



Zenith Exports Limited

19, R. N. Mukherjee Road, Kolkata - 700 001, India

Telephone : 2248-7071, 2248-6936, 2248-9522

Fax : 91-33-2248-0960

E-mail : zenith@giascl01.vsnl.net.in

CIN : L24294WB1981PLC033902

Date: 27.09.2016

The Manager

Listing Department

National Stock Exchange of India Limited

'Exchange Plaza', C-1, Block-G

Bandra-Kurla Complex

Bandra (E)

Mumbai- 400 051

Fax No. 022-2659-8237/8238/8347

The Secretary

Bombay Stock Exchange Limited

Phiroze Jeejeebhoy Towers

Dalal Street

Mumbai- 400 001

Fax No. 022-2272-3121/1278/1557

Dear Sir,

Sub: Submission of Annual Report 2015-16

In terms of Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations'2015, we are enclose herewith the Audited Annual Report & Accounts 2015-16 of the Company which contains the Notice, Directors Report, the Balance Sheet and Profit & Loss Accounts and other relevant reports of the Company for the year ended 31st March'2016.

Hope, you will find the above in order.

Thanking you,

Yours faithfully,

For ZENITH EXPORTS LIMITED

Govind Pandey..

(Govind Pandey)

Company Secretary

ACS: 32804

Encl: as above

ZENITH EXPORTS LIMITED



**34th
Annual Report & Accounts
2015-16**

ZENITH EXPORTS LIMITED - ANNUAL REPORTS 2015-16



BOARD OF DIRECTORS (13.08.2016)

Mr. S.K. Loyalka, Chairman-cum-Managing Director
Mr. R.K. Loyalka, Jt. Managing Director
Mrs. Urmila Loyalka,
Mr. M.M. Bhagat,
Mr. K.D. Rungta
Mr. M.L. Jain
Mr. D.K. Sarawagee

COMPANY SECRETARY

Mr. Govind Pandey

CHIEF FINANCIAL OFFICER

Mr. Sushil Kasera

AUDITORS

M/s. Tiwari & Company
Chartered Accountants
107/1, Park Street
Kolkata, Pin-700016

PRINCIPAL BANKERS

Canara Bank

REGISTERED OFFICE

19, Rajendra Nath Mukherjee Road
First Floor, Kolkata, Pin-700001
Phone: 91-33-2248 6936/7071/9522
Fax: 033 2243-9003
E-mail:zenith@giascl01.vsnl.net.in
Website: www.zenithexportslimited.com

WORKS

ZENITH SPINNERS

Dholka Bagodara State Highway
Village-Sarandi, Taluka-Dholka
Dist-Ahmedabad, Pin-387 810

ZENITH TEXTILES

13, A/B/C, Industrial Area
Nanjangud, Dist-Mysore
Karnataka, Pin-571 302

REGISTRAR AND TRANSFER AGENT

C. B. Management Service (P) Limited
P-22, Bondel Road, Kolkata-700019
Telephone: 4011 6700/2280-6692/2282-3643/2287-0263
Fax: 4011-6739, E-mail: rta@cbmsl.com
Website: www.cbmsl.com

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NOTICE

NOTICE is hereby given that the 34th Annual General Meeting of the members of **ZENITH EXPORTS LIMITED** will be held on Tuesday, 27th September'2016 at 10:30 A.M. at the ground floor, Auditorium of Birla Academy of Art & Culture, 108, Southern Avenue, Kolkata- 700 029 to transact the following business:

Ordinary Business :

1. To receive, consider and adopt the Audited Statement of Profit & Loss for the year ended 31st March'2016 and the Balance Sheet as at that date together with the report of Board of Director's and Auditor's thereon.
2. To appoint a director in place of Mr. Surendra Kumar Loyalka (DIN: 00006232) director of the Company, who retires by rotation at this Annual General Meeting and being eligible offers himself for re-appointment.
3. To ratify the appointment of Statutory Auditors of the Company to hold office from conclusion of this Annual General Meeting until the conclusion of next Annual General Meeting and to fix their remuneration .

Special Business:

As Special Business

To consider and, if though fit, to pass with or without modifications(s), the following resolution as a Special Resolution:

“RESOLVED that Pursuant to provisions of sections 196, 197, 198 and 203 read with Schedule V and other applicable provisions of the Companies Act'2013 the Companies (Appointment and Remuneration of Managerial Personnel) Rules'2014 (including any Statutory modification or re-enactment thereof) for the time being in force and subject to such sanctions and approvals as may be required from time to time under the law applicable at relevant time, the Company hereby approves, re-appointment of Shri Raj Kumar Loyalka (DIN: 00006226), Managing Director of the Company for a period of 5 (Five)years with effect from 27th September'2016 to 26th September'2021 with liberty of either party to terminate the appointment on three months' notice in writing or three months' salary in lieu of notice before expiry of the said period, at a remuneration and terms set out as below :

1. Basic Salary ₹. 1,50,000/- (Rupees One Lac Fifty Thousand) only p.m.
2. Residential Accommodation- Rent Free Furnished Residential Accommodation. The Expenses incurred on Gas, Electricity and water to be borne by Shri Raj Kumar Loyalka.
3. Reimbursement of Medical Expenses- Reimbursement of Medical Expenses actually incurred on self and family subject to the ceiling of one-month salary in a year or three months' salary over a period of three years.
4. Leave Travel Concession- Once in a year for self and family. Family means wife and children.
5. Club Fees- the Company shall bear the Annual, Admission & Life Membership Fees of not more than 2 Clubs Expenses incurred at Clubs other than for the purpose of business of the Company to be borne by Shri Raj Kumar Loyalka.
6. Personal Accident Insurance- The Company shall cover the life of Shri Raj Kumar Loyalka against Personal Accident Insurance, Premium of which shall not exceed ₹. 1,00,000/- p.a.
7. Leave- Shri Raj Kumar Loyalka shall be entitled to privilege and earned leave on full pay and allowances as per the rules of the Company subject to a maximum of one-month leave for eleven months of service.
8. Provident Fund- The Company shall contribute to the Provident Fund as per the Rules of the Company. The Contribution towards Provident Fund and encashment of Leave at the end of the tenure shall not be included for computation of the ceiling on remuneration as specified in paragraph 1 of Section II of Part II of Schedule XIII, to the extent this either individually or put together are not taxable under the Income Tax Act'1961.
9. Gratuity- Gratuity payable shall not exceed half a month salary for every completed year of service subject to a maximum ceiling as may be laid down in the Gratuity Act from time to time.
10. Telephone- The Company shall provide Telephones including Mobile Phone at the residence of Shri Raj Kumar Loyalka for official as well as personal use provided, however, that personal long distance calls shall be billed by the



Company to Shri Loyalka.

11. Car- The Company Shall provide Car to Shri Loyalka for business as well as for personal use.
13. Sitting Fees- Shri Loyalka so long as he functions as Managing Director of the Company shall not be paid any sitting fess for attending the meeting of the Board of Directors or Committees thereof.
14. Reimbursement of Expenses- The Company shall reimburse Shri Loyalka as travelling, entertainment and other expenses incurred by him for the purpose of Company's business.

RESOLVED FURTHER that in the event of remuneration payable to the Managing Director as provided in this resolution, exceeds limits prescribed under the Companies Act'2013 read with related Rules and Regulations and requires approval of Central Government and/ or any other authority under related laws at the relevant time shall be subject to the Company obtaining such approvals.

RESOLVED FURTHER that Shri Raj Kumar Loyalka shall subject to superintendence, control and directions of the Board of Directors have the management of the whole or substantially the whole of the affairs of the Leather and Spinning business of the Company and shall perform such duties and exercise such powers as have been or may from time to time be entrusted to or conferred upon him by the Board.

RESOLVED FURTHER that Shri Surendra Kumar Loyalka (DIN: 00006232), Chairman cum managing Director and the Company Secretary of the Company be and are hereby severally authorized to execute necessary Agreements with Shri Raj Kumar Loyalka and do all such acts, deeds, and things and execute all such documents, instruments and writings as may be required in this regard including filing of necessary E-Forms and returns with Registrar of Companies, West Bengal".

Registered & Head Office
19, R. N. Mukherjee Road
First Floor, Kolkata- 700 001
Dated: 13th August, 2016

By Order of the Board

Govind Pandey
Company Secretary

NOTES :

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING ("THE MEETING") IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF/ HERSELF AND THE PROXY NEED NOT B A MEMBER OF THE COMPANY.** A person can act as proxy on behalf of members not exceeding fifty (50) and holding in aggregate not more than ten percent of the total share capital of the Company.
The instrument appointing the proxy, in order to be effective , should be deposited, duly completed and signed, at the registered office of the Company not less than forty-eight hours before the commencement of the Meeting. A proxy form is sent herewith. Proxies submitted on behalf of the Companies, societies etc. must be supported by an appropriate resolution/ authority, as applicable.
A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
2. The relative explanatory statement pursuant to Section 102, of the Act, in respect to the business mentioned under item no. 4 above, is annexed hereto.
3. Details under Regulation 36(3) of the Listing Regulation with the Stock Exchanges in respect of the Directors seeking appointment/ re-appointment at the Annual General Meeting (AGM), forms integral part of the Notice. The Directors have furnished the requisite declaration for their appointment/ re-appointment.
4. Corporate members intending to send their authorized representatives to attend the Meeting are requested to send to



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the Company a certified copy of the Board Resolution pursuant to Section 113 of the Companies Act'2013, authorizing their representative to attend and vote on their behalf at the Meeting.

5. The Register of Members and Share Transfer Books of the Company will remain closed from Wednesday, September 21, 2016 to Tuesday, September 27, 2016 (both days inclusive)
6. Members holding shares in electronic form are requested to intimate immediately any change in their Address, Email ID, Bank particulars to their Depository Participants with whom they are maintaining their De-mat accounts. Members holding shares in physical form are requested to report of change of any of the above details immediately to the Company's Registrars and Transfer Agents, M/s. C. B. Management Services Private Limited, P-22, Bondel Road, Kolkata- 700 019.
7. Queries on accounts and operation of the Company, if any, may please be sent at the Corporate Office of the Company at 19 R. N. Mukherjee Road, Kolkata- 700001, at least seven days in advance of the meeting so that the answers may be made readily available at the meeting.
8. Members are requested to bring their attendance slip along with their copy of Annual Report to the meeting.
9. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their Demat accounts. Members holding shares in physical form can submit their PAN details to the Company's Registrars and Share Transfer Agents, M/s. C. B. Management Services Private Limited, P-22, Bondel Road, Kolkata- 700 019.
10. Electronic copy of the Notice of the aforesaid Annual General Meeting (AGM) of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent to all the Members whose email IDs are registered with the Company's Registrar and Share Transfer Agents/ Depository Participants(s) for communication purpose unless any member has requested for a hard copy of the same. For members who have not registered their email IDs, a physical copy of the Notice of the aforesaid AGM of the inter alia indicating the process and manner of e-voting along with the Attendance Slip and Proxy Form is being sent.
11. In accordance with the provisions of Section 108 of the Companies Act'2013 read with Rule 20 of the Companies (Management and Administration) Rules'2014 and applicable provisions of the listing agreements with Stock Exchanges, the Company has engaged the services of NSDL to provide Electronic Voting ("e-voting") facility to all the members to enable them to cast their votes electronically in respect of all the business to be transacted at the aforesaid Annual General Meeting. Members who cast their vote through e-voting mechanism shall not be able to vote at the Annual General Meeting.
12. In keeping with the Ministry of Corporate Affairs' Green Initiative measures, the Company hereby requests members who have not registered their email addresses so far, to register their email addresses for receiving all communication including annual report, notices, circulars etc. from the Company electrically. The member holding share in Demat mode may register their Email ID with their Depository Participants and the shareholders holding shares in Physical Form may request to register their Email ID with Company's Registrars and Share Transfer Agents, M/s. C. B. Management Services Private Limited, P-22, Bondel Road, Kolkata- 700 019.
13. Relevant documents referred to in the accompanying notice/ explanatory statement including the Register of Contracts or Arrangements in which Directors are interested, maintained under Section 189 of the Companies Act'2013 are open for inspection by the members at the registered office of the Company on all working days, between 11:00 a.m. and 1:00 p.m. up to the date of the ensuring Annual General Meeting. Further, the Notice for this 34th Annual General Meeting along with the Annual Report for the financial year ended 2015-16 shall also be available on the Company's website, www.zenithexportslimited.com
14. The Board of Directors of your Company has appointed CS Sandip Kumar Kejriwal, (Membership No. 5152) FCS, Practicing Company Secretary as the Scrutinizer for conducting the remote E-voting & voting process at the AGM in fair and transparent manner.
15. The Register of Directors and Key Managerial Personnel and their Shareholding, maintained under Section 170 of



the Companies Act'2013 read with Rules issued thereunder will be available for inspection by the members at the Annual General Meeting.

16. The Results of E-voting and poll shall be aggregated and declared on or after the AGM of the Company by the Chairman or by any other person duly authorized in this regard. The Results declared along with the Scrutinizer's Report shall be placed on the website of the Company & NSDL next day of passing of the resolutions at the AGM of the Company and communicated to the Stock Exchanges.
17. The instructions for shareholders voting electronically are as under:
 - I. In compliance with provisions of Section 108 of the Companies Act'2013, Rule 20 of the Companies (Management and Administration) Rules'2014 as amended by the Companies (Management Administration) Amendment Rules'2015 and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations'2015, the Company is pleased to provide members facility to exercise their right to vote on resolutions proposed to be considered at the Annual General Meeting (AGM) by electronic means and the business may be transacted through e-voting services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM ("remote e-voting") will be provided by National Securities Depository Limited (NSDL).
 - II. The facility for voting through ballot paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper.
 - III. The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.
 - IV. The remote e-voting period commences on 24th September'2016 (9:00 am) and ends on 26th September'2016 (5:00 pm). During this period members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 20th September'2016, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.
 - V. The procedure to login to E-voting website is given below:
 - A. In case a Member receives an email from NSDL [for members whose email IDs are registered with the Company/Depository Participant(s)] :
 - (i) Open email and attached PDF file "e-Voting.pdf" with your Client ID (in case you are holding shares in demat mode) or Folio No. (in case you are holding shares in physical mode), as password. The said PDF file contains your "User ID" and "Password for e-voting". Please note that the password is an initial password. You will not receive this PDF file if you are already registered with NSDL for e-voting.
 - (ii) Launch Internet browser by typing the URL: <https://www.evoting.nsdl.com/>
 - (iii) Click on "Shareholder – Login".
 - (iv) Put User ID and password as initial password noted in step (i) above and Click Login. If you are already registered with NSDL for e-voting then you can use your existing user ID and Password. If you forgot your password, you can reset your password by using "Forgot User Details/ Password" option available on www.evoting.nsdl.com
 - (v) Password change menu appears. Change the password with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
 - (vi) Home page of remote "e-voting" opens. Click on e-voting: Active Voting Cycles.
 - (vii) Select "EVEN" of **(Zenith Exports Limited)**. Members can cast their vote online from **24th September'2016 (9:00 am) till 26th September'2016 (5:00 pm)**.



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- (viii) Now you are ready for “e-voting” as “Cast Vote” page opens.
- (ix) Cast your vote by selecting appropriate option and click on “Submit” and also “Confirm” when prompted.
- (x) Upon confirmation, the message “Vote cast successfully” will be displayed.
- (xi) Once you have voted on the resolution, you will not be allowed to modify your vote.
- (xii) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to (sandipkej@yahoo.co.in) with a copy marked to evoting@nsdl.co.in

Further, NSDL is pleased to inform you that NSDL has now integrated its e-Services website (<https://eservices.nsdl.com/>) with the aforesaid e-Voting system of NSDL, which enables you as a registered User of IDeAS facility to also access e-Voting system of NSDL for casting your votes by using your existing login credentials viz.; User ID and password of IDeAS facility. Thus, you would not be required to login to e-Voting system separately for casting votes in respect of the resolutions of Companies.

B. In case a Member receives physical copy of the Notice of AGM [for members whose email IDs are not registered with the Company/Depository Participants(s) or requesting physical copy]:

- (i) Initial password is provided as below/at the bottom of the Attendance Slip for the AGM:

EVEN (Remote e-voting Event Number)	USER ID	PASSWORD/PIN
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- (ii) Please follow all steps from Sl. No. (ii) to Sl. No. (xii) above, to cast vote.

- VI. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Members and remote e-voting user manual for Members available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990.
- VII. If you are already registered with NSDL for remote e-voting then you can use your existing user ID and password/PIN for casting your vote.
- VIII. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
- IX. The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of 20th September, 2016.
- X. Any person, who acquires shares of the Company and become member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. 20th September, 2016, may obtain the login ID and password by sending a request at evoting@nsdl.co.in or rta@cbmsl.com
However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using “Forgot User Details/Password” option available on www.evoting.nsdl.com or contact NSDL at the following toll free no. 1800-222-990.
- XI. A member may participate in the AGM even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the AGM.
- XII. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper.
- XIII. Mr. Sandip Kumar Kejriwal, Company Secretaries (FCS No. 5152, CP No.3821) has been appointed for as the Scrutinizer for providing facility to the members of the Company to scrutinize the voting and remote e-voting process



in a fair and transparent manner.

- XIV. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of “Ballot Paper” or “Poling Paper” for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.
- XV. The Scrutinizer shall after the conclusion of voting at the general meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the AGM, a consolidated scrutinizer’s report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
- XVI. The Results declared alongwith the report of the Scrutinizer shall be placed on the website of the Company www.zenithexportslimited.com and on the website of NSDL immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the NSE & BSE Limited, Mumbai.
18. **Members who do not have any access to e-voting may requisite a Physical Ballot Form from the Office of the Registrars & Share Transfer Agents of the Company. Members are required to fill the Physical Ballot Form and enclose it in a sealed envelope and send it “TO THE SCRUTINIZER. CS Sandip Kejriwal (UNIT: ZENITH EXPORTS LIMITED) C/O. C B MANAGEMENT SERVICES (P) LIMITED, P-22, BONDEL ROAD, KOLKATA - 700019. Unsigned / wrongly signed, incomplete or incorrectly ticked forms shall be rejected. The Scrutinizer’s decision on the validity of the form will be final. Members are required to vote either through the electronic system or through physical ballot and not in any other mode. In the event of Members casting votes through both the processes, the votes in the electronic system will be considered only. The Physical Ballot Form must be received by the Scrutinizer on or before 26th September, 2016 (5.00 p.m.).** Attendance Slip and Proxy Form in the prescribed format are being attached to this Notice of the 34th Annual General Meeting for the convenience of the shareholders.
19. As you are aware as per Section 88 of the Companies Act’ 2013, every company having share capital is required to include / update more details in the Register of Member. Members are requested to update their PAN card, Aadhar card, Address & Bank account details in the “Shareholders Information Form” enclosed with the Annual Report. Shareholders Information Form duly filled & signed by the shareholder & enclosed with a self-certified copy of PAN Card and Aadhar Card may be submitted with the Registrar & Transfer Agents of the Company M/s. C B Management Services (P) Ltd. at their office at P – 22, Bondel Road, Kolkata – 700019. Shareholders holding shares in electronic mode may update the above details with their Depository Participant (DP).

Request to the Members:

- (I) Members who hold shares in dematerialized form are requested to bring their Client ID and DP ID numbers for ensuring easy identification of attendance at the Meeting.
- (II) For convenience of Members, Attendance Slip is attached to the Proxy Form. Members are requested to fill in and affix their signatures at the space provided therein and handover the Attendance Slip at the entrance of the place of meeting. Proxy/Representative of a member should mark on the Attendance Slip as “Proxy” or “Representative”, as the case may be.



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Explanatory Statement Pursuant to the provisions of Section 102 of the Companies Act, 2013

As required under Section 102 of the Companies Act, 2013 the following Explanatory Statement sets out all material facts relating to the Special Business set out from Item No. 4 of the accompanying Notice dated August 13, 2016.

Item No: 4

Mr. Raj Kumar Loyalka, who was appointed Managing Director by the members to hold office upto 13th February, 2019 had attended the age of 70 years and hence continuation of his employment as Managing Director requires the approval of members by way of a special resolution.

Section 196(3) of the Companies Act, 2013, inter alia, provides that no company shall continue the employment of a person who has attained the age of 70 years, as Managing Director, Whole time director or Manager unless it is approved by the members by passing a special resolution. Part 1 of Schedule V to the Act contains a similar relaxation.

Keeping in view that Mr. Raj Kumar Loyalka has rich and varied experience in the Industry and has been involved in the operations of the Company over a long period of time, it would be in the interest of the Company to continue the employment of Mr. Raj Kumar Loyalka, Managing Director.

Shri Raj Kumar Loyalka is a graduate in Electrical Engineering from Jadavpur University, and serving the Company since its incorporation and having a key role in the development of the Company as a whole. He is having an overall experience of more than 30 years in this industry and Company is performing well under his guidance.

In terms of the Corporate Governance Guidelines of the Company and pursuant to the recommendation of the Board Governance, Nomination and Compensation Committee, the Board of Directors of the Company passed a resolution on 13th August, 2016 approving re-appointment of Mr. Raj Kumar Loyalka, as Managing Director of the Company for a further period of five years with effect from 27th September, 2016 to 26th September, 2021. This is subject to the approval of the shareholders at this Annual General Meeting.

This explanatory statement may also be read and treated as disclosure in compliance with the requirements of Section 190 of the Companies Act, 2013. The details of remuneration payable to Shri Raj Kumar Loyalka and the terms and conditions of the re-appointment are given below:

- i. Salary: ₹1,50,000/- per month which is eligible for revision on a date to be determined by the Compensation Committee.

Perquisites:

The Executive Chairman shall be entitled to all the perquisites listed herein below in addition to the salary and commission mentioned above;

- a. Director is liable to get the perquisite u/s 17 (1) of the Income-tax Act, 1961.
- b. Provident Fund/Pension: Contribution to Provident Fund and Pension Fund to the extent such contributions, either singly or put together are exempt under the Income Tax Act, 1961. Contribution to Pension Fund will be paid on basic salary and commission.
- c. Gratuity: Gratuity payable shall be in accordance with the provisions of the Payment of Gratuity Act.

Other terms and conditions:

- a. In the event of absence or inadequacy of profits in any financial year during the tenure of the Chairman, salary and perquisites subject to the limits stipulated under Schedule V read with Section 196 and 197 of the Companies Act, 2013, are payable.
- b. "Family" means the spouse and dependent children of Mr. Mr. Raj Kumar Loyalka.
- c. Leave with full pay and allowances shall be allowed as per the Company's rules.
- d. Reimbursement of entertainment expenses actually and properly incurred in the course of business of the Company shall be allowed.



- e. No sitting fees shall be paid to the Chairman for attending the meetings of the Board of Directors or Committees thereof.
- f. The perquisites as listed above shall be valued as per the Income Tax Rules, 1962, as may be applicable. All other existing terms and conditions for the re-appointment shall remain unchanged.

Upon approval by the members, a separate agreement to give effect to the above terms will be executed by and between the Company and Shri Raj Kumar Loyalka.

The Board of Directors recommends the resolution in relation to the re-appointment of Managing Director, for the approval of the shareholders of the Company.

Notice has been received from member under section 160 of the Companies Act'2013 signifying his intention to propose the appointment of Shri Raj Kumar Loyalka as Managing Director of the Company.

Save and except Shri Raj Kumar Loyalka, Shri Surendra Kumar Loyalka & Mrs. Urmila Loyalka and their relatives, to extent of their shareholding interest, none of the Directors and/ or Key Managerial Personnel of the Company or their relatives, are in any way interested or concerned, financially or otherwise, in the resolution set out in item No.4 of the Notice.

The Board recommends the resolutions set forth in item no.4 for the approval of members.

Registered & Head Office
19, R. N. Mukherjee Road
First Floor, Kolkata- 700 001

By Order of the Board

Govind Pandey
Company Secretary

Dated: 13th August, 2016



Annexure to the Notice

Particulars of Directors proposed to be appointed/ re-appointed at the 34th Annual General Meeting of the Company to be held on Tuesday, the 27th day September'2016 at 10:30 a.m.

1. Mr. Surendra Kumar Loyalka aged 66 years has done his B.Com & LL.B. He has knowledge, experience & expertise in areas relating to, Export, Marketing & Administration. He holds 481496 shares of the Company in his name as on 31st March'2016.

Mr. Loyalka is a director in SKL Exports Limited, L.L. Textiles Ltd. & S.M. Loyalka Hospital, a charitable organization. He is a member of Risk Management Committee of the Board of Directors of Zenith Exports Limited.

2. Mr. Raj Kumar Loyalka aged 72 years has done his Bachelor in Engineering from Jadavpur University, Kolkata. He has knowledge, experience & expertise in areas relating to production, Marketing & Administration. He holds 20,000 shares of the Company in his name as on 31st March'2016.

Mr. Loyalka is a director in S.M. Loyalka Hospital, a charitable organization. He is a member of Risk Management Committee of the Board of Directors of Zenith Exports Limited.



DIRECTORS' REPORT

Your Directors have pleasure in presenting the 34th Annual Report on the business and operation of the Company and the audited financial results for the year ended 31st March'2016.

FINANCIAL HIGHLIGHTS

	(₹. In Lacs)	
	Current Year ended 31.03.2016	Previous Year ended 31.03.2015
Turnover and other Income	24720.26	27292.02
Profit before Depreciation and Tax	352.12	435.73
Depreciation	349.13	455.72
Profit before tax	2.99	-19.99
Income Tax for earlier years	0.64	5.15
	2.35	-25.14
Tax Expenses (Current & Deferred)	-13.38	-33.61
Net Profit After Tax	15.73	8.47
Add: Surplus Brought Forward	3502.15	4013.84
Less: Depreciation in respect of assets whose Useful life is over (net of deferred tax)	0	520.16
Surplus Carried to Balance Sheet	3517.88	3502.15

OPERATION REVIEW AND FUTURE OUTLOOK

The operation of the Company has been adversely affected by the adverse Global Market during the year under review. The sales of the year under review were ₹. 22630 lacs compared to ₹. 24867 lacs in the previous year showing decrease of 9% compared to previous year. The Company has incurred profit before tax of ₹. 3 lacs compared to loss of ₹. 0.20 lacs in the previous year showing increase of 85% compared to previous year. The Net profit after Tax (including deferred tax) of the year under review is ₹.15.74 lacs compared to ₹. 8.47 lacs in the previous year showing increase of 86% compared to previous year.

WEAVING DIVISION

Demands of the Silk & velvet fabrics were under pressure due to financial crisis in the European continent. In spite of pressure in the Global market the financials of the Divisions for the year under review has been improved compared to previous year mainly due to correction in raw material.

SPINNING DIVISION

The management has already closed the plant of spinning division and no work is being carried out over there.

EXPANSION PROJECT

No expansion projects were initiated by the Company at its Weaving Division, Mysore or Spinning Divisions at Ahmedabad during the year under review due to low demand and sufficient installed capacity.

DIVIDEND

To conserve the resources of the Company, the Board of Directors do not recommend any dividend for this year also.

FINANCE

The Company has not taken any term loan during the year under review.

Listing Information

The Equity Shares of your Company are listed on the Bombay Stock Exchange Limited (BSE) and on the National Stock Exchange of India Limited (NSE).



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Accreditation

The Company continues to enjoy ISO 9001: 2008 accreditation made by TUV NORD.

PUBLIC DEPOSITS

The Company has not accepted any fixed deposits during the year under review.

CHANGES IN DIRECTORS AND KEY MANAGERIAL PERSONNEL

During the year under review, your Board inducted Mr. Govind Pandey (ACS: 32804) as a new Company Secretary with effect from 28/12/2015 in order to comply with the provision of section 203 (1) (ii) of the Companies Act, 2013.

Pursuant to section 152 of the Companies Act'2013, Mr. Surendra Kumar Loyalka (DIN: 00006232), director, retires by rotation at the ensuing Annual General Meeting and being eligible offers himself for re-appointment. Your Board recommends his re-appointment.

Brief resume of Directors being appointed/ re-appointed together with other relevant details form part of the Notice of the ensuing Annual General Meeting.

During the year under review, pursuant to provisions of Section 2(51) and Section 203 of the Companies Act'2013 read with ruled made thereunder, the following existing officials of the Company were designated/ classified as whole time Key Managerial Personnel (KMPs) of the Company-

1. The whole time Managing Director Mr. Surendra Kumar Loyalka as the CEO & whole time KMP.
2. The whole time Joint Managing Director Mr. Raj Kumar Loyalka as whole time KMP.
3. The Company Secretary Mr. Govind Pandey as the Company Secretary & KMP
4. The Executive Mr. Sushil Kasera as the Chief Financial Officer & KMP.

Number of Meeting of the Board of Directors

The Board of Directors of the Company met 4 times during the year under review i.e. on 29/05/2015, 13/08/2015, 14/11/2015 & 12/02/2016.

Audit Committee

The composition, terms, reference etc. of the Audit Committee is provided in Corporate Governance Report which forms part of this Annual Report.

There have been no instances of non-acceptance of any recommendations of the Audit Committee by the Board during the financial year under review.

VIGIL MECHANISM/ WHISTLE BLOWER POLICY

The Company has established a Vigil Mechanism/ Whistle Blower Policy for the employees to report their concern or grievance.

The Audit Committee of the Company oversees the Vigil Mechanism.

INDEPENDENT DIRECTORS STATEMENT

The Independent Directors of the Company viz. Mr. Madhukar Manilal Bhagat, Mr. Keshar Deo Rungta, Mr. Mangilal Jain & Mr. Devendra Kumar Sarawgee have filed their declaration with the Company at the beginning of the financial year 2016-17 affirming that they continue to meet the criteria of Independence as provided in sub-section (6) of the Section 149 of the Companies Act'2013 in respect to their position as an Independent Directors of the Company.

DIRECTORS' RESPONSIBILITY STATEMENT

As required by Section 134(5) of the Companies Act'2013 your directors confirm that:

- I] In the preparation of the Annual Accounts, the applicable Accounting Standards had been followed along with proper explanation relating to material departures;
- II] The Directors have selected such Accounting Policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March'2016 and profit and loss for the year ended on that day;



- III] The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act'2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- IV] The Directors had prepared the Annual Accounts on a going concern basis;
- V] The Directors had laid down internal financial controls to be followed by the Company and the such internal financial control are adequate and were operating effectively and;
- VI] The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such system were adequate and operating effectively.

BOARD EVALUATION

Pursuant to the provisions of the Companies Act'2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations'2015 with the Stock Exchanges the Board has carried out the Annual Performance Evaluation of its own performance, the Directors individually as well as the evaluation of the working of its statutory committees.

Nomination and Remuneration Committee

The composition, key objects etc. of the Nomination and Remuneration Committee is provided in Corporate Governance Report which forms part of this Annual Report. The Committee has formulated a Nomination and Remuneration Policy.

PARTICULARS PURSUANT TO SECTION 197(12) OF THE COMPANIES ACT'2013 AND THE RELEVANT RULES

- (1) The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year 2015-16.

Name	Ratio
Mr. Surendra Kumar Loyalka (Managing Director)	5.6
Mr. Raj Kumar Loyalka (Joint Managing Director)	5.6

- (2) The percentage increase in remuneration of each Director, Chief Executive Officer, Company Secretary & Chief Financial Officer in the financial year 2015-16
There is no increment during the year under review.
- (3) The percentage increase in the median remuneration of employees in the financial year 2015-16= 6%
- (4) The number of permanent employee on the pay rolls of the Company- 405
- (5) The explanation on the relationship between average increase in remuneration and the Company performance.
As per policy of the Company we provide annual increment as per eligibility of the employees to retain the quality labour in the Company.
- (6) Comparison of the remuneration of the Key Managerial Personnel's against the performance of the Company:

Name & Designation	CTC (₹.)	% increase in CTC	Profit after tax (₹. in Lcas)	% increase in PAT
Mr. Surendra Kumar Loyalka	25,46,790	---	15.74	86
Mr. Raj Kumar Loyalka	24,40,236	---		
Mr. Govind Pandey	99,973	---		
Mr. Sushil Kasera	2,94,692	---		

- (7) Variations in the market capitalization of the Company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase over decrease in the market quotations of the shares of the Company in comparison to the rate at which the Company came out with the last public offer in case of listed companies, and on case of unlisted companies, the variations in the net worth of the Company as at the close of the current financial year and previous financial year.



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(in ₹.)

Sr. No.	Particulars	As at 31st March'2016	As at 31st March;2015
1.	Market Capitalization	28.17 crore	32.76 crore
2	Price Earnings	180 times	379 times
3.	Closing Market price equity shares	52.20	60.70

- (8) Average percentile increase already made in the salaries of employees other than the managerial personal in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration.
The average increase in remuneration is 8% for employees other than the Whole-time Director.
- (9) The key parameters for any variable component of remuneration availed by the directors:
Mr. S.K. Loyalka & Mr. R.K. Loyalka, Managing Directors are only entitled to fixed remuneration and statutory benefits as per rules of the Company. They are not entitled to any performance Linked Bonus/ Incentive or commission of the Net Profit of the Company or sitting fees for attending the Board Meeting. None of the other directors are paid any remuneration except for sitting fees for attending the Board & Committees meetings.
- (10) The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year: Not applicable
- (11) Affirmation that the remuneration is as per the remuneration policy of the Company: Yes

AUDITORS

M/s. Tiwary & Co. Chartered Accountants were re-appointed as the Statutory Auditors of the Company under Section 139 of the Companies Act, 2013 to hold office for a period of three (3) years up to the conclusion of 36th Annual General Meeting in the year 2018. They are eligible for re-appointment for the financial year 2016-17. Your Board recommends ratification of their appointment, As the Statutory Auditors at the ensuring Annual General Meeting for a period up to conclusion of 36th Annual General Meeting of the Company.

AUDITORS REPORT

The notes on account referred to in the Auditor's Report are self-explanatory and therefore, do not call for any explanations or comments.

SECRETARIAL AUDIT

During the year under review, CS Sandip Kumar Kejriwal, Practicing Company Secretary who was appointed as the Secretarial Auditor of the Company has issued the audit report in respect of the secretarial audit of the Company for the financial year ended 31st March, 2016. The Secretarial Audit report which forms a part of the Annual Report is self-explanatory & requires no comments.

Internal Control System

The Board has laid down International Controls ("IFC") within the meaning of the explanation to section 134 (5) (e) of the Companies Act' 2013. The Board believes the Company has sound IFC commensurate with the nature and size of its business.

Particulars of Loans, guarantees or investments

The details of loans, guarantees and investments covered under the provisions of Section 186 of the Companies Act' 2013 are given in the notes of Financial Statements.

Related Party Transactions

All transactions entered with Related Parties for the year under review were on arm's length basis and in the ordinary course of business. All Related Party Transactions are placed before the Audit Committee as also to the Board for approval. As required under Clause 49 of the Listing Agreement, the Company has formulated a policy on dealing with Related Party Transactions.

Details of Contracts entered into with Related Parties under the provisions of sub-section 1 of section 188 of the Companies Act, 2013:

1. To avail advisory services from Mr. Bilas Rai Loyalka for the financial year 2015-16 on annual fees of ₹ 9 lacs.
2. Purchase of fabrics, job work & sale of goods to SKL Exports Limited at prevailing market price for the financial year 2015-16 for maximum transaction value of ₹ 6 crore per annum.
3. Sale of Yarn to Zenith Apex Pvt. Ltd. at prevailing market price for the financial year 2015-16 of an amount of ₹ 7crore per annum.



PARTICULARS OF EMPLOYEES

There was no employee drawing salary in excess of the limits as prescribed under section 197 of the Companies Act, 2013. Hence, information required to be given under the said section read with companies (Appointment & Remuneration of managerial Personnel) Rules, 2014 as amended has not been provided in this report.

Energy Conservation Technology Absorption and Foreign Exchange Earnings & Outgo

The particulars in respect of conservation of energy and technology absorption are given in annexure “A” forming part of this report pursuant to section 217 (1) (e) of the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988.

Energy Conservation, Technology Absorption and Foreign Exchange Earnings & Outgo.

The particulars relating to energy conservation, technology absorption, foreign exchange earnings and outgo, required to be disclosed by section 134 (3) (m) of the Companies Act, 2013 read with Rule 8 (3) of the Companies (Account) Rules, 2014 are provided in the Annexure-II to this Report.

Risk Management

Zenith Exports Limited follows well-established and detailed risk assessment and minimization procedures, which are periodically reviewed by the Board. The Company has in place a business risk management framework for identifying risks and opportunity that may have a bearing on the organizations objectives, assessing them in terms of likelihood and magnitude of impact and determining a response strategy.

The senior management assists the Board in its oversight of the Company’s management of Key risks including strategic and operational risks, as well as the guidelines, policies and processes for monitoring and mitigating such risks under the aegis of the overall business risk management framework.

Extract of Annual Return

The details forming part of the extract of the Annual Return in Form MGT-9, as required under section 92 of the Companies Act, 2013, is included in this Report and forms an integral part of this Report.

Corporate Governance

It has been the endeavour of your Company to follow and implement best practices in corporate governance, in letter and spirit. A detailed Corporate Governance Report is attached and forms part of this Report.

MANAGEMENT DISCUSSION AND ANALYSIS

Management Discussion and Analysis as required under Regulation 34(2)(E) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is disclosed separately in this report.

CAUTIONARY STATEMENT

Certain Statement in the Management Discussion and Analysis describing the Company’s view about the industry, expectations/predictions, objectives etc. may be forward looking within the meaning of applicable laws and regulations. Actual results may differ from those implied therein. Important factors that could make a difference include raw material availability and prices, demand and pricing in the Company’s principal markets, changes in Government regulations, tax regimes, industrial relations and economic developments within India and countries with which the Company conducts business and other incidental factors.

APPRECIATION

Your Directors place on record their deep appreciation of the continued support and guidance provided by Central and State Government and all Regulatory bodies.

Your Directors offer their heartiest thanks to the esteemed shareholders, customers, business associates, Financial Institutions and Commercial Banks for the faith reposed by them in the Company and its management.

Your Directors place on record their deep appreciation of the dedication and commitment of Company’s officers and employees at all levels and look forward to their continued support in future as well.

For and on behalf of the Board of Directors

Surendra Kumar Loyalka
Chairman cum managing Director

Place : Kolkata

Dated: August 13th, 2016



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ANNEXURE –A TO THE DIRECTORS' REPORT

Information under Section 134 (3) (M) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 and forming part of the Director's Report for the year ended 31st March, 2016.

1. CONSERVATION OF ENERGY

- Invertors and capacitors have been installed to conserve power. As a result, power consumption is reduced.
- The Company is making all round efforts for the Conservation of Energy.
- Due to high oil prices use of captive furnace oil generators is reduced and Grid connection has been taken to reduce the power costs. Maximum efforts are being put to reduce consumption and conservation of power, the major expenditure in the Spinning Industry.
- The required data with regard to conservation of energy are furnished below:

FORM-A

A.POWER AND FUEL CONSUMPTION

	Current Year 2015-16		Previous Year 2014-15	
	Spinning	Weaving	Spinning	Weaving
i) ELECTRICITY				
a) Purchased Unit(KWH in lacs)	78.59	19.39	149.48	18.69
Total Amount (in lacs)	614.61	133.03	992.22	127.93
Rate/Unit (in `)	7.82	6.86	6.64	6.85
b) Own Generation				
i) Through Furnace Oil				
Generated Units (KWH in lacs)	-	-	-	-
Unit/Litre	-	-	-	-
Cost/Unit (in `/Unit)	-	-	-	-
ii) Through Steam Turbine Generator	-	-	-	-
iii) Through Diesel Generator				
Generated Units (KWH in lacs)	-	0.03	-	0.09
Unit/Litre of Diesel	-	3.20	-	3.07
Cost/Unit (in `/Unit)	-	17.22	-	18.10
ii) COAL	NIL	NIL	NIL	NIL
iii) FURNACE/OTHER/OIL				
Quantity (in lacs Ltrs.)	-	0.45	-	0.00
Total Amount (in lacs)	-	7.82	-	0.00
Average rate per litre(`)	-	17.45	-	0.00
Briquettes (in lacs Kgs)	-	6.99	-	7.40
Total Amount (in lacs)	-	38.36	-	41.23
Average Rate per Kgs.(`)	-	6.30	-	5.57
iv) OTHER INTERNAL GENERATION	Nil	Nil	Nil	Nil

B.CONSUMPTION PER UNIT OF PRODUCTION

Electricity (KWH)	3.97	14.42	4.03	11.27
Furnace Oil (Ltrs.)	—	1.28	—	1.64
Briquettes (Kgs)	—	6.30	—	4.61
Standard (KWH)	3.50	—	3.50	—

**FORM-B****II. FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO TECHNOLOGY ABSORPTION, RESEARCH AND DEVELOPMENT****RESEARCH AND DEVELOPMENT**

Specific areas, in which Research and Development carried out, benefit derived, future plan of action.

ii) Weaving Division

The unit is continuously engaged in enriching the quality of its final product by evaluating and improving its Production Process, Product Development, New designs, Better mix of Raw Materials. To absorb modern manufacturing technology, technical people are constantly given training and skill development programs.

ii) Spinning Division

As the unit has been closed there is no such disclosure in regard of particulars with respect to technology absorption, research and development.

TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION EFFORTS IN BRIEF TOWARDS TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION, BENEFITS DERIVED AS A RESULT OF ABOVE EFFORTS.**Weaving Division**

Continuous upgrading and overhauling of each machine is being carried out to improve their quality & productivity. We have been continuously adding latest machines, and balancing equipment's to support the existing machineries.

FOREIGN EXCHANGE EARNINGS AND OUTGO

- i) Activities relating to exports, initiatives taken to increase exports, development of new export markets for products and services and export plans.
- ii) Export Sales (including deemed exports) during the year under review 9% were ₹. 20291 lacs, compared to ₹. 22271 lacs in the preceding year. The export sales decreased by compared to last year due to turmoil in in Global market & financial crisis in Europe. Necessary steps are being taken by the management to access new markets with a view to enhance the turnover.
- iii) The required data with regard to Foreign Exchange earnings and outgo are furnished below:

(₹. in lacs)

	CURRENT YEAR 2015-16	PREVIOUS YEAR 2014-15
Earnings	19206.0	19024.19
Outgo	1518.36	1320.19

For and on behalf of the Board of Directors

Place : Kolkata
Dated: August 13th, 2016

Surendra Kumar Loyalka
Chairman cum Managing Director



COMPLIANCE TO CODE OF CONDUCT

DECLARATION REGARDING COMPLIANCE BY BOARD MEMBERS AND SENIOR MANAGEMENT PROFESSIONAL WITH COMPANY'S CODE OF CONDUCT

To the Members of
ZENITH EXPORTS LTD.

Declaration by the CEO under Regulation 26 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations'2015.

I, Surendra Kumar Loyalka, Chairman-cum-Managing Director of Zenith Exports Limited to the best of my knowledge and belief, declare that all the members of the board of directors and the senior management personnel have affirmed compliance with the code of conduct of the Company for the year ended 31st March 2016.

For and on behalf of the Board of Directors

Place : Kolkata
Dated: August 13th, 2016

Surendra Kumar Loyalka
Chairman cum Managing Director

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FormNo.MGT-9

EXTRACT OF ANNUAL RETURN

As on the financial year ended on 31.03.2016

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION & OTHER DETAILS:

1.	CIN	L24294WB1981PLC033902
2.	Registration Date	23.07.1981
3.	Name of the Company	ZENITH EXPORTS LIMITED
4.	Category/Sub-category of the Company	Public Company limited by shares
5.	Address of the Registered office & contact details	19, R N Mukherjee Road, Kolkata – 700001 Tel: 91-33-2248 7071 / 6936 / 9522 Fax : 91-33-2243 9003 E-mail : zenith@giascl01.vsnl.net.in
6.	Whether listed company	Yes
7.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	C B Management Services (P) Ltd. P – 22, Bondel Road, Kolkata – 700019 Phone : (033) 4011 6700/2280 6692/2282 3643/2287 0263 Fax : (033) 4011 6739 Email : rta@cbmsl.com Website : www.cbmsl.com CIN : U74140WB1994PTC062959

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

Sl. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Leather Gloves for use in Industry	1512	70%
2	Silk Fabrics	2444	15%
3	Cotton yarn	2351	15%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -

Sl. No.	Name and address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable section of the Companies Act, 2013
1	SKL Exports Limited PLOT NO.278, KACHANAYAKANAHALLI, BOMMASANDRA, I PHASE INDUSTRIAL AREA, JIGNI HOBLI, ANEKAL TALUK, BANGALORE - 560105	U17226KA2007PLC042062	Associate	Nil	2(6)
2	Capital Limited 19, R. N. Mukherjee Road, Kolkata - 70001	U65993WB1956PLC001592	Associate	Nil	2(6)
3	Zenith Apex Pvt. Ltd. 404,BALLESHWAR SQUARE, NEAR CASELA TOWER, OPP. ISCON MEGA MALL, S.G.HIGHWAY, AHMEDABAD - 380015	U17111GJ2004PTC044059	Associate	Nil	2(6)



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IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as Percentage of Total Equity)

(i) Category-wise Share Holding

Category of Shareholder	No. of Shares held at the beginning of the year 01.04.2015				No. of Shares held at the end of the year 31.03.2016				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(A) Promoter									
1. Indian									
(a) Individuals/ HUF	1966066	0	1966066	36.43	1966066	0	1966066	36.43	0
(b) Central Government(s)									
(c) State Government(s)									
(d) Bodies Corporate	826490	0	826490	15.32	826490	0	826490	15.32	0.00
(e) Bank/Financial Institutions									
(f) Others									
Sub Total(A)(1)	2792556	0	2792556	51.75	2792556	0	2792556	51.75	0
2. Foreign									
(a) NRIs-Individuals									
(b) Other-Individuals									
(c) Bodies Corporate									
(d) Bank/Financial Institutions									
(e) Any Others									
Sub Total(A)(2)	0	0	0	0	0	0	0	0	0.00
Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)	2792556	0	2792556	51.75	2792556	0	2792556	51.75	0.00
(B) Public shareholding									
1. Institutions									
(a) Mutual Funds									
(b) Bank/Financial Institutions									
(c) Central Government(s)									
(d) State Government(s)									
(e) Venture Capital Funds									
(f) Insurance Companies									
(g) Foreign Institutional Investors (FII)									
(h) Foreign Venture Capital Investors									
(i) Other (specify)									
Sub-Total (B)(1)	0	0	0	0	0	0	0	0	0

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Category of Shareholder	Shareholding at the end of the year (31-03-2015)				Shareholding at the end of the year (31-03-2016)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
B. 2. Non-institutions									
(a) Bodies Corporate									
(i) Indian	2388873	601	2389474	44.28	2223475	601	2224076	41.21	-3.07
(ii) Overseas									
(b) Individuals									
i) Individual shareholders holding nominal share capital up to Rs 1 lakh	154088	36590	190678	3.53	168695	35930	204625	3.79	0.26
i) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	23056	0	23056	0.43	174610	0	174610	3.24	2.81
(c) Other (specify)									
1. NRI	136	0	136	0	83	0	83	0	0
2. Clearing Member	50	0	50	0	0	0	0	0	0
3. OCB									
4. Trust	300	0	300	0.01	300	0	300	0.01	0
5. Foreign Portfolio Investor									
Sub-Total (B)(2)	2566503	37191	2566503	48.25	2567163	36531	2603694	48.25	
Total Public Shareholding (B)= (B)(1)+(B)(2)	2566503	37191	2566503	48.25	2567163	36531	2603694	48.25	0
TOTAL (A)+(B)	5359059	37191	5396250	100	5359719	36531	5396250	100	0
C. Shares held by Custodians for GDRs & ADRs									
GRAND TOTAL (A)+(B)+(C)	5359059	37191	5396250	100	5359719	36531	5396250	100	0

(ii) Shareholding of Promoters

Sl No.	Shareholder's Name	Shareholding at the end of the year (31-03-2015)			Shareholding at the end of the year (31-03-2016)		
		No of Shares	% of total shares of Company	% of shares Pledged/encumbered to total	No of Shares	% of total shares of Company	% of shares Pledged/encumbered
1	A.C.ROY AND COMPANY PVT.LTD. [IN30032710308889] a) At the Beginning of the year b) Change during the year c) At the end of the year	304490	5.64	NIL	304490 NO CHANGE 304490	5.64 5.64	NIL NIL
2	PUROTECH SALES PVT.LTD [IN30032710393942] a) At the Beginning of the year b) Change during the year c) At the end of the year	356000	6.6	NIL	356000 NO CHANGE 356000	6.6 6.6	NIL NIL



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Sl. No.	Shareholder's Name	Shareholding at the end of the year (31-03-2015)			Shareholding at the end of the year (31-03-2016)		
		No of Shares	% of total shares of Company	% of shares Pledged/en cumbered to total shares	No of Shares	% of total shares of Company	% of shares Pledged/enc umbered to total shares
3	P.P.DEVELOPERS PVT LIMITED [IN30032710436315] a) At the Beginning of the year b)Change during the year c)At the end of the year	166000	3.08	NIL	166000 NO CHANGE 166000	3.08 3.08	NIL NIL
4	VARUN LOYALKA [IN30011811393300] a) At the Beginning of the year b)Change during the year c)At the end of the year	268900	4.98	NIL	268900 NO CHANGE 268900	4.98 4.98	NIL NIL
5	SURENDRA KUMAR LOYALKA [IN30032710303479] a) At the Beginning of the year b)Change during the year c)At the end of the year	481496	8.92	NIL	481496 NO CHANGE 481496	8.92 8.92	NIL NIL
6	SURENDRA KUMAR LOYALKA-HUF [IN30032710342515] a) At the Beginning of the year b)Change during the year c)At the end of the year	561420	10.4	NIL	561420 NO CHANGE 561420	10.4 10.4	NIL NIL
7	URMILA LOYALKA [IN30032710343644] a) At the Beginning of the year b)Change during the year c)At the end of the year	629150	11.66	NIL	629150 NO CHANGE 629150	11.66 11.66	NIL NIL
8	BILAS RAI LOYALKA-HUF [IN30032710545194] a) At the Beginning of the year b)Change during the year c)At the end of the year	200	0	NIL	200 NO CHANGE 200	0 0	NIL NIL
9	BILAS RAI LOYALKA [IN30032710579987] a) At the Beginning of the year b)Change during the year c)At the end of the year	900	0.02	NIL	900 NO CHANGE 900	0.02 0.02	NIL NIL
10	RAJKUMAR LOYALKA [IN30036022552675] a) At the Beginning of the year b)Change during the year c)At the end of the year	20000	0.37	NIL	20000 NO CHANGE 20000	0.37 0.37	NIL NIL
11	RAJKUMAR LOYALKA-HUF [IN30036022554158] a) At the Beginning of the year b)Change during the year c)At the end of the year	4000	0.08	NIL	4000 NO CHANGE 4000	0.08 0.08	NIL NIL

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(iii) Change in Promoter's Shareholding (please specify if there is no change)

Sl.N o.	Shareholding at the beginning of the year (01-04-2015)		Cumulative Shareholding during the year (01-04-2015 to 31-03-2016)	
	No.of Shares	% of total shares of the Company	No.of Shares	% of total shares of the Company
1	2792556	51.75	2792556	51.75

(iv) Shareholding Pattern of Top Ten Shareholders (Other than Directors, Promoters and Holders of GDRs and ADRS)

Sl.N o.	For each of the Top 10 Shareholders	Shareholding at the beginning of the year (01-04-2015)		Cumulative Shareholding during the year (01-04-2015 to 31-03-2016)	
		No.of Shares	% of total shares of the Company	No.of Shares	% of total shares of the Company
1	BHUTNATH VANIYA VYAPAAR PVT.LTD [IN30032710314377] a) At the Beginning of the year b) Change during the year c) At the end of the year	582586	10.8	582586 NO CHANGE 582586	10.8 10.8
2	R.K.FINANCE LIMITED [IN30032710296806] a) At the Beginning of the year b) Change during the year DATE REASON 14.08.2015 SALE c) At the end of the year	522445 -3000	9.68 -0.05	522445 NO CHANGE 519445 519445	9.68 9.63 9.63
3	ZENITH CREDIT LIMITED [IN30032710296785] a) At the Beginning of the year b) Change during the year DATE REASON 26.02.2016 SALE c) At the end of the year	335150 -2668	6.21 -0.05	335150 332482 332482	6.21 6.16 6.16
4	MAXXON IMPEX AND CREDIT PVT.LTD.[IN30032710433486] a) At the Beginning of the year b) Change during the year DATE REASON 13.11.2015 SALE 20.11.2015 SALE 11.03.2015 SALE 18.03.2015 SALE c) At the end of the year	310093 -500 -25500 -500 -19500	5.75 -0.01 -0.47 -0.01 -0.36	310093 309593 284093 283593 264093 264093	5.75 5.74 5.27 5.25 4.89 4.89
5	OMKARA VINCOM PRIVATE LTD.[IN30032710588875] a) At the Beginning of the year b) Change during the year c) At the end of the year	250000	4.63	250000 NO CHANGE 250000	4.63 4.63
6	BKL SECURITIES LIMITED[IN30225210056657] a) At the Beginning of the year b) Change during the year DATE REASON 12.02.2016 SALE c) At the end of the year	200273 -20000	3.71 -0.37	200273 180273 180273	3.71 3.34 3.34
7	ANKIT COMMERCE LIMITED [IN30032710296815] a) At the Beginning of the year b) Change during the year DATE REASON 24.07.2015 SALE 31.07.2015 SALE c) At the end of the year	101600 -2000 -99600	1.88 -0.04 -1.84	101600 99600 0 0	1.88 1.84 0 0



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Sl. No.	For each of the Top 10 Shareholders	Shareholding at the beginning of the year (01-04-2015)		Cumulative Shareholding during the year (01-04-2015 to 31-03-2016)	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
8	SUNIRMAY VINIMAY PVT.LTD.[IN30032710396383] a) At the Beginning of the year b) Change during the year c) At the end of the year	71250	1.32	71250 NO CHANGE 71250	1.32
9	SEETHA KUMARI [1201060002239844] a) At the Beginning of the year b) Change during the year c) At the end of the year	12556	0.23	12556 NO CHANGE 12556	0.23
10	BIJAY KUMAR LOYALKA [IN30032710593833] a) At the Beginning of the year b) Change during the year DATE REASON 31.07.2015 BUY 07.08.2015 BUY 20.11.2015 BUY 12.02.2016 BUY 18.03.2016 BUY c) At the end of the year	10500 69110 30000 25500 20000 19500	0.2 1.28 0.55 0.47 0.37 0.37	10500 79610 109610 135110 155110 174610 174610	0.2 1.48 2.03 2.5 2.87 3.24 3.24
11	RAMESH LAXMAN RADE [IN30198310703091] a) At the Beginning of the year b) Change during the year DATE REASON 15.05.2015 SALE 19.06.2015 BUY 14.08.2015 BUY c) At the end of the year	7200 -5000 5000 1000	0.13 -0.09 0.09 0.02	7200 2200 7200 8200 8200	0.13 0.04 0.13 0.15 0.15

(v) Shareholding Pattern of Directors and Key Managerial Personnel

Sl. No.	For each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1	Mr. Surendra Kumar Loyalka a) At the Beginning of the Year b) Change during the Year c) At the end of the Year	481496 - 481496	8.92 8.92	481496 481496	8.92
2	Mr. Raj Kumar Loyalka a) At the Beginning of the Year b) Change during the Year c) At the end of the Year	20000 - 20000	0.37 0.37	20000 20000	0.37

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/ accrued but not due for payment

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	316191937	-	-	316191937
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	316191937	-		316191937



	Secured Loans excluding	Unsecured Loans	Deposits	Total Indebtedness
Change in Indebtedness during the financial year				
* Addition	-	-	-	-
* Reduction	189,910,262	-	-	189,910,262
Net Change	189,910,262	-	-	189,910,262
Indebtedness at the end of the financial year				
i) Principal Amount	126281675	-	-	126281675
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	126281675	-	-	126281675

REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

Sl. No.	Particulars of Remuneration	Name of MD/WTD/ Manager		Total Amount
		Mr. Surendra Kumar Loyalka	Mr. Raj Kumar Loyalka	
1	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	18,00,000/- 5,30,790/- -	18,00,000/- 4,24,236/- -	36,00,000/- 9,55,026/- -
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission - as % of profit - others, specify...	-	-	-
5	Others, please specify – Contribution to Provident Fund	216,000	2,16,000/-	4,32,000/-
	Total (A)	25,46,790/-	24,40,236/-	49,87,026/-
	Overall Ceiling as per the Act	10% of the net Profit of the Company.		

B. Remuneration to other directors

Sl. No.	Particulars of Remuneration	Name of Directors				Total Amount (Rs.)
		Mr. Madhukar manilal Bhagat	Mr. Keshar Deo Rungta	Mr. Mangilal Jain	Mr. Devendra Kumar sarawgee	
1	Independent Directors Fee for attending board committee meetings Commission Others, please specify	28,000/- - -	36,000/- - -	28,000/- - -	28,000/- - -	1,20,000/- - -
	Total (1)	28,000/-	36,000/-	28,000/-	28,000/-	120000/-



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Sl. No.	Particulars of Remuneration	Name of Directors				Total Amount (Rs.)
		Mr. Madhukar Manilal Bhagat	Mr. Keshar Deo Rungta	Mr. Mangilal Jain	Mr. Devendra Kumar sarawgee	
2	Other Non-Executive Directors	Mrs. Urmila Loyalka				
	Fee for attending board committee meetings	Nil				Nil
	Commission	-				
	Others, please specify	-				
	Total (2)	Nil				Nil
	Total (B)=(1+2)					1,20,000/-
	Total Managerial Remuneration (A+B)					
	Overall Ceiling as per the Act	11% of net profit of the Company.				

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

Sl No.	Particulars of Remuneration	Key Managerial Personnel		
		CS	CFO	Total
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	99,973/-	2,94,692/-	394,665
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission			
	- as % of profit	-	-	-
	others, specify...	-	-	-
5	Others, please specify- Transport Allowances & Contribution to Provident Fund	10,448/-	23,256/-	33,704/-
	Total	1,10,421/-	3,17,948/-	4,28,369/-

PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
B. DIRECTORS					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
C. OTHER OFFICERS IN DEFAULT					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-



MANAGEMENT DISCUSSION AND ANALYSIS

THE COMPANY HAS 3 DIVISIONS VIZ.

1. 100% EOU Unit at Nanjangud - Karnataka - Manufacturing High Quality Silk and Velvet Fabrics.
2. A Yarn producing unit at Sarandi - Ahmedabad - Manufacturing cotton, viscose, polyester and blended yarns mainly for exports.
3. Exports Division at Kolkata - Exporting Industrial Leather Hand Gloves, Silk & Cotton Fabrics and made- ups manufactured on Handloom etc.

1. EOU UNIT AT NANJANGUD

A. INDUSTRY STRUCTURE AND DEVELOPMENT

The Textile Industry is highly power, man-power & capital intensive industry. We experienced mixed experience due to recovery in USA & financial crisis in European continent. China is still a big threat to us in International Market due to availability of cheap labour and high quality silk yarn in the country.

B. OPPORTUNITIES AND THREATS

The globalization of all markets, economic or political upheavals anywhere in the world affects all the markets & inflation and high volatility in exchange markets be cited as potential threats but the biggest threat for the time being is increase in cost of raw material in the international market and high power and labour cost in the country. Quality of Indian fabrics and the growth momentum in India, despite rising inflation, may be taken as an opportunity for Indian exports.

C. OUTLOOK

Due to recession worldwide the confidence of export market has badly affected. However, the Company has taken effective control measures to cope up slowdown and explore new markets. The Company is on way to better realization by way of cost curtailment and expecting better results in the current year.

2. YARN PRODUCING UNIT AT AHMEDABAD

Due to recession and adverse market conditions and steep competition from the modern units, equipped with the latest technology & machinery, the management has decided to stop the production of Zenith Spinners (Prop: Zenith Exports Limited) & close the unit situated at Sarandi, Dholka, Ahmedabad. Ours being a very old unit with old spindles, needs very much more manpower & electricity compared to modern units and therefore became unviable to continue the operations. Secondly the slowdown in China has also seriously affected the bottom-line of the unit.

The Company has been incurring losses from operations of Zenith Spinners for last one year and to arrest that and to save the life of other units, the management has decided to close the Spinning Unit.

3. TRADING DIVISION (LEATHER HAND GLOVES & SILK FABRICS MANUFACTURED ON HANDLOOM)

A. INDUSTRY STRUCTURE AND DEVELOPMENT

Due to recovery in USA & other continent, the sale started picking up. However financial crisis in Europe & recessions in Africa & other market had an adverse impact on our sales volume. However, we are continuously trying to improve quality output and addition of new markets, with increase in varieties of hand gloves.

B. OPPORTUNITIES AND THREATS

India's share in global market for Industrial Gloves is very minimal and hence, there exists big scope for future growth. In silk fabrics margins will be under pressure but there is scope for increase in turnover to new markets.

C. OUTLOOK

The future outlook appears to be better.

4. COMMON TO ALL DIVISIONS

A. Risks and Concerns

High power and manpower cost, stringent labour laws, and shortage of skilled workers are the biggest risk concerning this industry. High volatility in foreign exchange rates also poses a great risk as our unit is mainly into export business. The wide fluctuation in cost of Raw Material like Cotton, Viscose & Polyester Fiber, silk yarn & finished leather has also become a major risk factor.



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Foreign Exchange Risk

The Company's policy is to systematically hedge a part of its foreign exchange risks.

Interest rate Risk

The Company's borrowings are on floating rate basis. On account of inflation in the country, the company feels risk arising out of a change of its interest rate structure by RBI is very much there on different loans of the company.

Commodity Price Risk

Due to continuing high inflation the company is exposed to the risk of price fluctuation on raw materials and other inputs. These risks are significant considering the present situation in the country.

B. Internal Control Systems and their adequacy

The company has appropriate internal control system for business process across various divisions with regard to efficiency of operations, financial reporting, compliance with applicable laws and regulations. The company has kept highly skilled technical and administrative people at our mill, due to which the internal control systems are strictly maintained i.e. increasing productivity and cutting cost at every stage. Under the supervision of highly experienced technical people, we are able to produce highest quality of products for export market. Regular internal audits and checks ensure that responsibility is executed effectively. The Audit Committee of the Board of Directors actively reviews the adequacy and effectiveness of internal control systems and suggests improvements for strengthening them.

C. Financial performance with respect to Operational Performance

The Company could achieve a turnover of Rs.22630 lacs and net profit of 15.74 lacs during the year under review.

D. SEGMENTWISE PERFORMANCE

(₹.lacs)

	2015-16	2014-15
TRADING DIVISION		
Sales	16646.00	15732.96
Net Profit	680.88	761.14
WEAVING DIVISION		
Sales	2333.07	2428.11
Net Profit/(loss)	(110.64)	(134.67)
SPINNING DIVISION		
Sales	3670.25	6706.32
Net Profit/(loss)	(554.50)	(618.00)

E. MATERIAL DEVELOPMENT IN HUMAN RESOURCES/INDUSTRIAL RELATIONS FRONT, INCLUDING NUMBER OF PEOPLE EMPLOYED

The company presently has 405 employees on its rolls (As on 31/03/2016). These are basically human resource assets and are integral in Company's on-going success. They have played a significant role and enabled the company to deliver better performance year after year. The cost of staff and workers is increasing abnormally due to high cost of living and there is a shortage of skilled workers. We have to keep extra hands and train them to cover our requirement of workers. Strong emphasis is therefore given to build and nourish the human resource assets; The Company has had very harmonious relations with its workforce during the year.

F. CAUTIONARY STATEMENT

Statement made in this report describing the Company's objective, projections, estimates, expectations or predictions may be "forward looking statements" within the meaning of applicable securities laws and regulations. Actual results could defer materially from those expressed or implied. Important factors that could make a difference to the Company's operations include global and Indian demand supply conditions, finished goods price, feed stock availability and prices, cyclical demand and pricing in the Company's markets, changes in government regulations, tax regimes, economic developments within India and the countries where the Company conducts its business and other factors such as litigations and labour negotiations.



REPORT ON CORPORATE GOVERNANCE FOR THE FINANCIAL YEAR 2015-16

I. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE:

Zenith Exports Limited (ZEL) believes that, for long-term and sustainable success in business, Corporate Governance must become an intrinsic part of the Company. The basic philosophy of the Corporate Governance in the Company emphasizes on highest levels of transparency, accountability and equity, in all respects of its operations. The Company believes that the Governance process should ensure economic prosperity and long term value creation for the enterprise and its Stakeholders keeping in view the needs and interests of all its Stakeholders. The Company has a strong legacy of fair, transparent and ethical Governance practices. ZEL continues to follow procedures and practices in conformity with the Code of Corporate Governance as stipulated by Securities & Exchange Board of India.

Pursuant to Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations'2015, the Company has executed fresh Listing Agreements with the Stock Exchanges i.e NSE & BSE.

This Report, along with Report of Management Discussion and Analysis, constitutes ZEL's compliance with Regulations 17 to 27 read with Schedule V and Clauses (b) to (i) of Regulations 46(2) of the Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations'2015, with regard to Corporate Governance.

II. BOARD OF DIRECTORS:

The Board of Directors at ZEL approve and review the Strategies and oversee the actions and results of management. As on March 31st, 2016, the Company's Board comprised of (7) Seven Members, out of which 1 (One) is Chairman cum Managing Director, 1(One) is Managing Director, 4(Four) are Independent Directors (ID), 1 (One) Non-Executive Woman Director. The Number of Independent Directors (IDs) are more than half of the total number of Directors.

1) Composition of Board and Category of Directors

The Composition of the Board satisfies the requirements of Section 149 of the Companies Act'2013 ("the Act") and Regulation 17 of the Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations'2015.

The Names and Categories of Director, the number of Directorships and Committee positions held by them in other Companies and also the Shareholdings in the Company are given below:

Sl. No.	Directors	Composition/ Category	Number of outside Directorships* Held	Number of outside Committee Position** Held		Number of Shares Held
				As Chairman	As Chairman	
1.	Mr. S. K. Loyalka	Promoter/	2	-	-	481496
	Chairman-cum-Managing Director DIN: 00006232	Executive				
2.	Mr. R.K. Loyalka	Promoter/	-	-	-	20000
	Joint Managing Director DIN: 00006226	Executive				
3.	Mr. M. M. Bhagat	Non-Executive/	7	3	3	100
	DIN: 00006245	Independent				
4.	Mr. K. D. Rungta	Non-Executive/	-	-	-	100
	DIN: 00006252	Independent				
5.	Mr. M.L. Jain	Non-Executive/	7	3	9	-
	DIN: 00353075	Independent				
6.	Mr. D.K. Sarawgee	Non-Executive/	1	-	-	-
	DIN: 00087256	Independent				
7.	Mrs. Urmila Loyalka	Promoter/	2	-	-	629150
	DIN:00009266	Non-Executive/				



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Notes:

- * Excluding directorship held in Private Companies, Foreign Companies and Companies under Section 8 of the Companies Act'2013. None of the Directors on the Board hold Directorships in more than 10 (Ten) Public Companies. Further none of them is a Member of more than 10 (Ten) Committees or Chairman of more than 5 (Five) Committees across all the Public Companies in which he/ she is a Director. None of the Directors except Mr. Raj Kumar Loyalka, Mr. Surendra Kumar Loyalka and Mrs. Urmila Loyalka, who are relatives, are related to each other.
- ** Only the position held in Committees, such as Audit, Nomination & Remuneration and Stakeholder Relationship Committee in Indian Public Limited Companies have been considered.

2) Board of Directors and Meetings

In Compliance with the Provisions of Regulation 17 of the Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations'2015, the Board met 4 times during the year to review the performance and do deliberate and consider other items on the Agenda. During the year there were in total 4 (Four) Board Meetings were held on 29.05.2015, 13.08.2015, 14.11.2015 & 12.02.2016. The time gap between the two Meetings was not more than 120 days.

Sl. No.	Name of the Director	No. of Board Meetings		AGM held on 30th September'2015
		Held During the tenure of Directorship	Attended	
1.	Mr. S. K. Loyalka	4	1	Present
2.	Mr. R.K. Loyalka	4	2	Present
3.	Mr. M. M. Bhagat	4	4	Present
4.	Mr. K. D. Rungta	4	4	Present
5.	Mr. M.L. Jain	4	4	Present
6.	Mr. D.K. Sarawgee	4	4	Present
7.	Mrs. Urmila Loyalka	4	1	Present

Information provided to the Board Members:

- Annual Operating Plans and budgets including Capital Budgets and any updates thereof.
- Quarterly Results of the Company and its business segments.
- Minutes of Meeting of Audit Committee and other Committees of the Board.
- The information on recruitment and remuneration of Senior Officers of Board Level, including appointment or resignation of Chief Financial Officer and the Company Secretary of the Company.
- Show Cause, Demand, Prosecution notices and penalty notices which are materially important.
- Fatal or serious accidents, dangerous occurrences, any material effluent or pollution problems.
- Any material default in financial obligations to and by the Company or substantial non-payment for services rendered by the Company.
- Quarterly details of foreign exchange exposures and the steps taken by the Management to limit the risks of adverse exchange rate movement, if material.
- Non-Compliance of any regulatory, statutory or listing requirements and stakeholders service such as non-payment of dividend, delay in shares transfer etc.

Risk Management:

The Company has laid down systems to inform members about the risk assessment and minimization procedures. The risks and Company's mitigation strategies are periodically reviewed to ensure effective controls.

III. AUDIT COMMITTEE:

1) Terms of Reference

The Company has an Audit Committee and the terms of reference are in conformity with the powers as stipulated in Regulation



18 of the Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations'2015, read with Section 177 of the Companies Act, 2013. The Committee acts as a link between the management, the statutory and internal auditors and the Board of Directors and oversees the financial reporting processes.

2) Composition of the Committee

The composition of the Committee and the number of meetings attended by each of the members are given below:

Sl. No.	Name of the Director	Position held	No. of Board Meetings	
			Held During the tenure of Directorship	Attended
1.	Mr. K. D. Rungta#	Chairman	4	4
2.	Mr. M. M. Bhagat	Member	4	4
3.	Mr. M.L. Jain	Member	4	4
4.	Mr. D.K. Sarawgee	Member	4	4

Mr. K.D. Rungta is the Chairman of the Audit Committee of the Company and has the requisite knowledge and experience of over 6 decades in financial matters.

All the Members of the Audit Committee are Non-Executive Independent Directors.

3) Meetings

Audit Committee Meetings were held on 29.05.2015, 13.08.2015, 14.11.2015 & 12.02.2016. The necessary quorum was present for all the Meetings. The Annual Accounts for the year ended 31st March'2016 was reviewed by the Audit Committee at its Meeting held on 25th May'2016. The Audit Committee also reviewed the Audited Financial Results for the year ended 31st March'2015 and Unaudited Financial Results for the quarters ended 30th June'2015, 30th September'2015 and 31st December'2015 before recommending their adoption to the Board.

Powers of Audit Committee

- Oversight of the Company's Financial Reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- Recommending the appointment, remuneration and terms of appointment of auditors of the Company.
- Approval of payment to statutory auditors for any other services rendered by the Statutory Auditors.
- Reviewing, with the management the annual financial statements and the auditor's report thereon, before submission to the board for approval, with particular reference to:
 - Matters required to be included in Director's Responsibility Statement included in Board's Report
 - Changes, if any, in accounting policies and practices and reasons for the same.
 - Major accounting entries based on exercise of judgement by management.
 - Significant adjustments made in the financial statements arising out of audit findings.
 - Compliance with listing and other legal requirements relating to financial statements.
 - Disclosure of any related party transactions.
 - Qualifications in the draft audit report.
- Reviewing, with the management, the quarterly financial statements before submission to the Board for approval.
- Review and monitor the auditors' independence and performance, and effectiveness of audit process.
- Approval or any subsequent modification of transactions of the Company with related parties.
- Valuation of undertakings or assets of the Company, wherever it is necessary.
- Evaluation of Internal Financial Controls and Risk Management Systems.
- Reviewing, with the Management, performance of Statutory and internal auditors, adequacy of the Internal Control Systems.
- Discussion with internal auditors of any significant findings and follow up thereon.



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- To review the functioning of the Vigil Mechanism/ Whistle Blower Policy of the Company.
- Carrying out any other function as is mentioned in the Power of Audit Committee.
In fulfilling the above role, the Audit Committee has powers to investigate any activity within its terms of reference, to seek information from employees and to obtain outside legal and professional advice. The draft minutes of the Audit Committee Meetings are circulated among members before the same is confirmed and placed before the Board.

IV. NOMINATION & REMUNERATION COMMITTEE:

1) Terms of Reference

The Company has a Nomination and Remuneration Committee and the terms of reference are in conformity with the provisions of Regulation 19 of the Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations'2015, read with Section 178 of the Companies Act,2013. Nomination and Remuneration Committee decides about the remuneration and other payments to Directors, KMPs & other Senior Personal of the Company subject to approval of Stakeholders and Central Government as and when necessary.

2) Composition of the Committee

The composition of the Committee and the number of meetings attended by each of members are given below:

Sl. No.	Name of the Director	Position held	No. of Meetings	
			Held During tenure	Attended
1.	Mr. M. M. Bhagat#	Chairman	0	N.A.
2.	Mr. K. D. Rungta	Member	0	N.A.
3.	Mr. M.L. Jain	Member	0	N.A.

Mr. M.M. Bhagat is the Chairman of the Committee and has requisite knowledge & experience of over 5 decades in financial & insurance matter.

All the Members of the Nomination & Remuneration Committee are Non-Executive Independent Directors.

3) Meetings

No meeting of the Committee held during the year under review.

4) Remuneration Policy

Payment of remuneration to the Managing Director is governed by the agreement executed between him and the Company and are also governed by Board and Stakeholders' Resolutions. The Remuneration structure comprises of salary, variable pay, perquisites and other allowances and retirement benefits in the forms of superannuation and gratuity. The Company does not have any Employee Stock Option Scheme.

5) Details of Remuneration/ Sitting Fees paid to Directors

The remuneration/ sitting fees paid / payable to the Executive Directors and Non-Executive Directors for the F.Y. 2015-16 are as under:-

Name of the Director	Salary and Perquisites	Sitting Fees
Executive Directors		
1. Mr. R.K. Loyalka	24,40,236/-	.....
2. Mr. S. K. Loyalka	25,46,790/-	.....
Non-Executive Directors		
1. Mr. M. M. Bhagat	.....	28,000/-
2. Mr. K. D. Rungta	.....	36,000/-
3. Mr. M.L. Jain	.....	28,000/-
4. Mr. D. K. Sarawgee	.....	28,000/-



Non-Executive directors are paid sitting fees of ₹.5000/- for every Board Meeting and ₹. 2000/- for Audit, Nomination & Remuneration and Administrative Committee Meetings. However, the sitting fees of the Chairman of Audit & Nomination & Remuneration Committee are ₹. 4000/-.

No sitting fee is paid for attending the meeting of Stakeholders Relationship & Risk Management Committee.

Role of Nomination and Remuneration Committee

- Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the Directors, Key managerial personnel and other employees.
- Formulation of criteria for evaluation of Independent Directors and the Board of Directors.
- Devising a policy on diversity of Board of Directors.
- Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal and
- To decide whether to extend or continue the term of appointment of the Independent Director, on the basis of the report of performance evaluation of Independent Directors.

The Nomination and Remuneration Committee functions under the overall supervision of the Board of Directors of the Company.

Performance Evaluation Criteria for Independent Directors

The Company has devised a mechanism for performance evaluation of Independent Directors, Board, Committees and other Directors which include criteria for performance evaluation of the non-executive directors and executive directors. The criterion for performance evaluation for Independent Directors includes:

- Attends meetings regularly.
- Understands business regulatory competitive and social environment in which the Company operates.
- Understands strategic issues and challenges confronting the Company.
- Demonstrates a solid understanding of his/ her responsibility as a Director including his / her statutory and fiduciary roles and acts appropriately in his/ her governance role.
- Attends meetings well prepared to evaluate and/ or add value to Agenda items presented to the Board.
- Brings useful outside information and prospective to Board deliberations.
- Contributes meaningfully to Board discussions, makes useful suggestions, provides strategic insight and directions.
- Demonstrates an ability to identify the cost benefits and implications of Board decisions.
- Demonstrates a strong understanding of financial statements, ratios and/ or indices of performance and can see the issues behind the numbers.
- Works effectively with fellow Directors to build consensus, manages conflict constructively.
- Awareness about the developments regarding corporate governance.

V. STAKEHOLDERS RELATIONSHIP COMMITTEE:

1) Terms of Reference

The Company has a Stakeholders' Relationship Committee and the terms of reference of the Stakeholders' Relationship Committee are in conformity with the provisions of Regulation 20 of the Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations' 2015, read with Section 178 of the Companies Act, 2013. The Stakeholders' Relationship Committee specifically looks into the redressal of grievances of Shareholders and other security holders such as transfer/ transmission of shares, issue of duplicate certificates, recording dematerialization/ rematerialisation of shares, non-receipt of Annual Report and other related matters.

2) Composition of the Committee

The composition of the Committee and the number of meetings attended by each of members are given below:

Sl. No.	Name of the Director	Position held	No. of Meetings	
			Held During tenure	Attended
1.	Mr. M. M. Bhagat	Chairman	4	4.
2.	Mr. K. D. Rungta	Member	4	4
3.	Mr. M.L. Jain	Member	4	4



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3) Compliance Officer

Mr. Govind Pandey- Company Secretary is the Compliance Officer of the Company.

4) Status of Shareholders Complains

Number of Shareholders' complains received during the year.

For Transfer	- NIL
For Dematerialization	- NIL
For Non-receipt of Balance Sheet, etc.	- NIL
For Non-receipt of Dividend	- NIL
For Non-receipt of Share Certificate	- NIL

5) Meetings

The Meetings held 4 (Four) times during the year on 16.04.2015, 27.04.2015, 29.06.2015, 19.09.2015 to consider & approve transfer, transmission and dematerialization of Shares.

VI. RISK MANAGEMENT COMMITTEE:

1) Terms of Reference

- To identify, evaluate & suggest method of mitigating operational, strategic and environmental Risks.
- To prepare, monitor & approve risk facilities.
- To review & approve risk disclosure statement.

The Company Secretary has been appointed as the Secretary of this Committee. No Meeting of the Committee was held during the year under review.

2) Composition of the Committee

A Risk Management Committee has been constituted with the following members of the Board:

Mr. R.K. Loyalka	- Non Independent Executive Director
Mr. S.K. Loyalka	- Non Independent Executive Director
Mr. K. D. Rungta	- Independent Non-Executive Director

VII. ADMINISTRATIVE COMMITTEE:

1) Terms of Reference

To address important issues arising between two Board Meetings namely:-

- To invest in fixed deposits with Banks & to avail overdraft limits against the same.
- To invest in the Shares / Debentures/ Securities of other body corporates.
- To invest in Mutual Funds and other Financial Instruments.
- To borrow money from the Banks for working capital requirements.
- To change of authorization for operation of bank account of the Company
- To look after day-to-day affairs of the Company.

The Company Secretary has been appointed as the Secretary of this Committee. No Meeting of the Committee was held during the year under review.

2) Composition of the Committee

An Administrative Committee has been constituted with the following members of the Board:

Mr. K. D. Rungta	- Independent Non-Executive Director
Mr. M. M. Bhagat	- Independent Non-Executive Director

VIII. INDEPENDENT DIRECTORS MEETING:

During the year under review the Independent Directors met on 12th February'2016, interalia to review the performance of Non-Independent Directors including that of the Chairman taking into account the views of executive and non-executive directors,



assess the quality, quantity and timelessness of flow of information between the Company Management and the Board that is necessary for the Board of effectively and reasonably perform their duties and other related matters. All the 4 (Four) Independent Directors attended the said meeting.

The details of the familiarisation programme for Independent Directors is posted on the website of the Company and may be accessed at the link <http://zenithexportslimited.com/famprogdir.htm>.

IX. MANAGEMENT DISCUSSION AND ANALYSIS:

As required by Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations'2015, the Management Discussion and Analysis is provided elsewhere in this Annual Report.

X. GENERAL BODY MEETINGS:

Details of Last three Annual General Meetings (AGMs) of the Company are as follows:

Financial Year Ended	Day & Date	Venue	Time
31st March'2013	Friday, 27th September'2013	Birla Academy of Art & Culture, 108, Southern Avenue, Kolkata- 700 029	1 0 : 3 0 A . M .
31st March'2014	Saturday, 27th September'2014	-Do-	10:30A.M.
31st March'2015	Wednesday, 30th September'2015	-Do-	10:30A.M.

XI. DISCLOSURES:

1) Disclosure on materially significant related party transactions

There were no materially significant related party transaction i.e. transactions of the Company of material nature, with its promoters, the directors or the management or relatives, etc., that had any potential conflict with the interests of the Company at large, which requires separate disclosure. Annual Accounts as at 31st March'2016 contain the list of related party relationship and transactions are required by the Accounting Standard 18 on "Related Party Disclosures" issued by the Institute of Chartered Accountants of India. The Board has approved a policy for related party transactions which has been posted on the Company's website at the following link <http://zenithexportslimited.com/PRPT1032016.html>.

2) Disclosure on Compliance of Law

The Company has complied with the mandatory requirements of the Stock Exchanges, SEBI and other statutory authorities on all matters related to capital markets during the last three years. No penalties or strictures were imposed by SEBI, Stock Exchanges, or any statutory authorities on any matter related to capital markets during the last three years.

3) CEO/ CFO Certification

The aforesaid certificate duly signed by the CEO and CFO in terms of Regulation 17(8) of the Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations'2015, for the financial year ended 31st March'2016 has been placed before the Board in the meeting held on 13th August'2016.

4) Code of Conduct

The Company has already adopted a Code of Conduct which has made applicable to all its Directors, whether executive or non-executive and all senior management personnel of the Company. All Board members and senior management personnel have affirmed compliance with the Company's code of conduct during the period. A declaration to this effect that all Board Members and senior management personnel have complied with the Company's code of conduct during the period and duly signed by the Chief Executive Officer of the Company in terms of SEBI Listing Regulations forms is annexed forming part of this Report. The aforesaid Code of Conduct has been posted on the Company's website at the following link <http://zenithexportslimited.com/codeofconduct.html>



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5) Vigil Mechanism/ Whistle Blower Policy

The Company has a Whistle Blower Policy/ Vigil Mechanism available on the website of the Company for its Directors, Employees and Stakeholders for reporting genuine concerns about any instance of any irregularity, unethical practice and or/ misconduct. No personnel have been denied any access to the Audit Committee.

6) Auditors' Certificate on Corporate Governance

The Auditors' Certificate is obtained and provided in the Annual Report.

XII. MEANS OF COMMUNICATION:

In compliance with the requirement of the Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations'2015, the Company regularly intimates Unaudited as well as Audited Financial Results to the Stock Exchanges immediately after they are taken on record by the Board. Further, coverage is given for the benefit of the Shareholders and investors by publication of Financial Results in Business Standards and ArthikLipi.

The Financial Results of the Company are also available on Company's website www.zenithexportslimited.com.

XIII. GENERAL SHAREHOLDERS' INFORMATION:

*34th Annual General Meeting (to be held) Day Date Time Venue	Tuesday 27th September' 2016 10.30 A.M. Ground Floor, Auditorium of Birla Academy of Art and Culture 108, Southern Avenue, Kolkata - 700 029
* Financial Calendar (Tentative) (April 01, 2016 to March 31, 2017) [i] 1st Quarterly results [ii] 2nd Quarterly results [iii] 3rd Quarterly results [iv] 4th Quarterly	On 13th August, 2016 Within 14th November, 2016 Within 14th February, 2017 Within 30th May, 2017
* Book Closure Date:	Wednesday, 21st September, 2016 to Tuesday, 30th September, 2016 (Both days inclusive)
* Dividend Payment Date	None
* Listing on Stock Exchange	National Stock Exchange of India Limited Bombay Stock Exchange Limited The Company has paid the Annual Listing fee to each of the Stock Exchanges for the period April, 2016 to March 31, 2017.
* Stock Code - Physical ISIN No.	Bombay Stock Exchange Ltd. - 512553 National Stock Exchange of India Ltd. - ZENITHEXPO INE 058B01018
* Market price Data	As per Appendix 'A'



* Registrar and Transfer Agents	C B Management Services (P) Limited P-22, Bondel Road, Kolkata - 700 019 Telephone - (033) 4011 - 6700 / 2280 - 6692 / 2282 - 3643 / 2287-0263 Fax - (033) 4011-6739, E-mail - rta@cbmsl.com, Website - www.cbmsl.com
* Share Transfer System	Share Transfer requests received in physical form is registered within an average period of 15 days. A Share Transfer and Investors' Grievance Committee comprising members of the Board is constituted to consider the request of transfer of physical shares. Request for dematerialisation received from Shareholders are effected within an average period of 15 days.
* Distribution of Shareholding & Shareholding pattern	As per Appendix 'B' & 'C'
* Dematerialisation of Shares as on March 31, 2016	The Company has arrangements with National Securities Depository Ltd., (NSDL) as well as Central Depository Services (India) Ltd. (CSDL) for demat facility. 5312094 (98.44%) Equity Shares as on 31st March, 2016 have been dematerialised with National Securities Depository Limited (NSDL) 47625 (0.88%) Equity Shares as on 31st March, 2016 have been dematerialised with Central Depository Services (India) Limited (CSDL).
* Outstanding GDRs / ADRs / Warrants or any convertible instruments, conversion date and likely impact on equity	The Company has not issued any GDRs / ADRs / Warrants or any convertible instruments.
* Plant Location	(i) Zenith Spinners Vill - Sarandi, Taluka - Dholka, Dist. - Ahmedabad - 387 810. (ii) Zenith Textile Nanjangud, Dist. - Mysore, Karnataka - 571 302
* Address for correspondence	Zenith Exports Limited 19, R. N. Mukherjee Road, 1st Floor, Kolkata - 700 001 Phone : (033) 2248 - 7071 / 6936 Fax : (033) 2243 - 9003 E-mail : zenith@giascl01.vsnl.net.in



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XIV. NON-MANDATORY REQUIREMENTS:

i) Nomination & Remuneration Committee

The Company has a Nomination & Remuneration Committee comprising of Mr. M. M Bhagat, Mr. K. D. Rungta & Mr. M. L. Jain as already stated in this Report.

ii) Shareholders Rights

Half-Yearly results including summary of the significant events are presently not being sent to the Shareholders of the Company. However, the quarterly results of the Company are being published in Newspaper on the next day after considering the same by the Board of Directors.

iii) Audit Qualification

The Audit Report does not contain any qualification which requires Board clarification.

iv) Training of Board Members

The Audit Report has not yet adopted any training programme for its Directors.

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APPENDIX – ‘A’

The monthly high and low quotation in the year 2015-16 of Equity shares traded on Bombay Stock Exchange Limited (BSE) and National Stock Exchange Limited (NSE) are as follows:

MONTH	BSE Market Price (₹.)		VOLUME (No. of Shares)	NSE Market Price (₹.)		VOLUME (No. of Shares)
	HIGH	LOW		HIGH	LOW	
April' 2015	69.90	57.00	Information Not Available	62.00	55.50	Information Not Available
May' 2015	64.90	59.35		62.50	58.00	
June' 2015	67.90	64.70		No Records	-----	
July' 2015	73.25	59.30		68.80	57.00	
August' 2015	62.95	56.00		64.50	53.15	
September' 2015	65.95	55.95		63.80	62.90	
October' 2015	65.95	59.85		65.90	60.30	
November' 2015	71.95	65.40		65.05	61.75	
December' 2015	77.00	54.20		61.75	58.00	
January' 2016	51.00	48.50		56.70	51.30	
February' 2016	46.15	46.15		53.00	50.00	
March' 2016	43.95	43.85		55.50	47.90	

APPENDIX – ‘B’

Distribution of Shareholding as on 31.03.2016

RANGE (NO. OF SHARES)	SHARE HOLDERS		SHARES	
	NO.	% OF TOTAL	NO.	% OF TOTAL
[1]	[2]	[3]	[4]	[5]
UPTO – 5000	1152	198.13	190780	3.54
5001 – 10000	5	0.43	30719	0.57
10001 – 20000	2	0.17	32556	0.60
20001 – 30000	0	0	0	0
30001 – 40000	0	0	0	0
40001 – 50000	0	0	0	0
50001 – 100000	1	0.08	71250	1.32
100001 & above	14	1.19	5070945	93.97
TOTAL	1174	100.00	5396250	100.00



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APPENDIX – ‘C’

Shareholding Pattern as on 31.03.2016

Category	No. of Shares held	Percentage of Shareholding
A. Promoter's holding		
1. Promoters	2792556	51.75
Indian Promoters	Nil	Nil
Foreign Promoters		
2. Persons acting in Concert	Nil	Nil
Sub - Total	2792556	51.75
B. Non-Promoter's holding		
3. Institutional Investors		
a. Mutual Funds and UTI	Nil	Nil
b. Banks, Financial Institutions, Insurance Companies (Central/ State Govt. Institutions/Non-government Institutions)	Nil	Nil
c. Foreign Institutional Investors	Nil	Nil
Sub - Total	NIL	NIL
4. Others		
a. Private Corporate Bodies/Trust	2224376	41.22
b. Indian Public	379235	7.03
c. NRIs/OCBs	83	0.00
d. Any other (Clearing Member)	0	0.00
Sub - Total	2603694	48.25
GRAND TOTAL	5396250	100.00
NOTE: TOTAL FOREIGN SHARE HOLDING		
Foreign Holding (Non-Resident)	No. of Shares	% of Share Holding
NRIs/OCBs	83	0.00
FII		--
TOTAL	83	-



AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To
The Members of
ZENITH EXPORTS LIMITED

We have examined the compliance of conditions of Corporate Governance by Zenith Exports Limited ("the Company"), for the year ended on 31st March'2016, as stipulated in:

- Clause 49 [excluding Clause 49(VII) (E)] of the Listing Agreements of the Company with the Stock Exchanges(s) for the period from 1st April'2015 to 30th November'2015
- Clause 49 (VII) (E) of the Listing Agreements of the Company with Stock Exchanges(s) for the period from 1st April'2015 to 1st September'2015
- Regulation 23(4) of SEBI (Listing Obligations and Disclosure Requirements) Regulations'2015 (SEBI Listing Regulations) for the period from 2nd September'2015 to 31st March'2016 and
- Regulations 17 to 27 [(excluding Regulation 23(4))] and clauses (b) to (i) of Regulation 46(2) and paragraph C, D and E of Schedule V to the SEBI Listing Regulations for the period from 1st December'2015 to 31st March'2016.

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

We have examined the relevant records of the Company in accordance with the Generally Accepted Auditing Standards in India, to the extent relevant, and as per the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India.

In our opinion and to the best of our information and according to our examination of the relevant records and the explanations given to us and the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement and Regulation 17 to 27 and Clauses (b) to (i) of Regulation 46(2) and para C, D and E of Schedule V of the Listing Regulations for the respective periods of applicability as specified under above paragraph, during the year ended 31st March'2016.

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.

Place: Kolkata
Dated: 13th August'2016

For **Tiwari & Company**
Chartered Accountants
Firm Registration No. 309112E

K.K. Bandyopadhyay
(Partner)
(M.N. 015958)



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CEO AND CFO CERTIFICATION UNDER CLAUSE 49(V) OF THE LISTING AGREEMENT

COMPLIANCE CERTIFICATE UNDER REGULATION 17(8) & AS SPECIFIED IN PART B OF SCHEDULE II OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS'2015

We, Surendra Kumar Loyalka (DIN: 00006232), Chairman-cum-Managing Director and SushilKasera (PAN: AFNPK5320D), Chief Financial Officer of Zenith Exports Limited ("company") to the best of our knowledge and belief, hereby certify that:

- (a) We have reviewed financial statements and the cash flow statement of the Company for the financial year ended March'31, 2016 and that to the best of our knowledge and belief:
 - (i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
 - (ii) These statements together present a true and fair view of the Company's affairs and are in compliance with existing 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 violative of the Company's code of conduct.
- (c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we 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 the steps we have taken or propose to take to rectify these deficiencies.
- (d) We have indicated to the auditors and the Audit Committee that there is no:
 - (i) Significant changes in internal control over financial reporting during the year.
 - (ii) Significant changes in accounting policies during the year requiring disclosure in the notes to the financial statements, and
 - (iii) Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Surendra Kumar Loyalka

(Chairman-cum-Managing Director)

DIN: 00006232

Sushil Kasera

(Chief Financial Officer)

Place: Kolkata

Date: 13.08.2016



FORM NO. MR-3

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED ON 31ST March, 2016

[Pursuant to section 204(1) of the Companies Act 2013 and rule no. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
Zenith Exports Limited

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by M/s Zenith Exports Limited (hereinafter called "The Company"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

The Company's Management is responsible for preparation and maintenance of secretarial records and for devising proper systems to ensure compliance with the provisions of applicable Laws and Regulations.

Based on the verification of books, papers, minute books, forms and returns filed and other records maintained by the Company and also other information provided by the Company, its officers, agents and authorised representatives during the conduct of Secretarial Audit, I hereby report that in my opinion, the Company has, during the Audit period covering the financial year ended on 31st March, 2016, complied with statutory provisions listed hereunder and also that the company has proper Board process and compliance-mechanism in the place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2016 according to the provisions of:

- (i) The Companies Act 2013 (The Act) and the Rules made thereunder;
 - (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
 - (iii) The Depositories Act 1996 and the Regulations and Bye-laws framed thereunder;
 - (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; (There is no Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings)
 - (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'), to the extent applicable:
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulation, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - (c) The Securities and Exchange Board of India (Issue of capital and Disclosure Requirements) Regulations, 2009;
 - (d) The Securities and Exchange Board of India (employee Stock Option Scheme And Employee Stock Purchase Scheme) Guidelines, 1999;
 - (e) The Securities Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - (f) The Securities Exchange Board of India (Registrars to an Issue And Share Transfer Agents) Regulations, 1993;
 - (g) The Securities Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and,
 - (h) The Securities Exchange Board of India (Buyback of Securities) Regulations, 1998;
 - (vi) The Laws as identified by the management, are specifically applicable to the Company (as mentioned in Annexure-B)
- I have also examined compliance with the applicable clauses of the following, to the extent applicable:
- (a) Secretarial Standards issued by The Institute of Company Secretaries of India
 - (b) The Listing Agreements entered into by the Company with National Stock Exchange of India Limited (NSE) and Bombay Stock Exchange Limited (BSE) till 30th November, 2015 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with effect from 1st December, 2015.



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During the period under review the Company has complied with the provisions of the Act, Rules, Regulation, Guidelines, Standards, etc. mentioned above.

I further report that

- (a) The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non- executive directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act
- (b) Adequate Notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- (c) None of the directors in any meeting dissented on any resolution and hence there was no instance of recording any dissenting member's view in the minutes.

I further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines

Sandip Kumar Kejriwal

Practising Company secretary

Membership No.5152

Certificate of Practice No.-3821

Date: 12.08.2016

Place: Kolkata



“Annexure A”

To,
The Members
Zenith Exports Limited

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the process and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and books of Accounts of the company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor the efficacy or effectiveness with which the management has conducted the affairs of the company.

“Annexure B”

List of applicable acts/laws to the Company other than the listed above:

1. Employees' Provident Fund and Miscellaneous Provisions Act 1952
2. Employees' State Insurance Act 1948
3. Income Tax Act 1961
4. Service Tax
5. Factories Act, 1948
6. Industrial Disputes Act, 1947
7. Industrial Relations Act
8. Foreign Exchange Management Act, 1999
9. The Customs Act, 1962
10. The Central Excise Act, 1944
11. Central & Local Sales Tax Act
12. The Wealth Tax Act, 1957
13. West Bengal Shops & Establishment Act, 1963
14. Minimum Wages Act, 1948
15. Payment of Gratuity Act, 1972
16. Payment of Bonus Act, 1965
17. Payment of Wages Act, 1936
18. Compulsory Notification of Vacancies Act, 1959
19. West Bengal State Tax on Professions, Trades, Calling and Employments Act, 1979
20. West Bengal Labour Welfare Fund Rules, 1976
21. West Bengal Value Added Tax Act, 2003
22. The West Bengal Tax On Entry of Goods Into Local Areas Act, 2012
23. The Foreign Trade (Development and Regulation) Act, 1992
24. Foreign Trade Policy
25. RBI Guidelines on Export of Goods & Services



Independent Auditor's Report

To the Members of
Zenith Exports Limited

Report on the financial Statements

We have audited the accompanying financial statements of Zenith Export Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2016, 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

The Company's Board of directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ('the Act') with respect to the preparation and presentation 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 principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and making estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, 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.

Auditors' Responsibility

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 under section 143(10) of the Act. 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 misstatements.

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 entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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, 2016;
- (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 Requirement

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143(3) of the Act, we report that:
 - a. We have sought and 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 has been kept by the Company so far as appears from our examination of those books and proper returns adequate for the purpose of our audit have been received from branches not visited by us.
 - c. The report on the accounts of the branch offices audited under sub-section (8) of section 143 by a person other than a company's auditor has been sent to us under the proviso to the same sub-section as required and have been dealt with in preparing our report in the manner considered appropriate by us;
 - d. 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 and returns.
 - e. In our opinion, the aforesaid Balance Sheet, the Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - f. The Company has not entered into any such financial transactions or matters which have any adverse effect on the functioning of the company.
 - g. On the basis of written representations received from the directors as on March 31, 2016, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016, from being appointed as a director in terms of sub-section (2) of section 164 of the Companies Act, 2013.
 - h. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in 'Annexure B'; and
 - i. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The company has disclosed the impact of pending litigations on its financial position in its financial statements- Refer note 23.1 of the notes to Financial Statements.
 - ii. There were no material foreseeable losses on the long term contracts including derivative contracts and as such the Company was not required to make any provision for the same under the applicable law or accounting standards.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For **TIWARI & COMPANY**
CHARTERED ACCOUNTANTS
Firm Regn No. 309112E

Place: Kolkata
Dated: 25/05/2016

(P.Tiwari)
(Partner)
(M.N. 16590)



ZENITH EXPORTS LIMITED - ANNUAL REPORTS 2015-16

ANNEXURE A TO INDEPENDENT AUDITORS' REPORT:

Referred to in paragraph 1 under the heading of "Report on Other Legal and Regulatory Requirement" of our report of even date

- (i) In respect of its Fixed assets:
- The Company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.
 - As explained to us, all the fixed assets of the Company have been physically verified by the management in phased periodical manner, which in our opinion, is reasonable, having regard to the size of the Company and nature of its assets. No material discrepancies have been noticed on such physical verification.
 - According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- (ii) The inventories of the Company have been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable and as explained to us, there was no material discrepancies noticed on physical verification of inventories.
- (iii) The Company has not granted loans to any bodies corporate covered in the register maintained under Section 189 of the Companies Act, 2013 ('the Act'). Accordingly, paragraph 3(iii) of the Order is not applicable.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Act, with respect to the loans and investments made.
- (v) According to the information and explanations given to us, the Company has not accepted any deposit in terms of directions issued by the Reserve bank of India and the provision of section 73 to 76 or any other relevant provisions of the Companies Act and the rules framed there under.
- (vi) The Central Government has not prescribed maintenance of cost records under Section 148(1) of the Companies Act, 2013 for any of the products of the Company.
- (vii) In respect of statutory dues:
- According to the records of the Company, undisputed statutory dues including Provident Fund, Employees' State Insurance, Income-Tax, Sales Tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess, and other statutory dues have been generally regularly deposited with the appropriate authorities and no undisputed amounts payable in respect of statutory dues were in arrears as at 31 March 2016 for a period of more than six months from the date they became payable.
 - According to the information and explanations given to us, there are no material dues of income tax, sales tax, service tax, duty of customs, duty of excise or value added tax which have not been deposited with the appropriate authorities on account of any dispute. However, according to information and explanations given to us, the following dues of income tax and service tax have not been deposited by the Company on account of disputes:

Sl. No	Nature of Dues	Amount Due in Rs.	Forum where pending	For which Assessment Year.
1.	Income-Tax	18,79,864	Commissioner of Income. Tax (Appeal) / Kolkata	2004-05
2.	Income-Tax	2,12,747	Do	2006-07
3	Income-Tax	12,93,600	Do	2011-12
4	Service-tax	48, 543	Commissioner of Central Excise(Appeal-I) Kolkata	2013-14

- (viii) The Company has not defaulted in repayment of any loans or borrowings from any financial institution, banks, government or debenture holders during the year. Accordingly, paragraph 3(viii) of the Order is not applicable.
- (ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3(ix) of the Order is not applicable.
- (x) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.



- (xi) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has paid / provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- (xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act 1934.

For **TIWARI & COMPANY**
CHARTERED ACCOUNTANTS
Firm Regn No. 309112E

Place: Kolkata
Dated: 25/05/2016

(P.Tiwari)
(Partner)
(M.N.16590)



Annexure B to the Auditors' Report

Report on the Internal Financial Controls under Clause (i) of sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

We have audited the internal financial controls over financial reporting of Zenith Export Limited ('the Company') as of 31 March 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the 'Guidance Note') and the Standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles.

A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the



Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of the Management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **TIWARI & COMPANY**
CHARTERED ACCOUNTANTS
Firm Regn No. 309112E

Place: Kolkata
Dated: 25/05/2016

(P.Tiwari)
(Partner)
(M.N.16590)



ZENITH EXPORTS LIMITED - ANNUAL REPORTS 2015-16

BALANCE SHEET as at 31st March, 2016

		(₹ in Lacs)	
	Note	As at 31st March, 2016	As at 31st March, 2015
EQUITY AND LIABILITIES			
<u>Shareholders' Funds</u>			
Share Capital	1	539.63	539.63
Reserves & Surplus	2	8657.16	8641.42
		9196.79	9181.05
<u>Non-current Liabilities</u>			
Other Long-Term Liabilities	5	47.46	63.61
Long-Term Provision	6 (A)	231.09	244.45
		278.55	308.06
<u>Current Liabilities</u>			
Short-Term Borrowings	3	1262.82	3161.92
Trade Payables	7	668.11	321.75
Other Current Liabilities	8	668.99	678.87
Short-Term Provisions	6 (B)	27.82	37.51
		2627.74	4200.05
Total:-		12103.08	13689.16
ASSETS			
<u>Non-current Assets</u>			
Fixed Assets	9		
Tangible Assets		2288.94	2916.10
Deferred Tax Assets	4	173.88	138.54
Long-Term Loans and Advances	10 (A)	456.08	777.17
		2918.90	3831.81
<u>Current Assets</u>			
Current Investments	11	1.48	1.48
Inventories	12	4333.57	6131.85
Trade Receivable	13	3445.02	2148.36
Cash and Cash Equivalents	14	461.97	325.43
Short-Term Loans and Advances	10 (B)	753.20	730.31
Other Current Assets	15	188.94	519.92
		9184.18	9857.35
Total		12103.08	13689.16

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

1-26

As per our report of even date annexed

FOR TIWARI & COMPANY

Chartered Accountants

Firm Regn. No.- 309112 E

P.Tiwari

Partner (M. No. 16590)

Place : Kolkata

Date : 25th May, 2016

Govind Pandey

Company Secretary

Sushil Kasera

Chief Financial Officer:

For a

For and on behalf of the Board of Director

Surendra Kumar Loyalka

Chairman-cum-Managing Director

Raj Kumar Loyalka

Joint Managing Director

Madhukar Manilal Bhagat

Director

Keshar Deo Rungta

Director

Mangilal Jain

Director

Devendra Kumar Sarawgee

Director

Urmila Loyalka

Director

ZENITH EXPORTS LIMITED - ANNUAL REPORTS 2015-16



STATEMENT OF PROFIT & LOSS ACCOUNTS for the year ended 31st March, 2016

(₹ in Lacs)

	Note	Year ended 31st March' 2016	Year ended 31st March' 2015
<u>INCOME</u>			
Revenue from Operations	16	24251.94	26647.15
Other Income	17	468.32	644.87
Total Revenue		24720.26	27292.02
<u>EXPENSES</u>			
Cost of materials consumed	18	16620.76	19009.16
Purchases		207.68	633.63
Changes in inventories of finished goods & work-in-progress	19	616.76	(123.90)
Employee benefits expense	20	1217.22	1397.80
Finance costs	21	242.68	563.85
Depreciation and amortization expenses		349.13	455.72
Other expenses	22	5463.03	5375.75
Total expenses		24717.26	27312.01
PROFIT/(LOSS) BEFORE TAX		3.00	(19.99)
<u>Tax Expenses</u>			
Current tax		21.96	46.46
Deferred Tax expenses/(credit)		-35.34	(80.08)
Income Tax for earlier year		0.64	5.16
PROFIT/(LOSS) FOR THE YEAR		15.74	8.47
Earnings per share (Face value of ₹10/- each)	23.3		
Basic & Diluted (₹.)		0.29	0.16
NOTES FORMING PART OF THE FINANCIAL STATEMENTS	1-26		

As per our report of even date annexed

FOR TIWARI & COMPANY

Chartered Accountants

Firm Regn. No.- 309112 E

P.Tiwari

Partner (M. No. 16590)

Place : Kolkata

Date : 25th May, 2016

Govind Pandey
Company Secretary

Sushil Kasera
Chief Financial Officer:

For and on behalf of the Board of Director

Surendra Kumar Loyalka	Chairman-cum-Managing Director
Raj Kumar Loyalka	Joint Managing Director
Madhukar Manilal Bhagat	Director
Keshar Deo Rungta	Director
Mangilal Jain	Director
Devendra Kumar Sarawgee	Director
Urmila Loyalka	Director



ZENITH EXPORTS LIMITED - ANNUAL REPORTS 2015-16

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31,2016

	(₹ in Lacs)	
	2015-2016	2014-2015
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit/(Loss) before tax & extra ordinary items	3.00	(19.99)
Adjustment for :		
Depreciation	349.13	455.72
Interest income	(50.02)	(29.16)
Interest Expenses	242.68	563.85
(Profit)/Loss on Sale of Fixed Assets (Net)	(53.27)	(35.22)
(Profit)/Loss on Sale of Investments (Net)	-	(1.01)
Provision for Doubtful Debts	-	11.53
Operating Profit before Working Capital changes	491.52	945.72
Adjustments for (Increase)/decrease in:		
Trade Receivable	(1296.66)	(488.12)
Loans and Advances and Other Assets	634.84	781.36
Inventories	1798.28	721.00
Trade Payable, Other Liabilities and Provisions	321.78	(1156.28)
Cash generated from operations	1949.76	803.68
Income Tax Paid	(28.51)	(120.74)
NET CASH FROM OPERATING ACTIVITIES (A)	1921.25	682.94
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets including		
Capital Work-in-Progress	(67.58)	(82.05)
Sales of Fixed Assets	398.88	57.44
Sales of Investments	-	36.00
Purchase of Investments	-	(15.00)
Interest Received	25.77	45.28
NET CASH FROM INVESTING ACTIVITIES (B)	357.07	41.67



CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2016

C. CASH FLOW FROM FINANCIAL ACTIVITIES

	(₹ in Lacs)	
	2015-2016	2014-2015
Borrowings/(Repayments) of Long Term Borrowings	-	(0.84)
Borrowings/(Repayments) of Short Term Borrowings	(1899.10)	(399.04)
Interest Paid	(242.68)	(563.85)
NET CASH USED IN FINANCIAL ACTIVITIES (C)	(2141.78)	(963.73)
NET INCREASE/(DECREASE) IN CASH & CASH EQUIVALENTS [A+B+C]	136.54	(239.12)
OPENING CASH & CASH EQUIVALENTS	325.43	564.55
CLOSING CASH & CASH EQUIVALENTS	461.97	325.43
NET INCREASE/(DECREASE)	136.54	(239.12)

Note :-

1. The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in 'Accounting Standard-3' Cash Flow Statement.
2. Figures in the brackets represent, cash outflows.

The accompanying notes 1 to 26 are an integral part of the Financial Statements.

As per our report of even date annexed

FOR TIWARI & COMPANY

Chartered Accountants

Firm Regn. No.- 309112 E

P.Tiwari

Partner (M. No. 16590)

Place : Kolkata

Date : 25th May, 2016

Govind Pandey

Company Secretary

Sushil Kasera

Chief Financial Officer:

For and on behalf of the Board of Director

Surendra Kumar Loyalka *Chairman-cum-Managing Director*

Raj Kumar Loyalka *Joint Managing Director*

Madhukar Manilal Bhagat *Director*

Keshar Deo Rungta *Director*

Mangilal Jain *Director*

Devendra Kumar Sarawgee *Director*

Urmila Loyalka *Director*



ZENITH EXPORTS LIMITED - ANNUAL REPORTS 2015-16

Notes on Financial statements for the year ended 31st March, 2016

	(₹ in Lacs)	
	As at 31st March, 2016	As at 31st March, 2015
1. SHARE CAPITAL		
AUTHORISED		
1,00,00,000 (1,00,00,000) Equity Shares of ₹10/- each	1000	1000
ISSUED,SUBSCRIBED & PAID UP CAPITAL		
53,96,250 (53,96,250) Equity Shares of ₹10/- each	539.63	539.63

Notes:-

Subscribed and paid-up share capital includes:

(1) Equity shareholder holding more than 5% of equity shares along with the number of equity shares held is as given below:

Name of the Shareholder	As at 31st March, 2016		As at 31st March, 2015	
	% of Holding	Number of Shares	% of Holding	Number of Shares
Urmila Loyalka	11.66	629150	11.66	629150
Bhutnath Vanijya Vyapaar Pvt.Ltd.	10.80	582586	10.80	582586
Surendra Kumar Loyalka (HUF)	10.40	561420	10.40	561420
R.K.Finance Ltd.	9.63	519445	9.68	522445
Surendra Kumar Loyalka	8.92	481496	8.92	481496
Purotech Sales Pvt.Ltd.	6.60	356000	6.60	356000
Zenith Credit Ltd.	6.16	332482	6.21	335150
Maxxon Impex and Credit Pvt.Ltd	-	-	5.75	310093
A.C.Roy & Co.Pvt.Ltd.	5.64	304490	5.64	304490

(2) Rights Preferences and Restrictions attached to shares

The company has only one class of Equity Shares having a par value of ₹. 10/- per share. Each share holder of equity shares is entitled to one vote per share held. In the event of liquidation of the company the Equity shareholders are eligible to receive the remaining assests of the company after distribution of all preferential amount in proportion to their shareholding.

ZENITH EXPORTS LIMITED - ANNUAL REPORTS 2015-16



Notes on Financial statements for the year ended 31st March, 2016

(₹ in Lacs)

2. RESERVES & SURPLUS

a) Capital Reserve

At the Beginning of the year

Deduction during the year

At the end of the year

b) Security Premium Account

At the Beginning of the year

c) General Reserve

At the Beginning of the year

d) Cash Subsidy

At the Beginning of the year

e) Surplus

At the Beginning of the year

Less: Depreciation in respect of Assets whose useful life is over (net of Deferred Tax)

Add: Net Profit/(Loss) for the year

Amount available for appropriation

Balance at the end of the year

TOTAL

As at 31st March, 2016	As at 31st March, 2015
224.13	224.13
-	-
224.13	224.13
277.37	277.37
4612.77	4612.77
25.00	25.00
3502.15	4013.84
-	(520.16)
15.74	8.47
3517.89	3502.15
3517.89	3502.15
8657.16	8641.42

(₹ in Lacs)

3. BORROWINGS

Current Liabilities

Short-Term Borrowings

Secured

Loan repayable on demand from banks

(a) Packing Credit

Canara Bank [Refer Note 1(a)]

State Bank of India [Refer Note 1(b)]

(b) Advance ag. Export Documents

Canara Bank [Refer Note 1(c)]

(c) Cash Credit

State Bank of India [Refer Note 1(b)]

Total :-

As at 31st March, 2016	As at 31st March, 2015
1068.67	2058.06
-	566.68
194.15	-
-	537.18
1262.82	3161.92



ZENITH EXPORTS LIMITED - ANNUAL REPORTS 2015-16

Notes on Financial statements for the year ended 31st March, 2016

Notes:-

1. (a) Working Capital Loans from Canara Bank are secured by hypothecation of Stock & book debts of Trading Division, Kolkata & Textile Division, Mysore and Personal Guarantee of Promoter Directors and further by second charge on the entire Fixed Assets of the Company.
- (b) Working Capital Loans from State Bank of India are secured by hypothecation of Stocks & Book debts of Spinning Division, Ahmedabad and Personal Guarantee of Promoter Directors and further by second charge on the entire Fixed Assets of the Company.
- (c) Advance against Export is secured by Export Documents.

(₹ in Lacs)

4. DEFERRED TAX LIABILITIES/(ASSETS)

A. DEFERRED TAX LIABILITIES

Difference between Book & Tax Depreciation

Total (A)

B. DEFERRED TAX ASSETS

Difference between Book & Tax Depreciation

Disallowance under Section 43B

Total (B)

DEFERRED TAX LIABILITIES/(ASSETS) (NET) [A-B]

As at 31st March, 2016	As at 31st March, 2015
-	-
-	-
65.04	22.05
108.84	116.49
173.88	138.54
(173.88)	(138.54)

Notes :-

- 1.(a) The Deferred Tax Assets arising from timing differences are recognised to the extent there is reasonable certainty that these assets can be realised in future.
- (b) The deferred tax for timing difference between the book and tax profit for the year is accounted for, using the tax rates and tax laws that have been enacted or subsequently enacted as at the Balance Sheet date.
- (c) Deferred tax assets in respect of Unabsorbed Depreciation and Brought forward losses has been considered on the basis of latest Income tax return.

5. OTHER LONG-TERM LIABILITIES

Creditors for Capital Goods

Security Deposits

Advance from Customers

Sundry Creditors for Expenses & Others

Total

As at 31st March, 2016	As at 31st March, 2015
-	18.90
15.43	26.01
6.14	-
25.89	18.70
47.46	63.61

ZENITH EXPORTS LIMITED - ANNUAL REPORTS 2015-16



Notes on Financial statements for the year ended 31st March, 2016

(₹ in Lacs)

	As at 31st March, 2016	As at 31st March, 2015
6. PROVISIONS		
NON-CURRENT LIABILITIES		
(A) Long-Term Provisions		
Provision for Employee Benefits	231.09	244.45
Total (A)	231.09	244.45
CURRENT LIABILITIES		
(B) Short-Term Provisions		
Provision for Employee Benefits	27.82	37.51
Total (B)	27.82	37.51
7. TRADE PAYABLE		
Creditors for materials & services (Refer Note No.1 below)	668.11	321.75
Total	668.11	321.75

Notes:-

- Out of above, c Nil (Previous Year- c Nil) pertains to micro small and medium enterprises as defined under Micro Small and Medium Enterprises Development Act, 2006 based on the information available with the company. There is no interest payable to such parties during the year (Previous Year- ₹. Nil)

	As at 31st March, 2016	As at 31st March, 2015
8. OTHER CURRENT LIABILITIES		
Capital Creditors	19.32	39.29
Current Maturities of Long-Term Debts	-	0.85
Interest Accrued but not due on Borrowings	0.58	1.58
Book Overdraft with Banks [Refer Note- a]	39.88	162.29
Accrued Salaries and Benefits	45.05	55.07
Others		
Advance from Customers	282.28	71.40
Government Statutory Dues	20.41	23.73
Sundry Creditors for Expenses & Others	261.47	324.66
Total	668.99	678.87

Notes:-

- Book overdraft includes ₹ 25.31 Lacs (Previous year ₹ 5.76 Lacs) overdraft with Banks against Pledge of Fixed Deposit.



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Notes on Financial statements for the year ended 31st March, 2016

9. FIXED ASSETS		GROSS BLOCK			ACCUMULATED DEPRECIATION			(₹ in Lacs)			
		As at 01.04.15	Addition	Sales/Adj. Up to 31.03.16	As at 01.04.15	For the year	Depreciation in respect Assets whose useful life is over	Sales/Adj. Up to 31.03.16	As at 31.03.16	As at 31.03.15	
CLASSIFICATION OF ASSETS											
(A) TANGIBLE	Leasehold Property	5.89	-	-	1.77	0.08	-	-	1.85	4.04	4.12
	Freehold Property	91.57	-	-	-	-	-	-	-	91.57	91.57
	Building	372.70	-	-	201.80	3.54	-	-	205.34	167.36	170.90
	Factory Building	1360.01	-	-	772.01	39.83	-	-	811.84	548.17	588.00
	Well, Water works & Pipe Line	25.30	-	-	23.40	0.06	-	-	23.46	1.84	1.90
	Plant & Machinery	12067.12	3.19	1600.91	10222.63	253.97	-	1297.62	9178.98	1290.42	1844.49
	Electrical Installation	193.76	-	9.92	174.67	3.03	-	9.43	168.27	15.57	19.09
	Computer & Accessories	120.81	12.55	1.62	112.66	4.82	-	1.54	115.94	15.80	8.15
	Office & Other - Equipments	101.52	15.40	0.61	74.79	9.27	-	0.03	84.03	32.28	26.73
	Furniture & Fixture	157.13	2.29	-	122.32	11.21	-	-	133.53	25.89	34.81
	Site Development	13.69	-	-	-	-	-	-	-	13.69	13.69
	Vehicles	279.49	34.15	107.74	166.84	23.32	-	66.57	123.59	82.31	112.65
Total	14788.99	67.58	1720.80	11872.89	349.13	-	1375.19	10846.83	2288.94	2916.10	
Previous Year	14797.29	82.05	90.35	10715.32	455.72	769.99	68.14	11872.89	2916.10		

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Notes on Financial statements for the year ended 31st March, 2016

(₹ in Lacs)

	As at 31st March, 2016	As at 31st March, 2015
10. LOANS & ADVANCES		
NON CURRENT ASSETS		
(A) Long-Term Loans & Advances		
Unsecured, Considered Doubtful Loan	65.56	65.56
Less:-Provision for Doubtful	65.56	65.56
	-	-
Unsecured Considered Good		
Capital Advances	13.46	10.57
Deposit with Government	23.91	23.85
Deposit with Others	105.28	99.75
Other Loans & Advances		
Advance Income Tax	5.00	5.00
Income Tax Refund Receivable	64.29	136.83
Service Tax Refund Receivable	1.34	1.34
VAT Credit Receivable	240.86	497.31
Prepaid Expenses	1.65	2.23
FBT Refund Receivable	0.29	0.29
Others		
Other Advance		
Unsecured, Considered Doubtful Advance	2.00	
Less: Provision for Doubtful	2.00	
	-	-
Total (A)	456.08	777.17
CURRENT ASSETS		
(B) Short-Term Loans & Advances		
Unsecured, Considered goods		
Advance to material suppliers/services	108.15	164.09
Other Loans & Advances		
Advance Income Tax (net of provision)	6.55	27.04
Prepaid Expenses	26.21	28.62
Balance with Central Excise	0.74	26.11
Cenvat Service Tax input receivable	3.31	3.74
VAT Credit Receivable	524.48	413.64
Service Tax Refund Receivable	10.45	6.02
Interest Receivable	1.85	-
Income Tax Refund Receivable	26.40	-
Capital Advance	19.84	-
Others	25.22	61.05
Total (B)	753.20	730.31



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Notes on Financial statements for the year ended 31st March, 2016

11. CURRENT INVESTMENTS

(Valued at Lower of Cost and Fair Value)

Investments in Mutual Funds Fully paid-up	Face Value	(₹ in Lacs)			
		As at 31st March, 2016		As at 31st March, 2015	
		Units	Value	Units	Value
Unquoted					
Reliance Equity Opportunity Fund-RP-Growth	10/-	4775.937	1.00	4775.937	1.00
Kotak Low Duration Fund Standard Growth-RP	1000/-	30.237	0.48	30.237	0.48
Aggregate amount of Unquoted Investments			1.48		1.48

		(₹ in Lacs)	
		As at	As at
12. INVENTORIES		31st March, 2016	31st March, 2015
(At cost or net relisable value whichever is lower)			
Raw materials [Refer Note- a]		1311.48	2393.78
Dyes & Chemicals		12.59	12.30
Semi-Finished Goods		730.45	831.43
Finished Goods [Refer Note- b]		2109.00	2621.16
Packing Materials		60.05	56.16
Stores & Spares		110.00	213.39
Wastage & Others		-	3.63
Total:-		4333.57	6131.85
Notes:-			
a. Raw Materials includes			
(i) With Parties		286.86	376.04
		286.86	376.04
b. Finished Goods Includes			
(i) With Parties		101.86	37.92
(ii) In Transit		28.85	4.91
		130.71	42.83
13. TRADE RECEIVABLE			
(A) Debts Exceeding Six Months			
Unsecured, Considered Good		212.93	138.27
Unsecured, Considered Doubtful	9.53		
Less: Provision for Doubtful Debts	9.53	-	-
Total [A]		212.93	138.27
(B) Other Debts			
Secured, Considered Good		1580.60	1060.15
Unsecured, Considered Good		1651.49	949.94
Total [B]		3232.09	2010.09
Total [A+B]		3445.02	2148.36

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Notes on Financial statements for the year ended 31st March, 2016

(₹ in Lacs)

	As at 31st March, 2016	As at 31st March, 2015
14. CASH & CASH EQUIVALENT		
Balances with Banks		
In Current Accounts	82.65	30.40
In Fixed Deposit Accounts (Refer Note - A below)	375.87	275.83
In E.E.F.C. Accounts	0.09	0.09
Cash-in-hand	3.36	19.11
Total:-	461.97	325.43
Fixed Deposit Accounts with more than 12 months maturity	48.85	260.85

Notes:-

- A. (i) Fixed Deposit pledged with banks representing margin money for overdraft facilities.
(ii) Deposits can be withdrawn at any point of time without prior notice or exit costs on the principal amount.

	As at 31st March, 2016	As at 31st March, 2015
15. OTHER CURRENT ASSETS		
Interest Accrued but not due on Fixed Deposit	49.02	24.77
Export Benefit Receivable	135.80	417.76
Excise Duty Receivable	4.12	77.38
Stamp Stock	-	0.01
Total	188.94	519.92
16. REVENUE FROM OPERATIONS	19348.30	19251.30
(A) SALES OF PRODUCTS	942.91	3019.96
Export	2338.75	2575.65
Deemed Export	0.09	0.19
Indigenous		
Less: Excise Duty	22629.87	24846.72
Total (A):-	19.36	20.48
(B) SALE OF SERVICES		
Job Charges-Indigenous		
(TDS ₹0.42 Lacs, Previous Year ₹0.32 Lacs)		
Total (B):-	19.36	20.48
(C) OTHER OPERATING REVENUE		
Export Incentives	1602.71	1779.95
Total (C):-	1602.71	1779.95
TOTAL(A+B+C)	24251.94	26647.15



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Notes on Financial statements for the year ended 31st March, 2016

26. SIGNIFICANT ACCOUNTING

17. OTHER INCOME

Interest Income (TDS s3.10 Lacs, Previous year s2.86 Lacs)	50.02	29.16
Exchange Fluctuation (net)	320.66	551.92
Excess Provision W/Back	39.08	13.76
Miscellaneous Receipts	0.10	0.96
Profit on Sale of Fixed Assets	55.21	37.45
Sundry Balance W/back	1.00	3.13
Gain on Sale of Investments (Net)	-	1.01
Service Tax on Export Service	2.25	7.48
TOTAL	468.32	644.87

18. COST OF MATERIAL CONSUMED

(A) RAW MATERIAL CONSUMED

Opening Stock	2393.78	3247.55
Add: Purchase	15443.04	18047.76
Processing Charges	-	24.26
Less: Raw Material Loss in Transit	-	(0.34)
Less: Closing Stock	(1311.48)	(2393.78)
Total:- (A)	16525.34	18925.45

(B) DYES & CHEMICALS CONSUMED

Opening Stock	12.30	13.09
Add: Purchase	95.71	82.92
Less: Closing Stock	(12.59)	(12.30)
Total:- (B)	95.42	83.71
TOTAL:- (A+B)	16620.76	19009.16

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Notes on Financial statements for the year ended 31st March, 2016

(₹ in Lacs)

	Year ended 31st March' 2016	Year ended 31st March' 2015
19. CHANGES IN INVENTORIES OF FINISHED GOODS & WORK-IN-PROGRESS		
(A) Inventories (at commencement)		
Finished Goods	2621.15	2655.38
Work-in-Progress	831.43	669.53
Waste & Others	3.63	7.46
Total:-	3456.21	3332.37
(B) Inventories (at close)		
Finished Goods	2109.00	2621.15
Work-in-Progress	730.45	831.43
Waste & Others	-	3.63
Total:-	2839.45	3456.21
(C) Increase/(Decrease) in Cenvat Duty on Stock	-	(0.06)
Net (Increase)/Decrease in Stock (A-B+C)	616.76	(123.90)
20. EMPLOYEE BENEFITS EXPENSE		
Salaries and Wages	1073.61	1234.52
Contribution to Provident & Other Funds	90.88	104.17
Staff welfare Expenses	52.73	59.11
Total:-	1217.22	1397.80
21. FINANCE COSTS		
(A) Interest to Bank		
On Working Capital	122.90	298.02
On Term Loan	0.02	0.18
On Bill Discounting	107.36	260.56
Total:- (A)	230.28	558.76
(B) Interest to Others	12.40	5.09
Total:- (A+B)	242.68	563.85



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Notes on Financial statements for the year ended 31st March, 2016 (₹ in Lacs)

22. OTHER EXPENSES

(A) Manufacturing Expenses

Carriage	48.30	83.97
Designing & Sampling Charges	31.39	61.51
Material Processed	2000.83	1702.23
Power, Fuel & Water	796.27	1172.52

Repairs and Maintenance

Factory Buildings	4.99	3.70
Machinery	21.02	24.31
Service-Tax on Transport	0.63	1.18
Excise Duty	13.33	-
Stores & Spares Consumed	380.59	405.96
Testing Charges	8.99	11.04
Other Manufacturing Expenses	24.47	25.33
Vat Input W/off	41.77	32.68

Total:- (A)

3372.58	3524.43
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(B) Selling & Distribution Expenses

Advertisement	2.06	21.52
Commission and Discount	858.86	575.54
Export Promotion	10.44	6.30
Foreign Travel	57.76	47.34
Freight Forwarding & Insurance Expenses	271.90	320.24

Packing Charges

Packing Material Consumed	122.57	105.23
Packing Expenses	0.49	15.33
Participation in Trade Fair	21.94	0.90
Quality Control & Inspection	160.43	127.35

Total:- (B)

1506.45	1219.75
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(C) Administrative Expenses

Adjustment Relating to Prior Year (net)	11.34	3.51
Auditors Remuneration [Refer Note No. 23.7]	4.48	4.31
Bank Charges	85.30	104.77
ECGC Premium & Certificates	7.57	12.63
Provision for Doubtful Debts	-	11.53
Directors Sitting Fees	1.20	1.06
Donation	2.12	29.56
Electricity	25.66	27.77
Insurance	24.20	28.42
Legal & Professional Charges	60.21	51.78
Loss on Sale of Fixed Assets	1.94	2.23
Miscellaneous Expenses	92.18	89.61
Motor Car Upkeep	34.73	41.88
Printing & Stationary	77.00	91.01
Postage, Courier & Telephone	25.24	32.11
Rates, Taxes & Fees	42.09	14.46
Rent	11.98	13.99

Repairs & Maintenance

Building	11.09	4.79
Others	32.29	30.63
Travelling & Conveyance	33.38	35.52

Total:- (C)

584.00	631.57
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Total:- (A+B+C)

5463.03	5375.75
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Notes on Financial statements for the year ended 31st March, 2016

(₹ in Lacs)

23. ADDITIONAL NOTES TO THE FINANCIAL STATEMENTS

23.1 Commitments and Contingent Liabilities

(i) Commitments/Contingent Liabilities

a. Foreign Bills discounted through banks

b. Bank Guarantee

(ii) Claims against the company not acknowledged as debts in respect of

a. Income-Tax demand under CIT(Appeal)/I.T. Appellate Tribunal.

b. Service Tax demand under Commissioner of Central Excise (Appeals-I) Kolkata

23.2 Employee Benefits

The disclosure required under AS-15 on "Employee Benefits" notified in the companies (Accounting Standards) Rules 2006, are given below:

Defined Contribution Plans

Contribution to Recognised Provident Fund & Pension Fund

As at 31st March, 2016 (₹ in Lacs)	As at 31st March, 2015 (₹ in Lacs)
559.49	2262.40
-	175.00
33.86	33.86
0.49	0.49
2015-2016	2014-2015
65.49	71.32



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Notes on Financial statements for the year ended 31st March, 2016

Defined Benefits Plans

Gratuity Benefits are as follows

Description

(₹ in Lacs)

Description	2015-2016		2014-2015	
	GRATUITY		GRATUITY	
	Funded	Unfunded	Funded	Unfunded
	in ₹	in ₹	in ₹	in ₹
1. Reconciliation of opening and closing balances of obligation				
a. Present value of the beginning of the year	54.76	192.02	56.74	159.40
b. Current service cost	1.81	13.98	1.91	19.30
c. Interest cost	4.38	12.76	4.54	12.67
d. Actuarial (gain)/loss	(1.59)	7.29	5.08	12.06
e. Benefits paid	(7.68)	(35.68)	(13.51)	(11.41)
f. Present value of the end of the year	51.68	190.37	54.76	192.02
2. Change in fair value of plan assets				
a. Fair value of plan assets as at the beginning of the year	49.74	-	54.12	-
b. Expected return on plan assets	4.60	-	4.60	-
c. Actuarial gain/(loss)	-	-	-	-
d. Contributions/refunds made by/to the company	5.55	-	4.53	-
e. Benefits paid	(7.67)	-	(13.51)	-
f. Fair value of plan assets as at the end of the year	52.22	-	49.74	-
3. Reconciliation of fair value of plan assets and obligations				
a. Fair value of plan assets as at year end	52.22	-	49.74	-
b. Present value of obligation as at the year end	(51.68)	(190.37)	(54.76)	(192.02)
c. Amount recognised in the balance sheet	0.54	(190.37)	(5.02)	(192.02)
4. Expenses recognised during the year				
a. Current service cost	1.81	13.98	1.91	19.30
b. Interest cost	4.38	12.76	4.54	12.67
c. Expected return on plan assets	(4.60)	-	(4.60)	-
d. Actuarial (gains)/loss	(1.59)	7.29	5.08	12.06
e. Expenses recognised during the year	0.00	34.03	6.93	44.03
5. Investment details				
a. Others (fund with life Insurance Corporation of India)	52.22	-	49.74	-
6. Assumptions				
a. Discount rate (per annum)	8.00%	8.00%	8.00%	8.00%
b. Estimated rate of return on plan assets (per annum)	9.00%	-	9.00%	-
c. Rate of escalation in salary	3.50%	6.00%	3.00%	6.00%

(a) The employee's Gratuity Funded Scheme of Main Division Kolkata managed by Life Insurance Corporation of India is a defined Benefit Plan.

(b) The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognised each period of service as giving rise to additional Unit of employee benefit entitlement and measures each unit separately to buildup the final obligation.

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Notes on Financial statements for the year ended 31st March, 2016

23.3 Earning Per Share (EPS)	(₹ in Lacs)	
	2015-2016	2014-2015
(a) Total Number of Equity Share Outstanding at the end of the year	5396250	5396250
(b) Net Profit after tax available to Equity Shareholders (₹ in lacs)	15.74	8.47
(c) Nominal value per Equity Shares (₹)	10	10
(d) Basic/Diluted Earnings per Shares (₹)	0.29	0.16
23.4 Purchase of Finished Goods		
Class of Goods		
Silk/Cotton/Viscose Fabrics	196.92	211.90
Polyester/ Viscose/Cotton yarn	-	415.45
Silk Made-ups	10.76	5.38
Others	-	0.90
Total :-	207.68	633.63

23.5 Consumption of Raw Materials and Dyes & Chemicals

Class of Goods	2015-2016		2014-2015	
	%	Value	%	Value
(A) RAW MATERIALS				
Raw Leather		13197.34		13274.20
Clothes		175.19		171.69
Yarn		872.09		916.94
Polyester,Cotton & Viscose Fibre		2280.72		4562.62
Total of (A) :-		16525.34		18925.45
Imported	3.98	657.28	3.75	709.15
Indigenous	96.02	15868.06	96.25	18216.30
	100.00	16525.34	100.00	18925.45
(B) Dyes & Chemicals				
		95.42		83.71
Imported	0.02	0.02	3.16	2.64
Indigenous	99.98	95.40	96.84	81.07
Total of (B) :-	100.00	95.42	100.00	83.71
Total of (A+B) :-		16620.76		19009.16



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Notes on Financial statements for the year ended 31st March, 2016

23.6 Consumption of Stores & Spares and Packing Materials

Class of Goods	2015-2016		2014-2015	
	%	Value	%	Value
(A) Stores & Spares				
Thread		40.81		40.35
Rubb, Cuff, back & Components		58.95		101.54
Spares parts		280.83		264.07
Total of (A) :-		380.59		405.96
Imported	12.59	47.93	17.45	70.85
Indigenous	87.41	332.66	82.55	335.11
	100.00	380.59	100.00	405.96
(B) Packing Materials		122.57		105.23
Total of (B) :-		122.57		105.23

₹ in Lacs

	2015-2016	2014-2015
23.7 Auditors Remuneration		
As Statutory Audit	2.27	2.24
As Tax Audit	0.92	0.90
For Certification & Other Services	1.12	1.03
For Out of Pocket Expenses	0.17	0.14
	4.48	4.31
23.8 Value of Imports on CIF Basis		
Raw Materials	678.89	690.60
Stores, Spares & Components	11.51	26.56
23.9 Expenditure in Foreign Currencies		
Foreign Travel & Participation in Exhibitions and Trade Fair	55.65	31.72
Commission	748.85	496.61
Design Purchase	22.13	55.01
Others	1.34	19.69
23.10 Earnings in Foreign Currencies		
Exports of Goods on F.O.B. Basis	19205.99	19023.06
Others	2.68	1.13

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Notes on Financial statements for the year ended 31st March, 2016

23.11 Derivative Instruments Outstanding :

(a) Forward Exchange Contracts :

Currency	2015-2016		2014-2015	
	No. Of	Amount in	No. Of	Amount in
	Contracts	Foreign Currency	Contracts	Foreign Currency
EURO	22	1055352	37	1864773
USD	38	4050000	59	5536702

(b) Unhedged Foreign Currency Exposure as at the Balance sheet date

Category	Currency	2015-16	2014-15
		Amount in	Amount in
		Foreign Currency	Foreign Currency
Exports	EURO	900373	788159
Exports	USD	3975472	2120226
Exports	GBP	138800	185316
Others	EURO	146129	49150
Others	USD	234654	232027
Others	GBP	13554	13074

23.12 Balance confirmation from some of Sundry Debtors, Sundry Creditors, Loan Parties and material lying with third parties are still awaited.

23.13 Due to adverse market conditions and steep competition from the modern units, equipped with the latest technology & machinery become unviable to continue the operations of our Spinning Unit Zenith Spinners situated at Sarandi, Dholka, Ahmedabad. Hence the management was decided to discontinue the production of the said unit from December 2015 & onwards to stop incurring losses from operation of our Spinning Unit.

23.14 Previous year's figures have been regrouped/reclassified wherever necessary to correspond with the current year's classification/disclosure.



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Notes on Financial statements for the year ended 31st March, 2016

24. Segment Reporting

The Company's primary Segment reporting is by its business segments which are

Silk Fabrics/Made-ups segment, Industrial Leather Hand Gloves/Made-ups segment, yarns segments and Weaving Silk Fabrics segment

(i) Business Segments

(₹ in Lacs)

	Silk Fabrics & Made-ups	Industrial Leather H/Gloves Made-ups	Yarns	Weavings Silk Fabrics (100% EOU)	Unallocable	Total
	2015-2016	2015-2016	2015-2016	2015-2016	2015-2016	2015-2016
(a) Revenue						
External	1238.18	17198.87	3787.19	2446.00	-	24670.24
(Previous Year)	979.85	16993.18	6798.13	2491.71	-	27262.87
(b) Results						
Segment Result before interest & tax	-155.76	1116.40	-522.97	-94.43	-	343.24
(Previous Year)	(28.88)	1258.74	(512.91)	(89.82)	-	627.14
Unallocated Expenses net of unallocated income	0.00	0.00	0.00	0.00	(148)	-147.58
(Previous Year)	-	-	-	-	(112.44)	112.44
Interest Expenses	-	-	-	-	-	-242.68
(Previous Year)	-	-	-	-	-	(563.85)
Interest Income	-	-	-	-	-	50.02
(Previous Year)	-	-	-	-	-	29.16
Profit/(Loss) before tax	-	-	-	-	-	3.00
(Previous Year)	-	-	-	-	-	(20.00)
Income Tax for Earlier Years	-	-	-	-	-	0.64
(Previous Year)	-	-	-	-	-	5.15
Provision for current tax	-	-	-	-	-	21.96
(Previous Year)	-	-	-	-	-	46.46
Provision for deferred tax	-	-	-	-	-	-35.34
(Previous Year)	-	-	-	-	-	(80.08)
Net Profit/(Loss) after tax	-	-	-	-	-	15.74
(Previous Year)	-	-	-	-	-	8.00
Other Information						
(c) Segment Assets	1748.81	6329.90	996.42	2979.83	48	12103.08
(Previous Year)	2234.53	5223.82	3036.30	3145.06	49.44	13689.16
(d) Segment Liabilities	689.94	1455.64	19.86	714.35	27	2906.29
(Previous Year)	1218.77	1140.42	1368.96	766.57	13.39	4508.11
(e) Capital Expenditure	-	-	0.48	15.72	51	67.57
(Previous Year)	-	-	74.63	3.22	4.20	82.05
(f) Depreciation	-	-	207.51	115.65	26	349.14
(Previous Year)	-	-	277.47	152.59	25.66	455.72
(g) Non-cash expenses other than depreciation	0.00	41.78	4.49	0.00	-	46.28
(Previous Year)	11.53	43.93	-	-	-	55.46

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Notes on Financial statements for the year ended 31st March, 2016

(ii) Geographical Segments

The Secondary segment reporting is about geographical segment which shows the distribution of the Company's sales by geographical market :

Sales	₹ in Lacs)	
	2015-2016	2014-2015
India	3281.66	5595.61
Outside India	19348.30	19251.30
Total	22629.96	24846.91

Segment Revenue and Result

The expenses which are not directly attributable to the business segment are shown as unallocated expenditure net off unallocable income.

Segment assets and liabilities

Segment assets include all operating assets used by the business segment and consist principally of fixed assets, debtors and inventories. Segment liabilities primarily include current liabilities & loan fund Assets and liabilities that can not be allocated between the segments are shown as a part of unallocated corporate assets and liabilities respectively.

25. Related Party Disclosures :

Sl. No.	Nature of the related party & nature of relationship	Nature of Transactions	2015-2016		2014-2015	
			Transaction Value	Outstanding Debit/(Credit) balances at the year end	Transaction Value	Outstanding Debit/(Credit) balances at the year end
A.	Key Management Personnel					
1.	Mr. R.K.Loyalka (Managing Director)	Remuneration	24.40	-	24.40	-
2.	Mr. S.K.Loyalka (Chairman Cum-Managing Director)	Remuneration	25.47	(0.92)	25.47	(0.80)
B.	Relatives/Associates of Key Management Personnel					
1.	B.R.Loyalka (HUF)	Rent Paid	0.28	-	0.48	-
2.	B.R.Loyalka	Advisory Service	9.00	-	9.00	-
3.	Kiran Loyalka	Salary	0.68	-	1.16	(0.13)
C.	Associates:-					
1.	SKL Exports Limited	Job Charges	469.27	(104.99)	423.26	23.08
		Sale	46.10	4.82	33.76	0.86
2.	Capital Limited	Providing Man-power Charges	5.09	-	5.84	-
		Rent	6.60	-	6.60	-
3.	Zenith Apex Pvt.Ltd. (Formerly Zenith Yarns Pvt.Ltd.)	Sale	334.73	-	1493.87	-



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26.1 **Basis of Accounting**

These financial statements have been prepared under historical cost convention from books of accounts maintained on an accrual basis (unless otherwise stated hereinafter) in conformity with accounting principles generally accepted in India and comply with the Accounting Standard issued by the Institute of Chartered Accountants of India and referred to Sec.129 & 133 of the Companies Act, 2013, of India. The accounting policies applied by the company are consistent with those used in the previous year.

26.2 **Use of Estimates**

The preparation of financial statements requires certain estimates and assumption to be made that effect the reported amount of assets and liabilities as on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognised in the period in which the results are known / materialised.

26.3 **Fixed Assets**

- (a) Fixed Assets are stated at the original cost of acquisition/installation. Such cost includes purchase price, incidental expenses directly related thereto and pre-operative expenses apportioned based on value. Fixed Assets are shown net of accumulated depreciation. CENVAT availed on capital goods purchased are shown at net value.
- (b) Capital Work-in-Progress is stated at amount incurred upto the date of Balance Sheet.

26.4 **Depreciation**

- (a) Depreciation is systematically allocated over the useful life of an asset as specified in Part-C of the schedule II of the Companies Act, 2013.
- (b) Depreciation on additions to fixed assets is provided on pro-rata basis from the date of acquisition or installation. Depreciation on assets sold, discarded, demolished or scrapped is provided up to the date on which said asset is sold, discarded, demolished or scrapped.
- (c) "Based on explanations given by way of Notes to Schedule II, of the Companies Act, 2013 and clarifications issued thereof, we (the Management of unit Zenith Spinners – Prop. Zenith Exports Limited) have evaluated and found that the machines used by the company are designed to work for 24 hours a day and hence such machines have been considered as a Continuous Process Plant and hence the adjustments to depreciation calculations have been made accordingly. "

26.5 **Investments**

- (a) Investments are stated at cost including expenses related thereto.
- (b) Long Term Investments are stated at cost. The diminution, if any in the value of Investments is not recognised unless such diminution is considered permanent in nature.
- (c) Current Investments are stated at Lower of cost or market value.
- (d) Dividend is recognised when the right to receive is established.

**26.6 Inventories**

Inventories are valued as under

- a) Raw Materials : - at cost which is arrived at on average cost basis.
- b) Packing Materials : - at average cost basis.
- c) Stores, Consumables & Spares : - at average cost basis.
- d) Semi-Finished Goods : - at Raw Material cost and value added thereto upto the state of completion.
- e) Finished Goods : - at cost or net realisable value whichever is lower.
- f) Waste : - at estimated realisable value.

26.7 i) Employee Benefits:-**1. Short Term employee benefits -**

All employee benefits payable within twelve months of rendering the service are recognized in the period in which employee renders the related service.

2. Post Employment Benefits -**(a) Defined Contribution plans****(i) Gratuity Plan:**

(a) The Company has Defined Benefit Plan for post employment benefit in the form of Gratuity for eligible employees, which is administered through a Group Gratuity Policy with Life Insurance Corporation of India (L.I.C). The Liability for the above Defined Benefit Plan is provided on the basis of an actuarial valuation as carried out by L.I.C. The actuarial method used for measuring the liability is the Projected Unit Credit Method.

(b) In case of Unfunded Gratuity is payable to all eligible employees of the Company on death, permanent disablement and resignation as per the provisions of the Payment of Gratuity Act or as per the Company's Scheme whichever is more beneficial. Benefit would be paid at the time of separation based on the last drawn basic salary.

ii) Leave Encashment:

Eligible employees can carry forward and encash leave upto death, permanent disablement and resignation subject to maximum accumulation allowed upto 15 days for employees. The Leave over and above 15 days is paid to employees as per the balance as on 31st March every year. Benefit would be paid at the time of separation based on the last drawn basic salary.

3. Termination Benefits if any, are recognised as expenses to the Profit and Loss Account

as and when incurred.

26.8 Foreign Currency Transaction

- a. Foreign Currency loans for financing fixed assets outstanding at the close of financial year are revolarised at appropriate bank exchange rate at the close of the year. The gain or loss for decrease/increase in rupee liability due to fluctuations in rates of exchange is adjusted to carrying amount of Fixed Assets acquired out of said loans.
- b. Income and Expenditure for the year are recorded as per prevailing bank rate on the date of transaction/negotiation.
- c. Current Assets and Liabilities outstanding at the close of the year are translated/re-stated at contracted and/or appropriate bank exchange rates as on the last day of the financial year. The Loss or Gain, if any is recognised in the year of actual realisation in the Profit & Loss Account.
- d. As per usual practice followed by the Company, the export sales transactions during the year are accounted for at Custom Rate and at the end of the year at Prevailing Bank Rate in respect of outstanding debtors. Difference between



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actual realisation at Custom Rate and/or Bank Rate are adjusted to Exchange Difference Account in Profit & Loss Account.

- e. Gains or Losses on cancellation of Forward Exchange Contracts is recognised in the Profit & Loss account of the year in which they are cancelled.

26.9 **Recognition of Income & Expenditure**

- a. Export Sales are recognised on the basis of the date as mentioned in Exchange Control Declaration (GR) Form at Main Division and Weaving Division, whereas Spinning Division considers Sales on the basis of "Bill of Lading" date. Export Sales are accounted for in accounts as per monthly Custom Rate for all the Divisions and shown in the account net of export return.
- b. **Income & Expenditure are recognised on accrual basis.**
- c. Export entitlements are recognised in the Profit & Loss account when the right to receive credit as per terms of the entitlement in respect of the exports made.
- d. Domestic Sales are recorded on raising bills net off discounts, return and Sales Tax.
- e. Accounting for Differential custom duty
Differential custom duty on wastage of Imported Raw Silk Yarn determined as per the Input/Output norms for EOU is accounted as and when the demand is raised by the customs authorities.
- f. Revenue in respect of Job charges is recognised based on the work performed and invoiced as per terms of specific contracts.

26.10 **Borrowing Costs**

Borrowing Costs which are directly attributable to the acquisition/construction of fixed Assets till the time such assets are ready for intended use, are capitalised as part of the cost of the assets. Other borrowing costs are recognised as an expense in the year in which they are incurred.

26.11 **Impairment of Assets**

The carrying amount of Assets are reviewed at each Balance Sheet date to ascertain impairment based on internal/external factors. An impairment loss is recognised when the carrying amount of an asset exceeds its recoverable amount.

- ### 26.12 **Accounting for Cenvat Credits/Service Tax/Value Added Tax**
- Cenvat credit and Value Added Tax available on Raw materials, Packing materials, fuels, Stores & Spares, Capital goods and service tax credit on services are accounted for by reducing purchase cost of the related materials or the capital assets or the expenses respectively as the case may be.

26.13 **Provisions, Contingent Liabilities & Contingent Assets :-**

Contingent liabilities are the possible obligation of the past events, the existence of which will be confirmed only by the occurrence or non-occurrence of such event in future. These are not provided for and are disclosed by way of Notes on Accounts. Contingent Assets are not provided for or disclosed.

26.14 **Government Grants:**

Capital grants relating to specific assets are reduced from the gross value of the Fixed Assets and capital grants for Project capital subsidy are credited to Capital Reserve. Other revenue grants are credited to Profit & Loss account or deducted from the related expenses.

**26.15 Derivative Instruments:**

- a) The Company enters into forward foreign exchange contracts/option contracts (derivatives) to mitigate the risk of changes in foreign exchange rate on forecasted transactions. The company enters into derivative financial instruments where the counter party is a bank. Gains or losses on ineffective transactions of derivative contracts are recognised in the profit and loss account as they arose.
- b) Accounting for forward foreign exchange contracts are marked to market basis and the net loss after considering the offsetting effects on the underlying contracts, is charged to the Income Statement. Net gains are ignored.

As per our report of even date annexed

FOR TIWARI & COMPANY

Chartered Accountants

Firm Regn. No.- 309112 E

P.Tiwari

Partner (M. No. 16590)

Place : Kolkata

Date : 25th May, 2016

Govind Pandey

Company Secretary

Sushil Kasera

Chief Financial Officer:

For and on behalf of the Board of Director

Surendra Kumar Loyalka *Chairman-cum-Managing Director*

Raj Kumar Loyalka *Joint Managing Director*

Madhukar Manilal Bhagat *Director*

Keshar Deo Rungta *Director*

Mangilal Jain *Director*

Devendra Kumar Sarawgee *Director*

Urmila Loyalka *Director*

Zenith Exports Limited

Venue of Annual General Meeting

