduct. A declaration to this effect, signed by Mr. Sanjeev Rungta, Director is annexed to this report.

12. RISK MANAGEMENT

Risk assessment and minimisation procedures are in existence and reviewed periodically. All the assets of the Company are adequately insured.

13. CEO & CFO CERTIFICATE

A certificate duly signed by Mr. Sanjeev Rungta, Director and Mr. K. D. Sharma, Sr. General Manager (Commercial), certifying financial statements and the cash flow statement, as required under Clause 49 of the Listing Agreement, was placed before the Board and the same is annexed herewith.

B NON-MANDATORY REQUIREMENTS

The Company has complied with all mandatory requirements of Clause 49 of the Listing Agreement with the stock exchange and has implemented the following non mandatory requirements.

1 Shareholders rights

As the Company's quarterly/half-yearly results are published in English and Marathi newspapers having wide circulation the same is not being sent to the shareholders household.

2 Postal Ballot

No resolution has been passed through postal ballot during the year.

**CEO/CFO Certification : Issued pursuant to the provisions of
clause 49 of the Listing Agreement**

To
The Board of Directors of
Zenith Fibres Limited

Dear Sirs,

Sub: CEO/CFO Certificate

We have reviewed the financial statements read with the cash flow statement of Zenith Fibres Limited for the year ended 31st March, 2011 and that to the best of our knowledge and belief we state that -

- (a) (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that may be misleading;
- (ii) these statements present a true and fair view of the Company's affairs and are in compliance with current accounting standards, applicable laws and regulations.
- (b) There are, to the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or in violation of the Company's Code of Conduct.
- (c) We accept the responsibility for establishing and maintaining internal controls for the financial reporting. We have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and steps taken or proposed to be taken for rectifying these deficiencies.
- (d) We have indicated to the Auditors and the Audit Committee:
 - (i) Significant changes if any, in internal control over financial reporting during the year;
 - (ii) Significant changes if any, in accounting policies made during the year and that the same have been disclosed in the notes to the financial statements; and Instances of significant frauds, of which we have become aware and involvement therein if any, of the management or employee having significant role in the Company's internal control system over financial reporting.

Yours Sincerely,

K. D. Sharma Sanjeev Rungta
Sr. GM (Commercial) DIRECTOR

Date : 25th July, 2011

Code of Conduct compliance certificate

I hereby declare that all members of the Board of Directors and Senior Management Personnel have affirmed compliance with the Code of Conduct of the Company for the financial year ended 31st March, 2011.

Date : 25th July, 2011

Sanjeev Rungta
DIRECTOR

AUDITORS' REPORT

To
The Members of
Zenith Fibres Limited

1. We have audited the attached Balance sheet of Zenith Fibres Limited as at 31st March,2011, and also the Profit and Loss Account and the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 as amended by the Companies(Auditor's Report) order,2004('the order') issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act,1956 we enclose in the Annexure a statement on the matters specified in the Paragraph 4 and 5 of the said order.
4. Further to our comments in the Annexure referred to above, we report that:
 - a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by Law have been kept by the Company so far as appears from our examination of those books.
 - c) The Balance sheet and Profit and Loss Account dealt with by this report are in agreement with the books of account.
 - d) In our opinion, the Balance Sheet, Profit & Loss Account and Cash Flow statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the companies Act,1956.
 - e) On the basis of written representations received from the directors, as on 31st March, 2011, and taken on record by the Board of Directors, we report that none of the directors of the Company is disqualified as on 31st March,2011 from being appointed as a director, in terms of clause (g) of sub section (1) of Section 274 of the Companies Act,1956.
 - f) Considering the facts stated in Note No. 13 of Notes forming part of the accounts in Schedule - 'P', an amount of Rs. 247745/- due from a company is, in our opinion doubtful of recovery for which no provision is made in the Books of Accounts. To that extent Reserves & Surplus and Current Assets are overstated.

Subject to above,

In our opinion and to the best of our information and according to explanations given to us, the said accounts, read together with the Significant Accounting Policies and other notes there on, give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- i) in the case of the Balance sheet, of the state of affairs of the company as at 31st March, 2011;
- ii) in the case of the Profit and Loss Account, of the profit for the year ended on that date; and
- iii) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

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

(Jaswant Jain)
Partner
Membership No.35126

Place: Vadodara
Date : 30th July, 2011

ANNEXURE TO THE AUDITORS' REPORT TO THE MEMBERS OF ZENITH FIBRES LIMITED FOR THE YEAR ENDED 31ST MARCH, 2011

(Referred to in Paragraph 3 of our report of even date)

- i) (a) The Company is maintaining proper records showing full particulars including quantitative details and situation of fixed assets;
- (b) These fixed assets have been physically verified by the management at reasonable intervals and no material discrepancies were noticed on such verification;
- (c) The Company has not disposed off substantial part of fixed assets during the year.
- ii) (a) The inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable;
- (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the company and nature of its business;
- (c) The Company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material.
- iii) As per the information given to us, the company has neither granted nor taken any loans, secured or unsecured, to/ from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. In view of this sub clause (b), (c) (d), (f) and (g) are not applicable.
- iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods. There are no sale of services. Further, on the basis of our examination of books and records of the company and according to information and explanation given to us, we have neither come across nor have been informed of any continuing failure to correct major weaknesses in the internal control system.
- v) According to the information and explanations given to us,
 - (a) we are of the opinion that particulars of contracts or arrangements referred to in section 301 of the Act that need to be entered in the Register maintained under that section have been so entered ;
 - (b) there are no transactions made in pursuance of such contracts or arrangements that exceed the value of rupees five lacs in aggregate with any party during the year.
- vi) The Company has not accepted deposits from the public to which the provisions of sections 58A, 58AA or any other relevant provisions of the Act and the Companies(Acceptance of Deposits) Rules,1975 would apply. No order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal.
- vii) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- viii) We have broadly reviewed the books of account relating to materials, labour and other items of cost maintained by the Company, pursuant to the Rules made by the Central Government for the maintenance of cost records under section 209(1)(d) of the Companies Act, 1956 and we are of the opinion that prima facie, the prescribed accounts and records have been made and maintained;
- ix) According to the information and explanations given to us and according to the books and records as produced;
 - a) the Company is regular in depositing with the appropriate authorities, undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Income-tax, Sales-tax, Wealth Tax, Custom Duty, Excise Duty, cess and other material statutory dues applicable to it and no undisputed amounts payable in respect thereof were in arrears, as on the last day of the financial year, for a period of more than six months from the date they became payable.
 - b) According to Information and Explanation given to us, provisions of the Employees' State Insurance Act, 1948 are not applicable to the Company;
 - c) According to Information and Explanation given to us, following dues in respect of Income-tax have not been deposited with the Income tax Department on account of dispute:

Amount(Rs.)	Forum where dispute is pending	Assessment Year
114136	Income Tax Appellate Tribunal	2004-05

Other than above there are no dues of sales-tax/income-tax/custom tax/wealth tax/excise duty/cess which have not been deposited on account of any dispute.

- x) The Company does not have any accumulated losses as at the end of the financial year. Also, the company has not incurred cash losses during the financial year and in the immediately preceding financial year;

- xi) According to the information and explanation given to us, the Company has not defaulted in repayment of dues to any financial institution or bank. The company has not issued any debentures.
- xii) According to the information and explanation given to us, The Company has not granted any loans or advances on the basis of any security by way of pledge of shares, debentures and other securities;
- xiii) The Company is not a chit fund or a nidhi/mutual benefit fund/society. Therefore, the provisions of clause 4(xiii) of the said Order are not applicable to the company;
- xiv) In our opinion and according to information and explanation given to us, the company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the said Order are not applicable to the company;
- xv) According to the information and explanation given to us, the company has not given any guarantee for loans taken by others from Banks or Financial Institutions.
- xvi) According to information and explanation given to us and on the basis of records examined by us, the term loans were applied for the purpose for which the loans were obtained.
- xvii) According to the information and explanations given to us and on the basis of an overall examination of the Balance Sheet of the company, we report that no funds raised on short-term basis have been used for long term investment by the company.
- xviii) The Company has not made any preferential allotment of shares to the parties and companies covered in the Register maintained under section 301 of the Act, during the year.
- xix) The Company had not issued any debentures during the year. Accordingly, question of creating any security or charge for debentures does not arise.
- xx) The Company has not raised any money by public issue during the year.
- xxi) To the best of knowledge and according to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the year.

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

Place: Vadodara
Date : 30th July, 2011

(Jaswant Jain)
Partner
Membership No.35126

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To
The Members of
ZENITH FIBRES LIMITED

We have examined the compliance of conditions of corporate governance by Zenith Fibres Limited for the year ended on 31st March,2011, as stipulated in Clause 49 of the Listing Agreement of the said Company with the stock exchanges.

The compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanation given to us, we certify that the Company has complied with the conditions of corporate governance as stipulated in the above mentioned Listing Agreement.

We state that no grievances were pending for a period exceeding one month against the Company as certified by the Registrar and Share Transfer Agents of the Company and as per the records maintained by the Company.

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

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

Place: Vadodara
Date : 30th July, 2011

(Jaswant Jain)
Partner
Membership No.35126

BALANCE SHEET AS AT 31st MARCH, 2011

	SCHEDULE	AS AT 31.03.2011 Rs.	AS AT 31.03.2010 Rs.
1 SOURCES OF FUNDS			
SHAREHOLDERS' FUNDS			
(a) Capital	'A'	50884365	50884365
(b) Reserves and Surplus	'B'	153186679	136141011
LOAN FUNDS			
Secured Loans	'C'	2545061	3935209
DEFERRED TAX LIABILITY		9874672	12901864
TOTAL		<u>216490777</u>	<u>203862449</u>
2 APPLICATION OF FUNDS			
FIXED ASSETS	'D'		
(a) Gross Block		175362152	176996753
(b) Less: Depreciation		123161571	114727497
(c) Net Block		<u>52200581</u>	<u>62269256</u>
CURRENT ASSETS, LOANS AND ADVANCES			
(a) Inventories	'E'	32901116	26565933
(b) Sundry Debtors	'F'	36302325	40275962
(c) Cash and Bank Balances	'G'	91209873	78901817
(d) Loans and Advances	'H'	<u>27891116</u>	<u>20962969</u>
		188304430	166706681
Less: Current Liabilities & Provisions	'I'	<u>24014234</u>	<u>25113488</u>
Net Current Assets :-		<u>164290196</u>	<u>141593193</u>
TOTAL		<u>216490777</u>	<u>203862449</u>
Notes on Accounts	'P'		

AS PER OUR ATTACHED REPORT OF EVEN DATE

For JAIN & HINDOCHA
Chartered Accountants

JASWANT JAIN
(PARTNER)

Place : Mumbai
Date : 30th July,2011

SANJEEV RUNGTA - Chairman
AMITABHA GHOSH - Director
MUKUND BERIWALA - Director

BANKIM PUROHIT - Co. Secretary

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PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH, 2011

	SCHEDULE	Year ended 31.03.2011 Rs.	Year ended 31.03.2010 Rs.
INCOME			
Sales		417754988	357176451
Less : Excise Duty		23965825	18395424
Add : Sales of Raw Materials		-	972624
Net Sales		<u>393789163</u>	<u>339753651</u>
Other Income	'J'	11031003	9849275
(Decrease)/Increase in Stocks of Finished Goods and Work in Process	'K'	2581293	(5430592)
TOTAL		<u>407401459</u>	<u>344172334</u>
EXPENDITURE			
Cost of Materials	'L'	274041324	215790654
Remuneration & Other Payments to Employees	'M'	17711729	15860552
Manufacturing and Other Expenses	'N'	67461226	62390783
TOTAL		<u>359214279</u>	<u>294041989</u>
Operating Profit		48187180	50130345
Interest & Financial Expenses	'O'	1454037	1579870
Depreciation		46733143	48550475
		9477985	9516190
PROFIT FOR THE YEAR		<u>37255158</u>	<u>39034285</u>
Provision for Fringe Benefit Tax		-	(17327)
Provision for Wealth Tax		(2177)	(7594)
Provision for taxation		(15306771)	(15328948)
Refund of Tax of earlier years		-	3684600
Provision for Deferred Tax Asset/(Liability)		3027192	1462051
PROFIT AFTER TAX		<u>24973402</u>	<u>28827067</u>
Prior year adjustment (Net)		(192470)	(190063)
		<u>24780932</u>	<u>28637004</u>
Add : Balance Brought Forward		13423923	92547805
Amount Available for Appropriations		<u>38204855</u>	<u>121184809</u>
Appropriations			
(a) Proposed Dividend		6633519	6633519
(b) Tax on Dividend		1101745	1127367
(c) Transfer to General Reserve		2500000	10000000
BALANCE CARRIED TO BALANCE SHEET		<u>27969591</u>	<u>13423923</u>
EARNING PER SHARE (BASIC AND DILUTED)		5.60	6.47
Notes on Accounts	'P'		

AS PER OUR ATTACHED REPORT OF EVEN DATE

For JAIN & HINDOCHA
Chartered Accountants

JASWANT JAIN
(PARTNER)

Place : Mumbai
Date : 30th July, 2011

SANJEEV RUNGTA - Chairman
AMITABHA GHOSH - Director
MUKUND BERIWALA - Director

BANKIM PUROHIT - Co. Secretary

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st March, 2011

	Year ended 31.03.2011 Rs.	Year ended 31.03.2010 Rs.
A. CASH FLOW FROM OPERATING ACTIVITIES :		
PROFIT BEFORE TAX AND EXTRA ORDINARY ITEMS	37255158	39034285
ADJUSTMENT FOR :		
DEPRECIATION	9477985	9516190
LOSS ON FIXED ASSETS DISCARDED	700803	256943
INTEREST (NET)	(7497509)	(7407803)
MISCELLANEOUS EXPENSES WRITTEN OFF	-	-
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	39936437	41399615
ADJUSTMENT FOR :		
TRADE RECEIVABLES	3973637	(23422411)
INVENTORIES	(6335183)	9462073
TRADE PAYABLES	(1568472)	2605269
LOANS AND ADVANCES	(5352247)	6657885
CASH IN-FLOW FROM OPERATIONS	30654172	36702431
TAXATION	(14847714)	(12084819)
CASH FLOW BEFORE EXTRA ORDINARY ITEMS	15806458	24617612
EXTRA ORDINARY ITEMS	(192470)	(190063)
NET CASH FLOW FROM OPERATING ACTIVITIES	<u>15613988</u>	<u>24427549</u>
B. CASH FLOW FROM INVESTING ACTIVITIES :		
INTEREST RECEIVED	6262201	7633025
PURCHASE OF FIXED ASSETS	(554838)	(1866001)
DISPOSAL OF FIXED ASSETS	444725	118825
NET CASH FLOW FROM INVESTING ACTIVITIES	<u>6152088</u>	<u>5885849</u>
C. CASH FLOW FROM FINANCE ACTIVITIES :		
REPAYMENT OF TERM LOANS	(1390149)	(1438241)
INTEREST PAYMENT	(340592)	(408767)
DIVIDEND AND DIVIDEND TAX	(7727279)	(7461689)
BANK BORROWINGS FOR WORKING CAPITAL	-	-
NET CASH IN-FLOW FROM FINANCING ACTIVITIES	<u>(9458020)</u>	<u>(9308697)</u>
NET INCREASE / (DECREASE)		
IN CASH AND CASH EQUIVALENTS (A+B+C)	12308056	21004701
CASH AND CASH EQUIVALENTS AS AT BEGINNING OF THE YEAR	78901817	57897116
CASH AND CASH EQUIVALENTS AS AT END OF THE YEAR	91209873	78901817
NOTES ON ACCOUNTS	`P'	

AS PER OUR ATTACHED REPORT OF EVEN DATE

For JAIN & HINDOCHA
Chartered Accountants

JASWANT JAIN
(PARTNER)

Place : Mumbai
Date : 30th July,2011

SANJEEV RUNGTA - Chairman
AMITABHA GHOSH - Director
MUKUND BERIWALA - Director

BANKIM PUROHIT - Co. Secretary

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SCHEDULE FORMING PART OF THE BALANCE SHEET AS AT 31st MARCH, 2011

	AS AT 31.03.2011 Rs.	AS AT 31.03.2010 Rs.
SCHEDULE 'A'		
SHARE CAPITAL		
AUTHORISED		
6000000 Equity Shares of Rs. 10 each	60000000	60000000
ISSUED		
5754527 Equity Shares of Rs. 10 each	57545270	57545270
(Previous Year 5754527)		
SUBSCRIBED AND PAID UP		
4422346 Equity Shares of Rs. 10 each	44223460	44223460
(Previous Year 4422346)		
Add : Forfeited Shares	6660905	6660905
	<u>50884365</u>	<u>50884365</u>
SCHEDULE 'B'		
RESERVES AND SURPLUS		
Share Premium	9183588	9183588
General Reserve		
Opening Balance	111000000	11000000
Transfer from Profit & Loss A/c.	2500000	10000000
	113500000	111000000
Capital Reserve - Subsidy	2500000	2500000
Capital Reserve (on re-issue of forfeited shares)	33500	33500
Profit and Loss Account	27969591	13423923
	<u>153186679</u>	<u>136141011</u>
SCHEDULE 'C'		
SECURED LOANS		
WORKING CAPITAL LOANS		
From a Scheduled Bank	-	-
OTHER LOANS		
From a Scheduled Bank	2545061	3935209
	<u>2545061</u>	<u>3935209</u>

NOTES

1 Other loans secured by hypothecation of cars.

SCHEDULE FORMING PART OF THE BALANCE SHEET AS AT 31st MARCH, 2011 (Contd..)

SCHEDULE 'D'
FIXED ASSETS

(FIGURES IN RUPEES)

	GROSS BLOCK			DEPRECIATION			NET BLOCK		
	As At 01.04.10	Addition (Deduction)	Total As At 31.03.11	As At 01.04.10	for the Year	Deduction	Total As At 31.03.11	As At 31.03.11	As At 31.03.10
LAND	1086398	0	1086398	0	0	0	0	1086398	1086398
BUILDINGS	13189601	0	13189601	6271716	440533	0	6712249	6477352	6917885
PLANT & MACHINERY	146286478	64303	146350781	102377775	7686685	0	110064460	36286321	43908703
FURNITURE & FIXTURES	2947683	17577	2965260	1568915	184479	0	1753394	1211866	1378768
OFFICE EQUIPMENT	1379000	202397 (72210)	1509187	580712	67572	(27595)	620689	888498	798288
ELECTRIC FITTINGS	122050	0	122050	36378	11817	0	48195	73855	85672
VEHICLES	9766373	(2052011)	7714362	2009921	845204	(958460)	1896665	5817697	7756452
COMPUTERS	2025890	166650 (65218)	2127322	1785376	212310	(57856)	1939830	187492	240514
INTANGIBLE ASSET (COMPUTER SOFTWARE)	193280	0	193280	96704	29385	0	126089	67191	96576
WORK IN PROGRESS	0	103911	103911	0	0	0	0	103911	0
TOTAL	176996753	(1634601)	175362152	114727497	9477985	(1043911)	123161571	52200581	62269256
PREVIOUS YEAR	176114821	881932	176996753	105819609	9516190	(608302)	105819609	62269256	70295212

AS AT	AS AT
31.03.2011	31.03.2010
Rs.	Rs.

SCHEDULE 'E'
INVENTORIES

(Taken, Valued and Certified by the Management)

Packing Material, Stores and Diesel	1840664	1663878
Raw Materials	19940761	16363657
Work in Process	1018072	509608
Finished Goods	10101619	8028790
	<u>32901116</u>	<u>26565933</u>

SCHEDULE 'F'
SUNDRY DEBTORS

(Unsecured, Considered Good)

- Outstanding for a period exceeding six months	63578	66546
- Others	36238747	40209416
	<u>36302325</u>	<u>40275962</u>

SCHEDULE 'G'
CASH AND BANK BALANCES

Cash and Cheques in hand	359502	350398
Balances with Scheduled Banks		
- In Current Accounts	2850371	1729078
- In Deposit Accounts (Margin Rs. NIL)	88000000	76822341
(Previous year Rs. 822343)		
	<u>91209873</u>	<u>78901817</u>

SCHEDULE 'H'
LOANS AND ADVANCES

(Unsecured, Considered Good)

Advances recoverable in cash or kind or for value to be received	24085215	17327756
Deposits	2978413	2927933
Balance with Excise Authority	827488	707280
	<u>27891116</u>	<u>20962969</u>

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SCHEDULE FORMING PART OF THE BALANCE SHEET AS AT 31st MARCH, 2011 (Contd..)

	AS AT 31.03.2011 Rs.	AS AT 31.03.2010 Rs.
SCHEDULE 'I'		
CURRENT LIABILITIES AND PROVISIONS		
A. CURRENT LIABILITIES :		
Sundry Creditors & Other Liabilities	10416555	12136047
Unpaid Dividend	1540995	1507388
	<u>11957550</u>	<u>13643435</u>
B. PROVISIONS :		
For Taxation (Net of Payments)	3089284	2622634
For Wealth Tax	2177	7594
For Proposed Dividend	6633519	6633519
For Tax on Dividend	1101745	1127367
For Leave Encashment (PL)	1165715	1018254
For Provident Fund	64244	60685
	<u>12056684</u>	<u>11470053</u>
	<u>24014234</u>	<u>25113488</u>

SCHEDULE FORMING PART OF THE PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH, 2011

	AS AT 31.03.2011 Rs.	AS AT 31.03.2010 Rs.
SCHEDULE 'J'		
OTHER INCOME		
Cash discount received	1107652	1266710
Interest (Tax deducted at source Rs. 740716/-)	7838101	7816570
(Previous Year Rs. 655330/-)		
Miscellaneous Income	200906	156603
Sundry Dr./Cr. Balance w/off	30757	192240
Foreign Exchange Rate Diff.	1853587	417152
	<u>11031003</u>	<u>9849275</u>
SCHEDULE 'K'		
(DECREASE) / INCREASE IN STOCKS OF FINISHED GOODS AND WORK IN PROCESS		
Closing Stocks		
Finished Goods	10101619	8028790
Work in Process	1018072	509608
	<u>11119691</u>	<u>8538398</u>
Less: Opening Stock		
Finished Goods	8028790	13493401
Work in Process	509608	475589
	<u>8538398</u>	<u>13968990</u>
(Decrease) / increase in Stocks	<u>2581293</u>	<u>(5430592)</u>
SCHEDULE 'L'		
COST OF MATERIALS		
Opening Stock	16363657	20079547
Purchases	295590887	224636945
	<u>311954544</u>	<u>244716492</u>
Less: Closing Stock	19940761	16363657
Cenvat	17972459	12562181
	<u>274041324</u>	<u>215790654</u>

SCHEDULE FORMING PART OF THE PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH, 2011 (Contd.)

	AS AT 31.03.2011 Rs.	AS AT 31.03.2010 Rs.
SCHEDULE 'M'		
REMUNERATION AND OTHER BENEFITS TO EMPLOYEES		
Salaries and Wages	16313440	14573952
Contribution to Provident fund and other funds	1165221	1108404
Welfare Expenses	233068	178196
	<u>17711729</u>	<u>15860552</u>
SCHEDULE 'N'		
MANUFACTURING AND OTHER EXPENSES		
Power and Fuel	17804701	16298743
Stores Consumed	3907677	2529899
Packing Consumed	3619980	3405460
Processing Charges	18772651	20268968
Repairs and Maintenance		
Plant and Machinery	462407	476741
Building	609525	0
Others	235788	500304
Rates and Taxes	93997	77464
Rent and Service Charges	1793593	1674112
Postage, Telegram and Telephone	575598	582801
Insurance	330566	395884
Travelling and Conveyance	3233629	2224216
Auditors' Remuneration	175000	165000
Loss on Fixed Assets Discarded	700803	256943
Commission and Discount	3679156	3643347
Freight and Forwarding Charges (Export)	3235564	2651087
Miscellaneous Expenses	8230591	7239814
	<u>67461226</u>	<u>62390783</u>
SCHEDULE 'O'		
INTEREST AND FINANCIAL EXPENSES		
Interest on Term Loans	280971	406879
Interest and Discounting Charges (Others)	59621	1888
Bank Charges	1113445	1171103
	<u>1454037</u>	<u>1579870</u>

SCHEDULE FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31st MARCH, 2011 (Contd..) SCHEDULE 'P' NOTES FORMING PART OF THE ACCOUNTS

1. SIGNIFICANT ACCOUNTING POLICIES :

a) Fixed Assets

- i. Fixed Assets are stated at cost, less accumulated depreciation and impairment loss (if any)
- ii. Cost of Fixed Assets includes all incidental costs until the assets are ready for their intended use.
- iii. Depreciation is calculated by Straight Line Method at rates prescribed under the Schedule XIV of the Companies Act, 1956. In respect of additions during the year, it is calculated on pro-rata basis from the month of addition.
- iv. Impairment of Assets – The carrying amounts of assets are reviewed at each balance sheet date, if there is any indication of impairment based on internal/external factors. An impairment loss is recognised to the extent of carrying amount is greater than the recoverable amount of the asset. Recoverable amount is the higher of net selling price and value in use.

b) Intangible assets are valued at cost, less accumulated amortisation and impairment loss (if any). Computer software is amortised over the useful life of 6 years (as estimated by the Management).

c) Inventory

- i. Stock of finished goods is valued at lower of cost and net realisable value. Cost includes raw material cost, excise duty, other manufacturing expenses and depreciation.
- ii. All other stocks are valued at cost or net realisable value, whichever is lower. The cost includes expenses incurred in bringing them to present location and condition excluding excise duty. The cost formula used is weighted average.

d) Sales

- i. Sales are inclusive of excise duty and exclusive of discounts and returns.
- ii. Sales revenue is recognised at the time of despatch of materials.

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

f) Employee Benefits

Contribution to Provident Fund is charged to accounts on accrual basis. Provision for leave encashment and gratuity has been made on the basis of actuarial valuation.

g) Foreign Currency Transactions

- i. Foreign currency transactions are recorded at the exchange rates prevailing on the date of transaction. Gain or loss arising out of subsequent fluctuations is accounted for on actual payment or realization.
- ii. Monetary items denominated in foreign currency as at the Balance Sheet date are converted at exchange rates prevailing on that date.
- iii. Exchange differences relating to fixed assets are adjusted in the cost of assets. Any other exchange differences are dealt with in the profit & loss account.

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

i) Taxation

- i. The provision for current tax is ascertained on the basis of assessable profit computed in accordance with provisions of the Income Tax Act, 1961.
- ii. Deferred tax is recognised (subject to the consideration of prudence) on timing differences (being the differences between the taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods).

j) Operating leases – Lease charges paid for operating leases are charged to profit and loss account on straight line basis over the lease term.

2. CONTINGENT LIABILITIES :

Capital Commitments Rs. NIL (Rs. Nil)

3. Figures for the previous year are regrouped wherever considered necessary.

4. In the opinion of the Board, Current Assets, Loans and Advances are approximately of the value stated if realised in the ordinary course of business and provision for all known liabilities is adequate.

5. i. Amount Due to Micro, Small and Medium Enterprises as defined in the Micro, Small and Medium Enterprise Development Act, 2006 is Rs. NIL (Rs. NIL)

SCHEDULE FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31st MARCH, 2010 (Contd..)

ii. No interest is payable on account of amount outstanding to Micro, small and Medium Enterprises. The identification of vendor as a "Supplier" under the Micro, Small and Medium Enterprise Development Act, 2006 has been done on the basis of information available with the company. This has been relied upon by the Auditors.

6 Managerial Remuneration : Sitting Fees to Directors Rs. 30,000/- (Rs. 31,000/-).

7 Company's operations comprise of only one segment i.e. " manufacturing of man made fibres" in terms of the guidelines stated in AS-17 issued by the institute of Chartered Accountants of India.

8 Taxation

i) Provision for Fringe Benefit Tax Rs. Nil (Rs. 17,327/-)

ii) Provision for Taxation includes Rs. 4,76,771/- for earlier year (Rs. 4,78,948/-)

iii) Demand of Rs. 1,14,136/- (Rs. 1,14,136/-) has been raised by Income Tax Authority for A.Y. 2004-05.

However no provision has been made in the Books of Accounts as the Company has preferred second Appeal before Income Tax Appellate Tribunal and is hopeful of getting favourable decision in view of decision on similar issue in earlier years.

9 The amount of lease payment in respect of operating (cancellable) leases recognized in the profit and loss account was Rs. 17,93,593/- (Rs. 16,74,112/-) and future minimum lease payments.

	<u>Current Year</u>	<u>Previous Year</u>
	Rs.	Rs.
Not later than one year.	17,83,460/-	15,60,186/-
Later than one year but not latter than five years.	44,31,297/-	54,90,317/-
Later than five years and above	Nil	Nil

10 AUDITORS' REMUNERATION :

	<u>Current Year</u>	<u>Previous Year</u>
	Rs.	Rs.
a) Audit fees	55,000/-	55,000/-
b) Tax matters	60,000/-	55,000/-
c) Other services	60,000/-	55,000/-
	<u>1,75,000/-</u>	<u>1,65,000/-</u>

11 Disclosures in respect of related parties as defined in Accounting standard 18, with whom transactions have taken place during the year are given below :

	<u>Current Year</u>	<u>Current Year</u>
	(Rs. in lacs)	(Rs. in lacs)
i) Associate / Bodies Corporate :		
	Navigator Software Pvt. Ltd.	Hind Wire Industries Ltd.
ii) Nature of Transactions		
Charges for Hosting of Website	0.07 (0.06)	1.08 (1.08)
iii) Balance outstanding (Deposit)	Nil (Nil)	0.54 (0.54)

12 The Company has deposited MOT charges of Rs. 1,01,260/- (Rs. 49,780/-)with Excise Authority Under Protest, hence the same is not Accounted as expense.

13 Loans and Advances include Rs. 2,47,745/- due from a company which was doing jobwork for the company. This company has gone into liquidation, however all efforts are being made to recover this outstanding and the company is hopeful towards recovering the same.

14 i) Defined Contribution Plan – Provident Fund :

During the year, the company has recognized the Company's Contribution to Employees Provident Fund amounting to Rs. 751405/- (Rs. 748917/-) as part of Remuneration and other benefits to the employees.

ii) Defined Benefit Plan

The benefit of gratuity is Funded Defined Benefit Plan. For this purpose the company has obtained qualifying insurance policy from Life Insurance Corporation of India.

The company provides benefits to its employees under the leave encashment pay plan which is a non contributory defined benefit plan.

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SCHEDULE FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31st MARCH, 2011 (Contd..)

The following table sets out the funded status of the gratuity plan and unfunded status of leave encashment plan. The amount recognised in the company's financial statement as at 31st March, 2011.

	<u>Gratuity (Funded)</u>		<u>Leave</u>
	<u>31/03/2011</u>	<u>31/03/2010</u>	<u>Encashment</u> <u>(Unfunded)</u>
	<u>Rs.</u>	<u>Rs.</u>	<u>Rs.</u>
1) Changes in benefit obligation			
Opening benefit obligation	3604072	3130715	1018254 (887287)
Service cost for the year	398789	316750	227108 (192963)
Interest cost for the year	297336	258284	84006 (73201)
Actuarial losses / (gains) on curtailments	298209	(13408)	195347 (198044)
Benefits Paid	127546	88269	359000 (333241)
Closing defined benefit obligation on 31/03/2011	4470860	3604072	1165715 (1018254)
2) Change in Fair Value of Plan Assets			
Opening fair value of plan assets	3298791	2803261	
Expected Return on Plan Assets	330601	263061	
Contribution by employer (Include Rs. 192470/- of Previous Year)	756216	327545	
Benefits paid	127546	88269	
Actuarial (Loss) / Gain on plan assets	(6240)	NIL	
Closing balance of fair value of plan assets	4251822	3298791	
Excess of obligation over plan assets	219038	305281	
Accrued Liability	219038	305281	
3) Actuarial Gain/Loss recognized			
Actuarial (gain)/loss on obligations	298209	(13408)	
Actuarial (gain)/loss for the year – plan assets	6240	6807	
Actuarial (gain)/loss recognized in the year	304449	(6601)	
4) Amount to be recognised in the Balance sheet			
Present value of obligations as at the end of year	4470860	3604072	
Fair value of plan assets as at the end of the year	4251822	3298791	
Funded status	219038	305281	
Net asset/(liability) recognized in balance sheet	219038	305281	1165715 (1018254)
5) Expenses recognized in statement of profit and loss			
Current service cost	398789	316750	227108 (192963)
Interest cost	297336	258284	84006 (73201)
Expected return on plan assets	(330601)	263061	NIL NIL
Net Actuarial (gain)/loss recognized in the year	304449	(6601)	195347 (198044)
Expenses recognized in statement of profit and loss (Rs. 192470/- Pertains to Previous Year)	669973	305372	506461 (464208)

SCHEDULE FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31st MARCH, 2011 (Contd..)
6) Actuarial Assumptions

	Published Table of Mortality Rate		
	Weighted Average		
Mortality Rate	8.25%	8.25%	8.25%
Valuation Method			(8.25%)
Discount Rate Current	8.25%	8.25%	8.25%
Salary Escalation	6.00%	6.00%	6.00%
			(6.00%)

15 Earnings per share

	<u>Current Year</u>	<u>Previous Year</u>
Profit after taxation (Rs. In lacs)	247.81	286.37
Weighted average number of shares (Nos.)	4422346	4422346
Earning per share (Basic and Diluted) (Rs.)	5.60	6.47
Face value per share (Rs.)	10	10

16 Deferred Tax Liability
Components of Deferred Tax

Nature of Timing Difference	<u>Deferred Tax Asset (Liability) as at 31.03.2010</u>	<u>Credit (change) for the year</u>	<u>Deferred Tax Asset (Liability) as at 31.03.2011</u>
a) Deferred tax Liability			
Depreciation	(13150844)	2611351	(10539494)
b) Deferred tax Asset			
Gratuity	(7537)	78604	71067
Provision for compensated absences.	44516	333700	378216
Bonus Provision	212001	3538	215539
Net Amount	<u>(12901864)</u>	<u>3027192</u>	<u>(9874672)</u>

17 Additional information pursuant to paragraph 3, 4c and 4d of part II of schedule VI to the Companies Act. 1956:

a) CAPACITY

<u>CLASS OF GOODS</u>	<u>Licenced Capacity</u>	<u>Installed Capacity MT</u>	<u>Actual Production MT</u>
POLYPROPYLENE STAPLE FIBRE	S.I.A. Registration obtained for 3,000 MT Per Annum.	3900 (3900)	3830 (3398)

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SCHEDULE FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31st MARCH, 2011 (Contd..)

b) TURNOVER AND STOCKS

CLASS OF GOODS	SALES		OPENING STOCK		CLOSING STOCK	
	Qty. (in MT)	Amount (Rs.)	Qty. (in MT)	Amount (Rs.)	Qty. (in MT)	Amount (Rs.)
POLYPROPYLENE						
STAPLE FIBRE	3164 (2658)	315904808 (240915376)	71 (143)	6269853 (11075777)	92 (71)	9042917 (6269853)
SELF CONSUMPTION	645 * (813)	- -	- -	- -	- -	- -
P.P. YARN	636 (798)	101850180 (116261075)	13 (19)	1758937 (2417624)	7 (13)	1058702 (1758937)
		417754988 (357176451)		8028790 (13493401)		10101619 (8028790)

* PP Yarn Production through Job Work 630 MT (793)
Note : Previous Year figures are in brackets

c) COST OF MATERIALS

RAW MATERIALS :

POLYPROPYLENE RESIN /
MASTERBATCH & OTHERS

Qty. (in MT) Amount (in Rs.)

3862 **274041324**
(3398) (215790654)

TOTAL COST OF MATERIALS

3862 **274041324**
(3398) (215790654)

d) VALUE OF RAW MATERIAL CONSUMPTION :

Imported (Including Custom duty)

Amount Rs. %
2675802 **0.98**
(25176297) (11.67)

Indigenous

271365522 **99.02**
(190614357) (88.33)

TOTAL

274041324 **100**
(215790654) (100)

e) EXPENDITURE IN FOREIGN CURRENCY (INCLUDING CAPITAL EXPENDITURE) :

i) C.I.F. Value of Imports :

Raw Materials

Current Year Previous Year
Rs. Rs.

Spares

2808268 15621868

ii) Travelling

142036 -

iii) Commission

652120 -

- 268257

f) EARNINGS IN FOREIGN EXCHANGE :

F.O.B. Value of exports

138192497 98479387

SCHEDULE FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31st MARCH, 2011 (Contd..)
18 Additional information as required under part IV of Schedule VI of The Companies Act,1956

Balance Sheet Abstract and General Business Profile :

I. Registration Details

Registration No.	:	54580
State Code	:	11
Balance Sheet Date	:	31.03.2011

II. Capital Raised during the year (Amount Rs. In '000)

Public Issue	:	Nil
Rights Issue	:	Nil
Bonus Issue	:	Nil
Private Placement	:	Nil

III. Position of Mobilisation and Deployment of funds (Amount Rs. In '000)

Total Liabilities	:	216491
Total Assets	:	216491
Sources of Funds		
Paid-up Capital	:	50884
Reserves and Surplus	:	153187
Secured Loans	:	2545
Unsecured Loans	:	—
Deferred Tax Liability	:	9875
Application of Funds		
Net Fixed Assets	:	52201
Investments	:	—
Net Current Assets	:	164290
Misc. Expenditure	:	—
Accumulated Losses	:	—

IV. Performance of Company (Amount Rs. In '000)

Turnover	:	393789
Total Expenditure	:	356726
Profit / (Loss) Before Tax	:	37063
Profit / (Loss) After Tax	:	24781
Earning per Share in Rs.	:	5.60
Dividend Rate %	:	15

V. Generic Name of Principal Products/Services of Company (as per monetary terms)

Item code No.(ITC Code)	:	550340
Product Description	:	Polypropylene Staple Fibre

AS PER OUR ATTACHED REPORT OF EVEN DATE

For JAIN & HINDOCHA

Chartered Accountants

JASWANT JAIN
(PARTNER)

 Place : Mumbai
Date : 30th July,2011

SANJEEV RUNGTA	- Chairman
AMITABHA GHOSH	- Director
MUKUND BERIWALA	- Director

BANKIM PUROHIT	- Co. Secretary
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ZENITH FIBRES LIMITED

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

Twenty Second Annual General Meeting, 29th September, 2011

PROXY FORM

Ledger Folio No.(s) _____/DPID No.* _____ & Client ID No.* _____

No. of shares held _____

I/We, the undersigned _____ of _____

_____ being the member/s of Zenith Fibres Limited hereby appoint

of _____

or failing him/her _____

of _____

as my / our Proxy to vote for me / us on my / our behalf at the Twenty Second Annual General Meeting of the Company to be held at Hotel Atithi, 77 A/B Nehru Road, Ville Parle (E), Mumbai 400 099 on Thursday the 29th September, 2011 at 3.30 pm and at any adjournment thereof.

Signed this _____ day of _____ 2011.

Affix a
Rs. 1/-
Revenue
Stamp

* Applicable for members holding shares in electronic form.

Notes :

(Signature of Member)

1. Proxies in order to be effective, must be received at the registered office of the Company not less than 48 hours before the commencement of the meeting.
2. A proxy need not be a member

(TEAR HERE)

ZENITH FIBRES LIMITED

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

Twenty Second Annual General Meeting, 29th September, 2011

ATTENDANCE SLIP

Please complete this Attendance Slip and hand it over at the entrance of the meeting place

Ledger Folio No.(s) _____/DPID No.* _____ & Client ID No.* _____

No. of shares held _____.

Full name of the Shareholder / proxy attending Meeting.

(First Name)

(Second Name)

(Surname)

FIRST HOLDER / JOINT HOLDER / PROXY

(Strike out whichever is not applicable)

Full Name of First Holder

(First Name)

(Second Name)

(Surname)

(If joint holder / Proxy attending

* Applicable for members holding shares in electronic form.

Signature of Shareholder / Proxy

(TEAR HERE)