

BOARD OF DIRECTORS
Sarvashree
A.K. RUNGTA Chairman

AMITABHA GHOSH Director

SANJEEV RUNGTA Director

RAJEEV RUNGTA Director

ABHISHAKE RUNGTA Director

MUKUND BERIWALA Director

Dr. S.R. VENGSARKER Director

S.S. IYER President

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,
Andhri East, Mumbai – 400 059
Tel. No. : 022-28599428
E-mail : mumbai@zenithfibres.com

WORKS

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

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NOTICE FOR 24th ANNUAL GENERAL MEETING

NOTICE is hereby given that the Twenty Fourth Annual General Meeting of the members of Zenith Fibres Limited will be held at 11.00 a.m. on Monday, the 29th July, 2013 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 as at 31st March, 2013 and Profit & Loss Account for the year ended on that date together with the Directors' Report and Auditors' Report thereon.
- 2) To declare dividend.
- 3) To appoint a Director in place of Mr. Sanjeev Rungta, who retires by rotation, but being eligible offers himself for reappointment.
- 4) To appoint a Director in place of Mr. Abhishake Rungta, who retires by rotation, but being eligible offers himself for reappointment.
- 5) To appoint Auditors and fix their remuneration.

Place : Mumbai
Date : 25th May, 2013

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 PROXY(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 22nd July, 2013 to 29th July, 2013 (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. 29.07.2013.
 - (ii) In respect of shares held in the dematerialized form to those members, whose names appear in the statements as furnished by the depositories for this purpose as at the end of the business hours on 22.07.2013.

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.
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
29.09.2011	2010-11	28.10.2018
28.07.2012	2011-12	27.08.2019

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 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 : 25th May. 2013

By Order of the Board of Directors
SANJEEV RUNGTA
CHAIRMAN

DIRECTORS' REPORT

Dear Members,

Your Directors are pleased to present the Twenty Fourth Annual Report on the working of the Company along with the audited statements of accounts for the financial year ended 31st March, 2013.

FINANCIAL HIGHLIGHTS

	(₹ in Lacs) Current Year	(₹ in Lacs) Previous Year
TURNOVER.....	5825.62	5349.94
OPERATING PROFIT.....	621.17	541.72
CASH PROFIT.....	726.96	635.98
PROFIT BEFORE TAX	621.17	541.72
PROFIT AFTER TAX	444.84	354.12

MANAGEMENT DISCUSSION AND ANALYSIS

(a) Industry Structure and Development : Man-made fibre industry is well poised for reasonable growth despite slow down in European and certain other markets. Polypropylene fibre industry was not growing at the same rate as Polyester fibre because many sectors where PP should be used is replaced by Polyester because of lower prices. Certain novel uses have been found in some sectors where use of PP fibre cannot be replaced and this augurs well for PP fibre industry and it should also show similar growth as other fibres.

(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, 2013 amounted to ₹ 5825.62 lacs as against ₹ 5349.94 lacs last year. Operating profit stood at ₹ 621.17 lacs as against ₹ 541.72 lacs in the previous year. Cash profit was at ₹ 726.96 lacs as against ₹ 635.98 lacs in the earlier year. Profit before tax stood at ₹ 621.17 lacs as against ₹ 541.72 lacs in the earlier year and Profit after tax was at ₹ 444.84 lacs as against ₹ 354.12 lacs in the previous year.

Production during the year was higher at 4401 tons as against 4172 tons in the previous year. Sales of fibre including self consumption for conversion was 4328 tons as compared to 4224 tons last year. Sales of yarn was at 887 tons as compared to 1078 tons last year.

The year under review saw highest revenues, production and sales during a year since inception of the Company.

(c) Outlook : The general outlook for the industry is bright. Several sectors have been identified where use of PP fibre will be essential. Besides traditional need in various "infrastructure sector" its use has started in fabrics used for soil erosion and collection of ashes from power plants. To take advantage of expected increase in demand the company has augmented its capacity and commercial production was commenced during the year.

(d) Threats and concerns : With considerable depreciation of Indian currency and European market being in bad shape there is not much of a threat from imports. However, in view of expected surge in demand competitors may also enlarge their capacity and market may need some time to stabilize and achieve correct balance between demand and supply. However, as an abundant precaution, based upon the size of operations of the Company the management is maintaining fairly decent amount of readily available liquidity to meet any unforeseen exigencies that may arise and in this spirit has also made certain nominal investment during the year under review, in the real estate sector in another state whereby yields are expected to be fairly good. Based upon the outcome of this investment, decision will be made in future whether to continue along this line or not.

(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 2013. The Board of Directors wishes 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 20% for the financial year 2012-13. 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 ₹ 1.03 Crores.

DIRECTORS

To comply with the requirement of the Companies Act, 1956 and Articles of Association of the Company, Shri Sanjeev Rungta and Shri Abhishake Rungta, 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, 2013 and of the profit of the Company for the year ended on March 31, 2013.
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.

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 ₹ 5,00,000/- per month or ₹ 60,00,000/- per annum during the year under review, provisions of Section 217(2A) along with relevant rules do not apply to the Company.

SECRETARIAL COMPLIANCE CERTIFICATE

The Compliance Certificate issued by a Practicing Company Secretary is attached.

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 : 25th May, 2013

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 :

(Amount in ₹)

	<u>Current Year</u>	<u>Previous Year</u>
1. Total Foreign Exchange used (including CIF value of raw-materials, stores, spare parts, plant & machinery, fees for technical services, commission and travelling)	90,80,858	1,25,21,841
2. Total Foreign Exchange earned (FOB value of exports)	18,21,61,724	17,17,56,150

FORM - A

(See Rule – 2)

Form for disclosure of particulars with respect to Conservation of Energy

	CURRENT YEAR 2012-2013	PREVIOUS YEAR 2011-2012
A) POWER & FUEL CONSUMPTION :		
1. Electricity		
a) Purchased Units		
Total Amount (₹)	3601146	3502674
Rate/Unit (₹)	24584628	20153846
b) Own Generation	6.83	5.75
(i) Through Diesel Generator Units		
Total Amount (₹)	25280	21088
Cost per unit (₹)	457366	375856
(ii) Through Steam Turbine /Generator	18.09	17.82
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)		
Electricity ₹ / kg	4401	4172
Diesel & Oil ₹/kg	5.89	4.83
	0.11	0.09

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		NIL
(c) Has technology been fully absorbed		NIL
4. If not fully absorbed area where this has not taken place, reasons thereof and future plan of action.		NIL

For and on Behalf of the Board
SANJEEV RUNGTA
CHAIRMAN

Place : Mumbai
Date : 25th May, 2013

COMPLIANCE CERTIFICATE

To:
The Members
Zenith Fibres Limited

I have examined the registers, records, books and papers of Zenith Fibres Limited (the Company) as required to be maintained under the Companies Act, 1956 (the Act) and the rules made thereunder and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended 31st March, 2013. In my opinion and to the best of my information and according to the examinations carried out by me and explanation furnished to me by the Company, its officers and agents, I certify that in respect of the aforesaid financial year:

- 1 The Company has kept and maintained all registers as stated in Annexure A to this certificate, as per the provisions and the rules made thereunder and all entries therein have been duly recorded.
- 2 The Company has duly filed the forms and returns as stated in Annexure 'B' to this certificate with the Registrar of Companies, Maharashtra, within the time prescribed under the Act and the rules made thereunder. The Company has not filed any form/return with the Regional Director, Central Government, Company Law Board or other authorities.
- 3 The Company being a Public Limited company, comments on invitation to public to subscribe for shares/debentures or acceptance of deposits as applicable to a Private Limited Company are not required.
- 4 The Board of Directors duly met four times on 28/05/2012, 28/07/2012, 10/11/2012 and 09/02/2013 in respect of which meetings proper notices were given and the proceedings were properly recorded and signed. No circular resolutions was passed during the financial year.
- 5 The Company had closed its Register of Members from 23rd July, 2012 to 28th July, 2012 (both days inclusive) and necessary compliance of Section 154 of the Act has been made.
- 6 The Annual General Meeting for the financial year ended on 31st March, 2012 was held on 29th July, 2012 after giving due notices to the members of the Company and the resolutions passed there at were duly recorded in Minutes Book maintained for the purpose.
- 7 No Extra-Ordinary General Meeting was held during the financial year.
- 8 The Company has not advanced any loan to its Directors and/or persons or firms or companies referred to in Section 295 of the Act.
- 9 The Company has not entered into any contracts falling within the purview of Section 297 of the Act during the financial year.
- 10 The Company has made necessary entries in the register maintained under Section 301 of the Act.
- 11 As there was no appointment/instance falling within the purview of Section 314 of the Act, the Company was not required to obtain approval from the Board of Directors, members or Central Government.
- 12 The Company has not issued any duplicate share certificate during the financial year.

13. (i) The Company has delivered all the certificates on lodgment thereof for transfer/transmission or any other purpose in accordance with the provisions of the Act, The Company has not allotted any security during the year.
- (ii) The Company has deposited the amount of dividend declared in a separate Bank Account on 01/08/2012, which is within five days from the date of declaration of such dividend.
- (iii) The Company paid/posted dividend warrants for dividends to all the members within a period of 30 (thirty) days from the date of declaration and that all unclaimed/unpaid dividend has been transferred to Unpaid Dividend Account of the Company with HDFC Bank Ltd. on 04/08/2012.
- (iv) The Company transferred the amounts lying in unpaid dividend account, which had remained unclaimed or unpaid for a period of seven years, to Investors Education and Protection Fund. There was no amount such as application money due for refund, matured deposits, matured debentures and interest accrued thereon which have remained unclaimed or unpaid for a period of seven years;
- (v) The Company has complied with the requirements of Section 217 of the Act.
14. The Board of Directors of the Company is duly constituted and the appointments of Directors and Additional Director have been duly made. There was no appointment of Alternate Director and Director to fill casual vacancy during the financial year.
15. The Company has not appointed Managing Director/Whole-time Director or Manager.
16. The Company has not appointed any sole selling agent during the financial year.
17. The Company was not required to obtain any approval of the Central Government, Company Law Board, Regional Director, Registrar or such other authorities as prescribed in the various provisions of the Act during the financial year.
18. The Directors have disclosed their interest in other firms/Companies to the Board of Directors pursuant to the provisions of the Act and the rules made thereunder.
19. The Company has not issued any shares/debentures/other securities during the financial year.
20. The Company has not bought back any shares during the financial year ending 31st March, 2013.
21. The Company has not redeemed any preference shares/debentures during the financial year.
22. The Company was not required to keep in abeyance the rights to dividend, rights shares and bonus shares pending registration of transfer of shares.
23. The Company has not invited/accepted any deposit including any unsecured loans falling within the purview of Section 58A of the Act during the financial year.

24. The amount borrowed by the Company from Banks and others during the financial year ended 31st March, 2013 are within the borrowing limits of the Company.
25. The Company has given loans to and made investments in other bodies corporate in compliance with the provisions of the Act and has made necessary entries in the register kept for the purpose. The Company has not given any guarantee or provided security to other body corporate.
26. The Company has not altered the provisions of the Memorandum with respect to the situation of the Company's Registered Office from one state to another during the year under scrutiny.
27. The Company has not altered the provisions of the Memorandum with respect to the objects of the Company during the year under scrutiny.
28. The Company has not altered the provisions of the Memorandum with respect to the name of the Company during the year under scrutiny.
29. The Company has not altered the provisions of the Memorandum with respect to Share Capital of the Company during the year under scrutiny.
30. The Company has not altered its Articles of Association during the financial year.
31. There was no prosecution initiated against or show cause notice received by the Company or any other punishment imposed on the Company during the financial year, for offenses under the Act.
32. The Company has not received any money as security from its employees during the year under certification.
33. The Company has deposited both employees' and employer's contribution to Provident Fund with prescribed authorities pursuant to Section 418 of the Act.

Place: MUMBAI
Date : 25 th May, 2013

(UPENDRA C. SHUKLA)
COMPANY SECRETARY
FCS: 2727/CP No: 1654

Annexure A

Registers as maintained by the Company

- 1) Minutes Book of the Board Meeting u/s 193 of the Act.
- 2) Minutes Book of the General Meeting u/s 193 of the Act.
- 3) Register of Members of the Company u/s 150 of the Act.
- 4) Register of Directors u/s 303 (2) of the Act.
- 5) Register of Directors' Shareholding u/s 307.
- 6) Share Transfer Register.

ANNXURE B

Forms and returns as filed by the Company with the Registrar of Companies, Regional Director, Central Government or other authorities during the financial year ended on 31st March, 2013 :

- 1) Form 32 – pertaining to appointment of Dr. S.R. Vengasarkar as Additional Director w.e.f. 28/05/2012, filed u/s 303 on 25/06/2012.
- 2) Form 32 – pertaining to appointment of Dr. S.R. Vengasarkar as Director in A.G.M. held on 28/07/2012, filed u/s 303 on 27/08/2012.
- 3) Annual Return as on 28/07/2012 filed u/s 159 on 03/12/2012.
- 4) Annual Accounts for the year ended 31/03/2012 filed u/s 220 on 29/12/2012.
- 5) Compliance Report for the year ended 31/03/2012 filed u/s 383A on 20/10/2012.
- 6) Form 1 - pursuant to Rule 3 of the Investor Education & Protection Fund (Awareness & Protection of Investors) Rules, 2001 – unpaid/unclaimed dividend, declared on 27/09/2005, transferred to Investors' Education & Protection Fund on 07/11/2012, filed on 12/11/2012.
- 7) Form 1 (xbrl) – pertaining to filing of Cost Audit Report for the financial year 2011-12, filed u/s 233-B on 15/02/2013.

Place: Mumbai
Date: 25th May, 2013

(UPENDRA C. SHUKLA)
COMPANY SECRETARY
FCS: 2727/CP No: 1654

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 Corporate Social Responsibility

The Company is fully aware of its social responsibility towards the society at large and within fair means contributes for the betterment of education for the poor either directly or through NGO's. It also contributes towards the charitable and welfare trusts and has recently been associated with an art trust also. Last but not the least, it is doing its bit in providing shelter to the homeless.

3 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 Attended	Attendance at the last AGM
Mr. A. K. Rungta (Promoter)	Non-executive	1	Yes
Mr. Sanjeev Rungta (Promoter)	Non-executive	4	Yes
Mr. Rajeev Rungta (Promoter)	Non-executive	1	No
Mr. Amitabha Ghosh	Independent	4	No
Dr. S.R. Vengsarker	Independent	4	No
Mr. Abhishake Rungta	Independent	1	Yes
Mr. Mukund Beriwal	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. Ajay K. Rungta	1	0
Mr. Sanjeev Rungta	2	1
Mr. Rajeev Rungta	4	0
Mr. Amitabha Ghosh	10	Member – 11 / Chairman - 4
Dr. S. R. Vengsarker	0	0
Mr. Abhishake Rungta	4	0
Mr. Mukund Beriwal	0	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 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 28/5/12, 28/7/12, 10/11/12 & 09/2/13

4 Audit Committee

The Audit Committee comprises of Mr. M. Beriwal, Chairman of the Committee and Dr. S. R. Vengsarker, 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 28/5/12, 28/7/12, 10/11/12 & 09/2/13. All the Committee Members attended all the meetings,

5 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 (Amount in ₹)
Mr. A.K. Rungta	2,500.00
Mr. A. Ghosh	10,000.00
Mr. Sanjeev Rungta	20,000.00
Mr. Mukund Beriwala	20,000.00
Dr. S.R. Vengsaker	20,000.00
Mr. Abhishake Rungta	2,500.00
Mr. Rajeev Rungta	2,500.00

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 to any place of profit.

6 Investors/Shareholders' Grievance Committee

The Committee functions under the Chairmanship of Mr. M. Beriwala, an Independent Director, along with Dr. S. R. Vengsarker, 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 the same has 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, 2013.

7 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
28/07/2012	Sangathan Hall, Hotel Atithi, Ville Parle Mumbai - 400 099	11.00 a.m.	One
23/09/2011	- do -	11.00 a.m.	Nil
29/09/2010	- do -	04.00 p.m.	One

8 Notes on Directors seeking appointment / re-appointment

Mr. Sanjeev Rungta

Mr. Sanjeev Rungta, aged 53 years, is a Mechanical Engineer from Michigan, USA. He has experience of about 30 years in various types of industries such as chemical, engineering and textiles. He is a member of the Audit and Investors' Grievance Committee.

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

Name of Company	Designation	Chairman/Membership of Audit Committee / Shareholders'/Investors'Grievance Committee Remuneration Committee of the Board
Pearl Industries Ltd	Director	-
Maharashtra Seamless Ltd.	Director	Member of Audit Committee

Mr. Abhishake Rungta

Mr. Abhishake Rungta aged 42 years is a Bachelor of Commerce and has been associated with various types of industries viz. steel, finance and information technology for about 20 years.

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

Name of Company	Designation	Chairman/Membership of Audit Committee / Shareholders'/Investors'Grievance Committee Remuneration Committee of the Board
Zenith Products Ltd.	Director	-
Vinita Investment Ltd.	Director	-
Asiatic Gases Ltd.	Director	-
Aaekay Investment Ltd.	Director	-

9 Disclosures

Transaction with related parties are disclosed under Other Notes clause no.vii. 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 31/3/2013
Mr. A. K. Rungta	4,500
Mr. A. Ghosh	NIL
Dr. S. R. Vengsarker	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.

10 Means of Communication

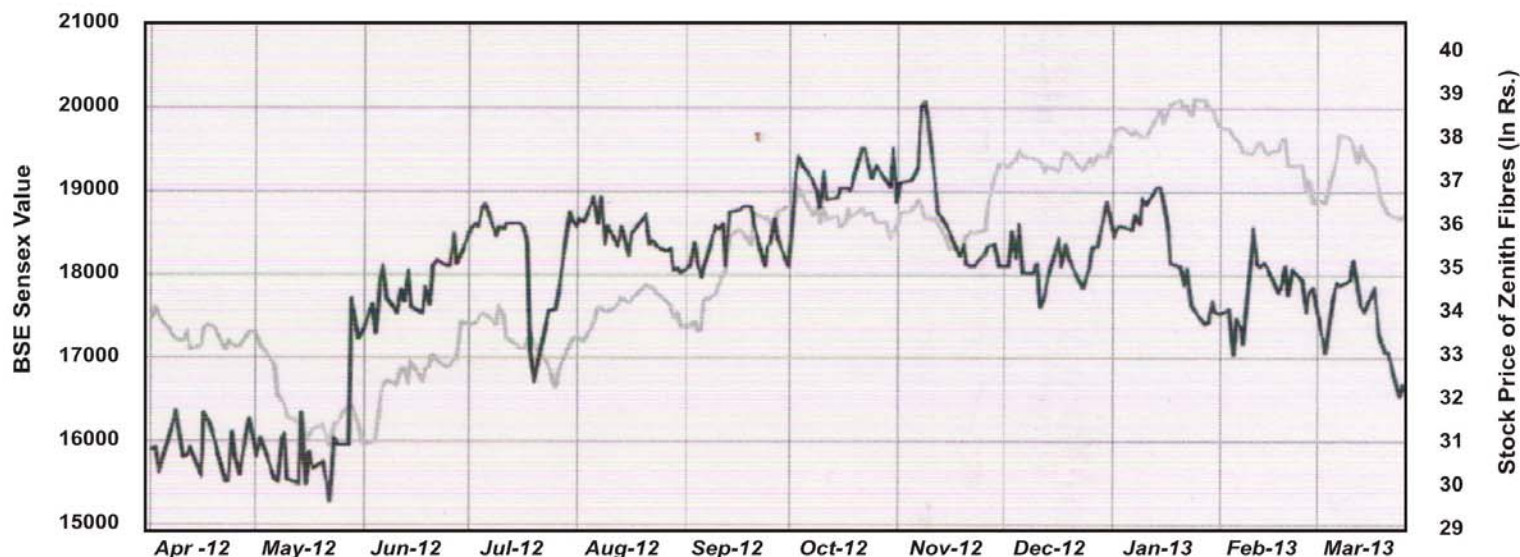
Newspapers in which Quarterly results are normally published	Financial Express - Mumbai edition Dainik Sagar - Mumbai edition
Any website where displayed	Yes, at the site www.zenithfibres.com
Whether it also displays official news releases and presentation made to institutional investors or to Analyst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

11 General Shareholder Information

AGM - Date	29 th July, 2013
Time	11.00 a.m.
Venue	Hotel Atithi, Ville Parle (E), Mumbai.
Financial Calendar	April 2013 to March 2014
(a) First Quarter results	Last week May, 2013
(b) Second Quarter results	Last week July, 2013
(c) Third Quarter results	Last week January, 2014
(d) Results for year ending March 2013	before end of May, 2014
Date of Book closure	22.07.2013 to 29.07.2013 (both days inclusive)
Dividend payment date	On or before 2nd August, 2013
Listing on Stock Exchange	The Stock Exchange - Mumbai
Listing Fees for 2013-2014 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-2012 to March-2013 on The Stock Exchange - Mumbai

Stock Performance of Zenith Fibres in 2012 - 13 Sensex - Zenith Fibres



Monthly High / Low in Rupees												
High	32	34	36	36	37	36	38	39	37	37	36	35
Low	30	30	33	32	35	35	35	35	34	34	33	32

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. 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.

Share Transfer System

Distribution and Shareholding Pattern as on 31st March, 2013

No. of Equity Shares	No. of Folios	%	No. of Shares	%
01-500	3870	88.417	563129	12.734
501-1000	234	5.346	199066	4.501
1001-2000	112	2.559	177463	4.014
2001-3000	42	0.960	107565	2.432
3001-4000	22	0.503	80720	1.825
4001-5000	20	0.457	94570	2.138
5001-10000	40	0.913	278212	6.291
10001 and above	37	0.845	2921621	66.065
TOTAL	4377	100.00	4422346	100.00
In Physical Mode			2534257	57.30
In Electronic Mode			1888089	42.70

Shareholding Pattern as on 31st March, 2013

Category	No. of Shares	%
Promoters	2221106	50.22
Mutual Funds & UTI	27600	0.62
Financial Institutions	0	0.00
Domestic Companies	343017	7.76
FII's and NRI's	14029	0.32
Resident Individuals / others	1816594	41.08
TOTAL	4422346	100.00

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

Dematerialisation of shares and liquidity :

1888089 (42.70%) shares of the paid-up capital has been dematerialized as on 31/3/2013. 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 -400 050.
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.

12. 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.

13. RISK MANAGEMENT

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

14. CEO & CFO CERTIFICATE

A certificate duly signed by Mr. Sanjeev Rungta, Director and Mr. K. D. Sharma, Vice President (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, 2013 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
V. P. (Commercial)

Sanjeev Rungta
DIRECTOR

Date : 25th May, 2013

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,2013.

Date : 25th May, 2013

Sanjeev Rungta
DIRECTOR

INDEPENDENT AUDITOR'S REPORT

To
The Members of
Zenith Fibres Limited

Report on the Financial Statements

1. We have audited the accompanying financial statements of Zenith Fibres Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2013, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

2. Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

3. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

6. In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
 - (b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
 - (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

7. 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 Act, and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.

8. As required by section 227(3) of the Act, 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 purpose 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, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d) in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;
 - e) on the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

For Jain & Hindocha
Chartered Accountants
Firm Reg. No.113898W

Place: Vadodara
Date: 25th May, 2013

(Jaswant Jain)
Partner
(Membership Number 035126)

Annexure to the Auditors' Report to the members of Zenith Fibres Limited for the year ended 31st March, 2013

(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) The 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 sales 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;

- x) 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.
- a) According to Information and Explanation given to us, provisions of the Employees' State Insurance Act, 1948 are not applicable to the Company;
- b) 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.
- xi) 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;
- xii) 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.
- xiii) 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;
- xiv) 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;
- xv) 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;
- xvi) 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.
- xvii) 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.
- xviii) 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.
- xix) 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.
- xx) The Company had not issued any debentures during the year. Accordingly, question of creating any security or charge for debentures does not arise.
- xxi) The Company has not raised any money by public issue during the year.
- xxii) 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
Chartered Accountants
(FRN No.103868W)

Place: Vadodara
Date: 25th May, 2013

(Jaswant Jain)
Partner
Membership No.35126

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To
The Members of
ZENITH FIBRES LIMITED

1. We have examined the compliance of conditions of corporate governance by Zenith Fibres Limited for the year ended on 31st March, 2013, as stipulated in Clause 49 of the Listing Agreement of the said Company with the stock exchanges.
2. 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.
3. 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.
4. 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.
5. 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
Chartered Accountants
(FRN No.103868W)

Place: Vadodara
Date: 25th May, 2013

(Jaswant Jain)
Partner
Membership No.35126

BALANCE SHEET AS AT 31st MARCH 2013

Particulars	NOTE No.	As at 31.03.2013 (₹)	As at 31.03.2012 (₹)
I. EQUITY AND LIABILITIES			
(1) Shareholders' funds			
(a) Share Capital	2	5,08,84,365	5,08,84,365
(b) Reserves and Surplus	3	21,25,48,865	17,83,44,542
(2) Non-current Liabilities			
(a) Long term Borrowings	4	56,57,872	33,37,779
(b) Deferred tax liabilities (Net)	5	67,68,991	79,11,072
(c) Long term provisions	6	11,78,374	9,88,732
(3) Current Liabilities			
(a) Short term Borrowing from Bank	7	24,64,173	-
(b) Trade payables	8	65,42,151	1,28,07,535
(c) Other current liabilities	9	1,14,07,444	1,03,05,749
(d) Short-term provisions	10	1,32,74,119	1,41,08,521
TOTAL		31,07,26,354	27,86,88,295
II. ASSETS			
(1) Non-current assets			
(a) Fixed Assets			
(b) (i) Tangible assets	11(i)	6,66,25,177	4,97,55,536
(c) (ii) Intangible	11(ii)	8,421	37,806
(d) (iii) Capital Work-in-progress		-	1,61,95,097
(b) Non-current Investments	12	1,00,00,000	-
(c) Long term Loans and Advances	13	1,53,49,703	1,47,91,595
(2) Current Assets			
(a) Inventories	14	4,46,80,403	2,94,05,786
(b) Trade receivable	15	3,90,96,491	5,18,36,682
(c) Cash and Bank Balances	16	12,25,42,591	10,20,82,149
(d) Short-term loans and advances	17	1,24,23,568	1,45,83,644
TOTAL		31,07,26,354	27,86,88,295
Significant Accounting Policies			

Refer accompanying notes forming part of financial statements

As per our attached Report of even date

For Jain & Hindocha
Chartered Accountants

Jaswant Jain
Partner

Place : Mumbai
Date : 25th May,2013

SANJEEV RUNGTA - Chairman
RAJEEV RUNGTA - Director
S.R. VENGSARKER - Director

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31st MARCH 2013

Particulars		NOTE No.	As at 31.03.2013 (₹)	As at 31.03.2012 (₹)
I	Revenue from operations (Gross) :			
	(a) Sale of Product		57,76,07,867	53,19,14,220
	(b) Other Operating Revenue		49,54,849	30,79,932
			58,25,62,716	53,49,94,152
	Less : Excise Duty		4,03,28,042	3,07,12,542
	Revenue from operations (Net)		54,22,34,674	50,42,81,610
II	Other Income	18	1,75,35,953	1,36,32,879
III	Total Revenue (I+II)		55,97,70,627	51,79,14,489
IV	Expenses			
	Cost of materials consumed	19	38,48,76,390	33,47,48,810
	Change in inventories of finished goods/ Waste and work in progress	20	(1,16,96,390)	52,96,408
	Employees benefits expenses	21	2,26,30,996	1,90,89,503
	Finance cost	22	19,86,053	15,51,393
	Depreciation and Amortization Expenses	11	1,05,78,839	94,26,652
	Other Expenses	23	8,92,77,249	9,36,29,538
	Total Expenses		49,76,53,137	46,37,42,304
V	Profit before Exceptional and Extraordinary items and Tax (III-IV)		6,21,17,490	5,41,72,185
VI	Exceptional / Extraordinary items			
VII	Profit before tax (V-VI)		6,21,17,490	5,41,72,185
VIII	Less : Tax expenses			
	1) Current tax		2,16,50,000	2,04,40,000
	2) Tax relating to earlier years		(28,74,274)	2,84,022
	3) Deferred tax		(11,42,081)	(19,63,600)
IX	Profit for the Year (VII-VIII)		4,44,83,845	3,54,11,763
X	Earnings per share (of ₹ 10/- each)			
	(a) Basic		10.06	8.00
	(b) Diluted		10.06	8.00
	Significant Accounting Policies	1		

Refer accompanying notes forming part of financial statements

As per our attached Report of even date

For Jain & Hindocha
Chartered Accountants

SANJEEV RUNGTA - Chairman
RAJEEV RUNGTA - Director
S.R. VENGSARKER - Director

Jaswant Jain
Partner

Place : Mumbai
Date : 25th May,2013

Particulars		Year ended As on 31/03/2013	Year ended As on 31/03/2012
(A)	CASH FLOW FROM OPERATING ACTIVITIES :		
	PROFIT BEFORE TAX AND EXTRA ORDINARY ITEMS,	62,117,490	54,172,185
	ADJUSTMENT FOR :		
	DEPRECIATION	10,578,839	9,426,652
	LOSS ON FIXED ASSETS DISCARDED	441,494	310,106
	INTEREST (NET)	(12,457,603)	(9,846,471)
	MISCELLANEOUS EXPENSES WRITTEN OFF		
	OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	60,680,220	54,062,472
	ADJUSTMENT FOR :		
	TRADE RECEIVABLES	12,740,191	(15,534,357)
	INVENTORIES	(15,274,617)	3,495,330
	TRADE PAYABLES AND OTHER PAYABLES	(5,670,264)	9,959,756
	OTHER RECEIVABLES	(4,051,232)	(2,372,499)
	CASH IN-FLOW FROM OPERATIONS	48,424,298	49,610,702
	TAXATION	(19,753,849)	(20,375,146)
	CASH FLOW BEFORE EXTRA ORDINARY ITEMS	28,670,449	29,235,556
	EXTRA ORDINARY ITEMS		
	NET CASH FLOW FROM OPERATING ACTIVITIES	(A) 28,670,449	29,235,556
(B)	CASH FLOW FROM INVESTING ACTIVITIES :		
	INTEREST RECEIVED	13,523,273	9,631,262
	PURCHASE OF FIXED ASSETS	(12,001,359)	(23,908,570)
	DISPOSAL OF FIXED ASSETS	335,868	383,953
	INVESTMENTS (NON-CURRENT)	(10,000,000)	-
	NET CASH RECEIVED (SPENT) FROM (IN) INVESTING ACTIVITIES	(B) (8,142,218)	(13,893,355)
(C)	CASH FLOW FROM FINANCE ACTIVITIES :		
	REPAYMENT OF TERM LOANS	(15,47,981)	(1,398,791)
	INTEREST PAYMENT	(7,58,109)	(263,184)
	DIVIDEND AND TAX ON DIVIDEND PAID	(10,195,758)	(7,729,293)
	BANK BORROWINGS	7,164,173	3,400,000
	NET CASH IN (OUT) FLOW FROM FINANCING ACTIVITIES	(C) (5,337,675)	(5,991,268)
	NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	(A + B + C) 15,190,556	9,350,933
	CASH & CASH EQUIVALENTS AS AT BEGINNING OF THE YEAR	100,560,806	91,209,873
	CASH AND CASH EQUIVALENTS AS AT END OF THE YEAR	115,751,362	100,560,806

AS PER OUR ATTACHED REPORT OF EVEN DATE

**For Jain & Hindocha
Chartered Accountants**

**Jaswant Jain
Partner**

Place : Mumbai
Date : 25th May,2013

SANJEEV RUNGTA - Chairman
RAJEEV RUNGTA - Director
S.R. VENGSARKER - Director

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. Cost of Fixed Assets not ready to use as on the Balance sheet date are disclosed under "Capital Work in progress" and Advances paid towards acquisition of fixed assets outstanding as at Balance Sheet date are disclosed as Capital Advances under Long term loan and advances.
- iv. 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.
- v. Impairment of Assets - The carrying amounts of assets are reviewed at each balance sheet date, if there is any indication of impairment based on internal/external factors. An impairment loss is recognized to the extent of carrying amount is greater than the recoverable amount of the asset. Recoverable amount is the higher of net selling price and value in use.

b) Investments

Investments made by the company are intended to be held for more than a year and are classified as non current Investments. The same are valued at cost.

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

d) Inventory

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

e) Sales

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

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

g) Employee Benefits

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

h) Foreign Currency Transactions

- i. Foreign currency transactions are recorded at the exchange rates prevailing on the date of transaction. Gain or loss arising out of subsequent fluctuations is accounted for on actual payment or realization.
- ii. Monetary items denominated in foreign currency as at the Balance Sheet date other than those covered by forward contracts, are converted at exchange rates prevailing on that date and those covered by forward contract are converted at Contracted Rate.
- iii. Exchange differences relating to fixed assets are adjusted in the cost of assets. Any other exchange differences are dealt with in the profit & loss account.
- iv. Forward Exchange Contracts :

The Company uses foreign currency forward contracts to hedge its risk associated with foreign currency fluctuations relating to certain firm commitments.

The Company does not use derivative financial instruments for speculative purposes.

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

j) Taxation

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

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

NOTES FORMING PART OF FINANCIAL STATEMENTS

Particulars	AS AT 31.03.2013 (₹)	AS AT 31.03.2012 (₹)
2. Share Capital		
AUTHORISED		
6000000 (Previous Year 6000000) Equity Shares of ₹ 10 each	60000000	60000000
ISSUED		
5754527 (previous Year 5754527) Equity Shares of ₹ 10 each	57545270	57545270
Subscribed & Paid up 44,22,346 Equity Shares of ₹ 10 each (Previous Year 4422346)	44223460	44223460
Forfeited Shares (amount originally paid)	6660905	6660905
Total	50884365	50884365
a) Reconciliation of Number of Shares		
Shares outstanding as at 1st April 2012/1st April 2011	4422346	4422346
Shares outstanding as at 31st March 2013/31st March 2012	4422346	4422346
b) List of shareholders holding more than 5% of the total number of Shares issued by the Company :		
Name of the share holder		
Demris Finvest Pvt. Ltd.	481500	481500
Galaxy Dealers Pvt. Ltd.	325810	325810
Rainy Fiscal Services (P) Ltd.	560100	560100
Shark Barter Pvt. Ltd.	450000	450000
<p>The Company has issued only one class of equity shares having a par value of ₹ 10 per share. Each holder of Equity Shares is entitled to one vote per share. The Company declares and pays dividend in the Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders at the Annual General Meeting.</p>		
3. Reserves and Surplus		
(a) Capital Reserves		
Subsidy received from the District Industries Centre, Govt. of Gujarat.	25,00,000	25,00,000
Share Premium Reserve	91,83,588	91,83,588
Profit on Re-Issue of Forfeited Shares	33,500	33,500
	1,17,17,088	1,17,17,088
(b) General Reserve		
Opening Balance	11,60,00,000	11,35,00,000
Add : Transfer from surplus	50,00,000	25,00,000
Closing Balance	12,10,00,000	11,60,00,000
(c) Surplus in statement of Profit and Loss		
Opening Balance	5,06,27,454	2,79,69,591
Add : Transfer from surplus	4,44,83,845	3,54,11,763
Closing Balance	9,51,11,299	6,33,81,354
Less : Appropriations		
- Transfer to General Reserve	50,00,000	25,00,000
- Proposed Dividend @ ₹ 2/- per share (Previous Year ₹ 2/- per share)	88,44,692	88,44,692
- Corporate Dividend Tax	14,34,830	14,34,830
- Corporate Dividend Tax written back	-	(25622)
	7,98,31,777	5,06,27,454
Total	21,25,48,865	17,83,44,542

NOTES FORMING PART OF FINANCIAL STATEMENTS

Particulars					AS AT 31.03.2013 (₹)	AS AT 31.03.2012 (₹)
4. Long-term Borrowings (Secured by Hypothecation of Vehicles)						
	Tenor Months	Maturity	Payable EMI (₹)	Rate of Interest p.a.		
<u>From Banks</u>						
- ICICI Bank Ltd. Kolkata	60	10.01.14	65095	8.14%	-	7,01,899
- ICICI Bank Ltd. Kolkata	60	15.11.17	99922	10.02%	36,44,071	-
					<u>36,44,071</u>	<u>7,01,899</u>
<u>From Other Parties</u>						
- BMW India Financial Services Pvt. Ltd.	60	10.11.16	72397	10.47%	20,13,801	26,35,880
					<u>20,13,801</u>	<u>26,35,880</u>
No default as on Balance Sheet date in repayment of Principle & Interest for above loans					56,57,872	33,37,779
5. Deferred Tax Liabilities (Net)						
a. Deferred Tax Liabilities						
- Depreciation on fixed assets					75,04,557	85,18,738
b. Deferred Tax Assets						
- Employee benefits					7,35,566	6,07,666
					<u>67,68,991</u>	<u>79,11,072</u>
Net Deferred Tax Liability						
6. Long-term provisions						
Provision for Employee Benefits						
- Provision for compensated absences					11,78,374	9,88,732
					<u>11,78,374</u>	<u>9,88,732</u>
Total					11,78,374	9,88,732

NOTES FORMING PART OF FINANCIAL STATEMENTS

Particulars	AS AT 31.03.2013 (₹)	AS AT 31.03.2012 (₹)
7 Short -term Borrowing from Bank	24,64,173	-
Secured by Hypothecation of all materials, Book Debts & Fixed Assets and Guaranteed by two directors.		
No default as on Balance Sheet date in repayment of principle and interest		
8 Trade payables		
Amount due to Micro and Small Enterprises [Refer Note No.24(III)]	45,168	-
Amount due to Others	64,96,983	1,28,07,535
Total	<u>65,42,151</u>	<u>1,28,07,535</u>
9 Other current Liabilities		
Current Maturity of Long-term Borrowings	20,40,417	12,08,491
- From Banks ₹ 1418339/- (647997/-)		
- From Other Parties ₹ 622078/- (560494/-)		
(For Other details refer note no. 4)		
Unpaid Divident*	16,05,107	15,21,343
Other payables	77,61,920	75,75,915
Total	<u>1,14,07,444</u>	<u>1,03,05,749</u>
* These amounts represent warrants issued to shareholders which remained unrepresented as on 31st March 2013.		
Other payables pertains to:		
(i) Statutory liabilities	21,68,251	9,79,217
(ii) Creditors for Capital Goods	-	1,15,643
(iii) Interest received in advance	1,39,177	2,14,930
(iv) Others	54,54,492	62,66,125
10 Short-term provisions		
Provision for Employee Benefits - Provident Fund	65,941	66,513
Provision for compensated absences	4,11,844	3,01,556
Provision for Gratuity	29,970	-
Provision for Current Tax	2,16,50,000	
Less; Advance Tax & TDS	<u>1,91,87,785</u>	34,40,337
Provision for Wealth Tax	24,627	20,593
Proposed dividend	88,44,692	88,44,692
Tax on proposed dividend	14,34,830	14,34,830
Total	<u>1,32,74,119</u>	<u>1,41,08,521</u>

NOTES FORMING PART OF FINANCIAL STATEMENTS

11 (i) Tangible Assets

(Amount in ₹)

Particular	GROSS BLOCK				DEPRECIATION				NEW BLOCK	
	As At 01-04-2012	Additions	Deductions	Total As At 31-03-2013	As At 01-04-2012	For the Year	Deductions	Total As At 31-03-2013	As At 31-03-2013	As At 31-03-2012
Land	1086398	0	0	1086398	0	0	0	0	1086398	1086398
	(1086398)	(0)	(0)	(1086398)	(0)	(0)	(0)	(0)	(1086398)	(1086398)
Building	16004114	235000	0	16239114	7152782	540424	0	7693206	8545908	8851332
	(13189601)	(2814513)	(0)	(16004114)	(6712249)	(440533)	(0)	(7152782)	(8851332)	(6477352)
Plant & Machineries	143201054	22117523	750036	164568541	115090315	8395967	750036	122736246	41832295	28110737
	(146350781)	(148780)	(3298507)	(143201054)	(110064460)	(7660961)	(2635104)	(115090317)	(28110737)	(36286321)
Furniture & Fixtures	3036587	72689	0	3109276	1946468	188912	0	2135380	973896	1090119
	(2965260)	(71327)	(0)	(3036587)	(1753394)	(193074)	(0)	(1946468)	(1090119)	(1211886)
Office Equipments	1540243	96916	29500	1607659	680690	72955	12086	741559	866100	859553
	(1509187)	(71138)	(40082)	(1540243)	(620689)	(69426)	(9425)	(680690)	(859553)	(888498)
Electric Fittings	122050	0	0	122050	60012	11817	0	71829	50221	62038
	(122050)	(0)	(0)	(122050)	(48195)	(11817)	(0)	(60012)	(62038)	(73855)
Vehicles	12379595	5599350	1637630	16341315	2726055	1290892	877682	3139265	13202050	9653540
	(7714362)	(4665233)	(0)	(12379595)	(1896665)	(829390)	(0)	(2726055)	(9653540)	(5817697)
Computers	2173715	74978	11981	2236712	2131897	48487	11981	2168403	68309	41818
	(2127322)	(46393)	(0)	(2173715)	(1939830)	(192067)	(0)	(2131897)	(41818)	(187492)
Total	179543756	28196456	2429147	205311065	129788219	10549454	1651785	138685888	66625177	49755535
Previous Year	(175064961)	(7817384)	(3338589)	(179543756)	(123035482)	(9397268)	(2644529)	(129788221)	(49755535)	(52029479)

(ii) Intangible Assets

Particular	GROSS BLOCK				DEPRECIATION				NEW BLOCK	
	As At 01-04-2012	Additions	Deductions	Total As At 31-03-2013	As At 01-04-2012	For the Year	Deductions	Total As At 31-03-2013	As At 31-03-2013	As At 31-03-2012
Intangible Assets	193280	0	0	193280	155474	29385	0	184859	8421	37806
	(193280)	(0)	(0)	(193280)	(126089)	(29385)	(0)	(155474)	(37806)	(67191)
Total	193280	0	0	193280	155474	29385	0	184859	8421	37806
Previous Year	(193280)	(0)	(0)	(193280)	(126089)	(29385)	(0)	(155474)	(37806)	(67191)

(Figures in brackets pertain to previous year)

NOTES FORMING PART OF FINANCIAL STATEMENTS

Particulars	AS AT 31.03.2013 (₹)	AS AT 31.03.2012 (₹)
12 Non-current Investments (Other Investment Unquoted)		
10,00,000 Fully paid Equity Shares of ₹ 10/- each of M/s. Rainy properties Pvt. Ltd. Kolkata at cost.	1,00,00,000	-
Total	1,00,00,000	-
13 Long term Loans and Advances (Unsecured, considered Good)		
(a) Capital Advance	4,17,000	38,252
(b) Deposit with related party	54,000	54,000
(c) Deposits with others	1,00,00,000	1,20,00,000
(d) Security Deposits	10,48,083	6,09,200
(e) VAT Credit receivable	38,30,620	20,90,143
Total	1,53,49,703	1,47,91,595
14 Inventories (at lower of cost or net realizable value)		
a. Raw Material	2,19,65,619	2,09,57,993
b. Raw Material in Transit	28,82,901	6,23,678
c. Work in Progress	3,17,706	2,72,758
d. Finished Goods	1,70,45,967	52,76,475
e. Stores and Spares	18,45,185	15,59,581
f. Spares in Transit	26,145	92,081
g. Packing Materials & Fuel	4,40,880	3,49,170
h. Others (Waste)	1,56,000	2,74,050
Total	4,46,80,403	2,94,05,786
15 Trade Receivables (Unsecured considered good)		
Exceeding Six months from due date	41,577	44,978
Others	3,90,54,914	5,17,91,704
Total	3,90,96,491	5,18,36,682
16 Cash and Bank Balances		
a) Cash and Cash equivalents	2,30,023	2,23,536
<u>Balance with Banks</u>		
- Current Account	7,27,134	3,37,270
- Fixed Deposit Accounts	11,47,94,205	10,00,00,000
b) Other Bank Balances		
Balance with Bank to the extent held as margin money	51,86,122	-
Un-paid Dividend Accounts	16,05,107	15,21,343
Total	12,25,42,591	10,20,82,149
17 Short Term Loans and Advances (Unsecured, considered Good)		
a) Advances recoverable in cash or in kind or for value received*	74,76,443	60,05,987
b) Deposits	1,300	22,18,653
c) Balance with Central Excise Authorities	11,02,063	9,61,426
d) Gratuity Assets over obligation	-	47,405
e) VAT Credit Receivable	34,26,885	51,32,954
f) Prepaid Expenses	4,16,877	2,17,219
Total	1,24,23,568	1,45,83,644

* include ₹75,500/- due from Officers of the Company (₹ 83,000/-)

NOTES FORMING PART OF FINANCIAL STATEMENTS

Particulars	AS AT 31.03.2013 (₹)	AS AT 31.03.2012 (₹)
18 Other Income		
Interest Income:		
- Interest from Fixed Deposits	1,03,79,662	84,18,582
- Other Interest	28,36,050	16,91,073
Cash Discount	17,26,320	14,22,530
Misc. Scrap Sales	4,04,833	2,21,534
Liabilities no longer required written back	51,525	1,44,382
Net Gain(Loss) on Foreign Currency Transactions & Translations	21,31,285	17,16,111
Other Non Operating Income	6,278	18,667
Total	1,75,35,953	1,36,32,879
19 Cost of Materials Consumed		
Materials Consumed Comprises of :		
PP Resin	36,54,54,688	31,80,10,708
Master Batch	1,24,69,030	1,08,86,511
Spin Finish	69,52,673	58,51,591
Total	38,48,76,391	33,47,48,810
20 Change in inventories of finished goods / waste and work in progress		
Opening Stock		
Work-in-Progress	5,46,808	10,18,072
Finished goods and waste	52,76,475	1,01,01,619
	58,23,283	1,11,19,691
Closing Stock		
Work-in-Progress	4,73,706	5,46,808
Finished goods and waste	1,70,45,967	52,76,475
	1,75,19,673	58,23,283
(Increase) Decrease in inventories of finished goods and WIP-Total	(1,16,96,390)	52,96,408
21 Employee benefits expenses		
Salaries, Wages and Bonus	2,09,27,637	1,76,05,620
Contribution to Provident and other Funds	14,29,774	12,45,798
Staff Welfare Expenses	2,73,585	2,38,085
Total	2,26,30,996	1,90,89,503

NOTES FORMING PART OF FINANCIAL STATEMENTS

Particulars	AS AT 31.03.2013 (₹)	AS AT 31.03.2012 (₹)
22 Finance cost		
Interest Expenses	7,56,977	2,61,305
Other borrowing costs including Bank Charges	12,29,076	12,90,088
Total	19,86,053	15,51,393
23 Other expenses		
Stores Consumed	46,59,926	41,69,335
Packing Consumed	41,93,306	33,13,173
Power and Fuel	2,50,41,994	2,06,32,885
Rent & Service Charges	20,43,065	19,30,878
Repairs to Building	11,63,190	15,12,525
Repairs to Machinery	14,33,401	22,56,452
Insurance	4,91,365	5,20,117
Rates and Taxes	1,20,854	83,281
Processing Charges	2,77,40,916	3,36,94,637
Transportation Charges on Job work	12,86,492	13,08,659
Commission and Discount on Sales	46,18,823	45,63,716
Donation	23,32,000	44,52,003
Freight & Forwarding charges - Export	37,69,786	43,23,611
Travelling and Conveyance	28,62,947	33,61,576
Auditors' Remuneration		
- Audit Fees	70,000	55,000
- Tax Matters	70,000	60,000
- Other Services	72,500	68,500
Loss on Fixed Assets Discarded	4,41,494	3,10,106
* Miscellaneous Expenses	68,65,190	70,13,084
Total	8,92,77,249	9,36,29,538

* None of the items exceeds 1% of revenue for qualification.

24 OTHER NOTES :**(i) CONTINGENT LIABILITIES AND COMMITMENTS :**

- (a) CONTINGENT LIABILITIES : Bank Guarantee 51,86,122/- (NIL)
- (b) COMMITMENTS : Estimated amount of contracts remaining to be executed and not provided for in respect of capital purchases (Net of Advance) ₹ 3,12,750/- (₹ 14,27,591/-)
- (ii) In the opinion of the Board, Current Assets, Loans and Advances are approximately of the value stated if realized in the ordinary course of business and provision for all known liabilities is adequate.
- (iii) No interest is payable on account of amount outstanding to Micro, small and Medium Enterprises. The identification of vendor as a "Supplier" under the Micro, Small and Medium Enterprise Development Act, 2006 has been done on the basis of information available with the company. This has been relied upon by the Auditors,
- (iv) Company's operations comprise of only one segment i.e. "manufacturing of man made fibres" in terms of the guidelines stated in AS-17 issued by the Institute of Chartered Accountants of India.
- (v) The amount of lease payment in respect of operating (cancellable) leases recognized in the profit and loss account was ₹ 20,43,065/- (₹ 19,30,878/-) and future minimum lease payments are as follows :

	<u>Current Year</u>	<u>Previous Year</u>
	(₹)	(₹)
Not later than one year.	11,86,064/-	19,39,508/-
Later than one year but not latter than five years	14,96,736/-	26,76,620/-
Later than five years and above	Nil	Nil

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

Sr. No.	Nature of Transaction	Associate / Bodies Corporate	Amount (₹ in lacs)	*Key Managerial Personnel/Relatives	Amount (₹ in lacs)
1.	Website Hosting Charges	Navigator Software Pvt. Ltd.	0.13 (0.07)	Mr. A.K. Rungta (KMP)	0.025
2.	Rent for Office Premises	Hind Wire Industries Ltd.	1.08 (1.08)	Mr. S. Rungta (KMP)	0.20
3.	Balance Outstanding (Deposit)	Hind Wire Industries Ltd.	0.54 (0.54)	Mr. A. Rungta	0.025
4.	Sitting Fees to KMP / Relatives*	Directors		Mr. R. Rungta	0.025

- vii) The Company has paid MOT charges of ₹ 1,41,625/- (₹ 1,41,625/-) during earlier years to the Central Excise Authority under protest. The Company is hopeful of getting the refund of this amount as per advise of the expert. Similarly, during the year the Company has reversed Cenvat Credit of Service Tax, charged by the Commission Agent amounting to ₹ 4,05,026/- availed of , under protest and also paid interest of ₹ 33,857/- on such reversal as per the directions of the Central Excise Authority in view of decision of Honourable Gujarat High Court in the case of Cadila Healthcare Limited. The Company has not accounted these as expenses but disclosed the same as advance recoverable as per the advise of expert and pending appeal of Cadila Healthcare Ltd. before the Honourable Supreme Court of India.

viii) Forward Exchange Contract

The Outstanding Foreign Currency Contracts 31st March, 2013 in respect of Exports risk being hedged is as follow :

Currency	Amount in Foreign Currency	Equivalent Indian Rupees
USD/INR	1,00,000	55,00,000

ix) a) Defined Contribution Plan - Provident Fund :

During the year the company has recognized the Company's Contribution to Employees Provident Fund amounting to ₹ 7,92,529/- (₹ 7,76,422/-) as part of Remuneration and other benefits to the employees.

b) Defined Benefit Plan

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

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

NOTES FORMING PART OF FINANCIAL STATEMENTS

- x) The following table sets out the funded status of the gratuity plan and unfunded status of leave encashment plan. The amount recognized in the company's financial statement as at 31st March 2013.

	Gratuity (Funded)		Leave
	31/03/2013	31/03/2012	Encashment (Unfunded)
	(₹)	(₹)	(₹)
a) Changes in benefit obligation			
Opening benefit obligation	5200428	4470860	1290288
Service cost for the year	441450	427932	(1165715)
Interest cost for the year	439856	368846	322969
Actuarial losses / (gains) on curtailments	97477	(67210)	(245878)
Benefits Paid	51303		95289
Closing defined benefit obligation on 31/03/2013	6127908	5200428	(96172)
			220147
			(222967)
			338475
			(440444)
			1590218
			(1290288)
b) Change in Fair Value of Plan Assets			
Opening fair value of plan assets	5247833	4251822	
Expected Return on Plan Assets	496989	416456	
Contribution by employer	418790	599215	
Benefits paid	51303	-	
Actuarial (Loss) / Gain on plan assets	(14371)	(19660)	
Closing balance of fair value of plan assets	6097938	5247833	
Excess of assets over plan obligation	29970	(47405)	
Accrued Liability (Asset)	29970	(47405)	
c) Actuarial Gain / Loss recognized			
Actuarial (gain)/loss on obligations	97477	(67210)	
Actuarial (gain)/loss for the year - plan assets	14371	19660	
Actuarial (gain)/loss recognized in the year	111848	(47550)	
d) Amount to be recognized in the Balance Sheet			
Present value of obligations as at the end of year	6127908	5200428	
Fair value of plan assets as at the end of the year	6097938	5247833	
Funded Status	29970	(47405)	
Net asset/(liability) recognized in balance sheet	29970	(47405)	1590218
Current Liability			(1290288)
Non Current Liability	29970	(47405)	411844
			(301556)
			1178374
			(988733)
e) Expenses recognized in statement of profit and loss			
Current service cost	441450	427932	322969
Interest cost	439856	368846	(245878)
Expected return on plan assets	(496989)	416456	(96172)
Net Actuarial (gain)/loss recognized in the year	111848	(47550)	NIL
			NIL
			220147
			(222967)
Expenses recognized in statement of profit and loss	496165	332772	638405
			(565017)

f) Actuarial Assumptions

Mortality Rate	Published Table of Mortality Rate		
Valuation Method	Weighted Average		
Discount Rate Current	8.00%	8.25%	8.00% (8.50%)
Salary Escalation	6.00%	6.00%	6.00% (6.00%)

xi) Earnings per share

Profit after taxation (₹ in lacs)	444.82	354.12
Weighted average number of shares (Nos.)	4422346	4422346
Earning per share (Basic and Diluted) (₹)	10.06	8.00
Face value per share (₹)	10	10

xii) Deferred Tax Liability

Components of Deferred Tax

Nature of Timing Difference	Deferred Tax Asset (Liability) as at 31.03.2012	Credit (change) for the year	Deferred Tax Asset (Liability) as at 31.03.2013
a) Deferred tax Liability Depreciation	(8518738)	1014181	(7504557)
b) Deferred tax Asset Gratuity	(15381)	40485	25104
Provision for compensated absences	418634	97312	515946
Bonus Provision	204413	(9897)	194516
Net Amount	(7911072)	11,42,081	(67,68,991)

xiii) a) TURNOVER :

CLASS OF GOODS	SALES Amount (₹)	OPENING STOCK Amount (₹)	CLOSING STOCK Amount (₹)
POLYPROPYLENE STAPLE FIBRE	417601505 (351170645)	4583595 (9042917)	15553257 (4583595)
P.P. YARN	164961211 (183823507)	692880 (1058702)	1492710 (692880)
TOTAL	58,25,62,716 (534994152)	5276475 (10101619)	1,70,45,967 (5276475)

b) Work in Progress :

	OPENING STOCK Amount (₹)	CLOSING STOCK Amount (₹)
- Master Batch	242429 (355776)	317706 (242429)
- Polypropylene Resin	20233 (17898)	- (20233)
- Standard Fibre	10096 (444598)	- (10096)
TOTAL	272758 (818272)	317706 (272758)

NOTES FORMING PART OF FINANCIAL STATEMENTS
c) PURCHASE :

Raw Materials	Current Year (₹)	Previous Year (₹)
- Polypropylene Resin	365837918	319344534
- Master Batch	12888498	11110296
- Spin Finish	9416793	5934920
Total	388143209	336389750

d) VALUE OF RAW MATERIAL CONSUMPTION :

Raw Materials	Current Year (₹)	%	Previous Year (₹)	%
a) IMPORTED				
- Spin Finish	4610024	1.20	3172036	0.95
b) INDIGENOUS				
- Polypropylene Resin	365454688	94.95	318010708	95.00
- Master Batch	12469030	3.24	10886511	3.25
- Spin Finish	2342649	0.61	2679555	0.80
TOTAL VALUE OF RAW MATERIAL CONSUMPTION	384876391	100.00	334748810	100.00

e) VALUE OF IMPORTS ON CIF BASIS :

	Current Year (₹)	Previous Year (₹)
i) Raw Materials	7019375	2560949
ii) Capital Goods	1805076	8818500
iii) Spares	-	25554

f) EXPENDITURE IN FOREIGN CURRENCY :

	Current Year (₹)	Previous Year (₹)
i) Travelling	38407	628563
ii) Commission	-	91694
iii) Supervision Charges (Capital Work in progress)	-	396581
iv) Inspection Fees (Plant & Machinery)	218000	-

g) EARNING IN FOREIGN EXCHANGE :

	Current Year (₹)	Previous Year (₹)
F.O.B. Value of Exports	182161724	171758150

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 Fourth Annual General Meeting, 29th July, 2013

PROXY FORM

ledger Folio No. (a) _____ /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 Four Annual General Meeting of the Company to be held at Hotel Atithi, 77 A/B Nehru Road, Vile Parle (E), Mumbai- 400 099 on Monday the 29th July, 2013 at 11.00 am and at any adjournment thereof.

Signed this _____ day of _____ 2013

* Applicable for members holding shares in electronic form.

Affix a
₹ 1/-
Revenue
Stamp

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 Fourth Annual General Meeting, 29th July, 2013

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. Shares held _____

Full Name of the Shareholder / Proxy attending Meeting)

(Fist Name)

(Second Name)

(Surname)

FIRST HOLDER / JOINT HOLDER / PROXY

(Strike out whichever is not applicable)

Full Name of First Holder

(Fist Name)

(Second Name)

(Surname)

(If Joint holder / Proxy attending

* Applicable for members holding shares in electronic form.

Signature of Shareholder / Proxy

TEAR HERE



ZENITH FIBRES LIMITED

401, 402, TAKSH PARADIGM , 5, Charotar Co-Op. Hsg. Society, Old Padra Rd., Vadodara -390 020.
Phone : (0265) 2337247, 2345184 Fax : 0265-2339490 E-mail : baroda@zenithfibres.com
Internet : www.zenithfibres.com



FORM - A

(Format of covering letter of the Annual Audit Report to be filed with the Stock Exchanges)

1	Name of the Company	:	Zenith Fibres Limited
2	Annual Financial Statement for the year ended	:	31 st March, 2013
3	Type of Audit Observation	:	Unqualified
4	Frequency of observation	:	Not Applicable
5	To be signed by:		
	i. Sanjeev Rungta Director as CEO @@	:	 DIRECTOR
	ii. K. D. Sharma V. P. (Commercial)	:	For ZENITH FIBRES LIMITED K. D. SHARMA Vice President (Commercial)
	iii. Auditor of the Company	:	For JAIN & HINDOCHA Chartered Accountants Partner
	iv. Mukund Beriwalla, Chairman, Audit Committee	:	For ZENITH FIBRES LTD. DIRECTOR
Note:	As the Company is managed by the Board and there is no CEO, as decided by the Board of Directors, Mr. Sanjeev Rungta sign all the documents as CEO.		

Mumbai,
4th July, 2013.

FACTORY :

Block 458,
P.O. Tundav, Tal. Savli,
Dist. Vadodara - 391 775.
Phone : 02667 - 262306, 262342
E-mail : plant@zenithfibres.com

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Andheri East, Mumbai - 400 059.
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DELHI :

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Near Karkardooma Court,
New Delhi - 110092.
Telefax : 011-22379113
E-mail : delhi@zenithfibres.com