



# ZENITH EXPORTS LIMITED

**36 TH ANNUAL  
REPORT &  
ACCOUNTS  
2017-18**



## Board of Directors

Mr. S. K. Loyalka, Chairman-Cum-Managing Director  
Ms. Urmila Loyalka  
Mr. M.M. Bhagat  
Mr. D.K. Sarawagee  
Mr. M.L. Jain

## Chief Executive Officer

Mr. Raj Kumar Loyalka

## Company Secretary

Mr. Govind Pandey

## Chief Financial Officer

Mr. Sushil kumar kasera

## Auditors

M/s. V. Goyal & Associates  
Chartered Accountants  
Mercantile Building, A Block, 1<sup>st</sup> Floor  
9, Lalbazar Street,  
Kolkata- 700001

## Principal Bankers

Canara Bank

## Registered Office

19, RajendraNath Mukherjee Road  
First Floor, Kolkata, Pin-700001  
Ph: 033-2248-7071/6936  
Fax: 033-2243-9003  
Email: zenith@giascl01.vsnl.net.in  
Website: www.zenithexportslimited.com

## Works

### ZENITH TEXTILES

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

## Registered and Share Transfer Agent

C.B. Management Services (P) Ltd.  
P-22, Bondel Road, Kolkata- 700019  
Ph: 4011-6700/2280-6692/2282-3643  
Fax: 4011-6739, Email: rta@cbmsl.com  
Website: www.cbmsl.com

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## NOTICE

**NOTICE** is hereby given that the 36\* (THIRTY SIXTH) Annual General Meeting of Members of **ZENITH EXPORTS LIMITED** (CIN: L24294WB1981PLC033902) will be held on Tuesday, 25<sup>th</sup> September'2018 at 11:30 A.M. (1ST) 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 Standalone Financial Statement for the Financial Year ended on 31<sup>st</sup> March 2018, together with the Reports of the Board of Directors and the Statutory Auditors thereon.
2. To appoint a director in place of Mr. Surendra Kumar Loyalka (DIN: 00006232) who retires by rotation and being eligible offers himself for re-appointment.

### **SPECIAL BUSINESS:**

3. RE-APPOINTMENT OF MR. SURENDRA KUMAR LOYALKA (DIN: 00006232), AS MANAGING DIRECTOR.

To consider and pass the following resolution as an ordinary resolution:

**“RESOLVED THAT** in pursuant to the provisions of Sections 196,197,198,203 and other applicable provisions, if any and the rules made thereunder (including any statutory modification or re-enactment thereof) read with Schedule - V of the Companies Act, 2013 and Article of Association of the Company, as recommended by the Nomination and Remuneration Committee and approved by the Board of Directors, the approval of the members of the Company be and is hereby accorded to the re-appointment of Mr. Surendra Kumar Loyalka (DIN:00006232) as Managing Director of the Company for a period of 2 years with effect from 12.02.2019 on terms and conditions including remuneration as set out in the Explanatory Statement annexed to the Notice conveying this meeting with liberty to the Board of Directors and/or their committee to alter and vary the terms and conditions including remuneration as it may deem fit, subject to the same not exceeding the limits specified under Section 197 read with Schedule V of the Companies Act, 2013.

**RESOLVED FURTHER THAT** anyone Director of the Company and/or Company Secretary be and is hereby authorized to take such steps as may be necessary, proper, expedient or incidental for the purpose of giving effect to the aforesaid resolution.”

4. APPOINTMENT OF MR. VARUN LOYALKA (DIN: 07315452) AS JOINT MANAGING DIRECTOR

To consider and pass the following resolution as an ordinary resolution:



**“RESOLVED THAT** pursuant to the provisions of Companies Act’2013 read with Rules made thereunder including any statutory modifications or re-enactment thereof for the time being in force. Mr. Varun Loyalka (DIN:07315452), who was appointed as an Additional Director by the Board of Directors effective 29.05.2018 pursuant to provisions of Section 161(1) of the Companies Act, 2013 and the Articles of Association of the Company and who holds office upto notice writing from member under Section 160 of the Companies Act’2013, be and is hereby appointed as Joint Managing Director of the Company liable to retire by rotation.

**RESOLVED FURTHER THAT** in pursuant to the provisions of Sections 196,197,198, 203 and other applicable provisions, if any and the rules made thereunder (including any statutory modification or re-enactment thereof) read with Schedule - V of the Companies Act, 2013 and Articles of Association of the Company, as recommended by the Nomination and Remuneration Committee and approved by the Board of Directors, the approval of the member of the Company be and is hereby accorded to the appointment of Mr. Varun Loyalka (DIN:07315452) as Joint Managing Director of the Company for a period of 3 years with effect from 26\* September’2018 on terms and conditions including remuneration as set out in the Explanatory Statement annexed to the Notice conveying this meeting with liberty to the Board of Directors and/or their committee to alter and vary the terms and conditions including remuneration as it may deem fit, subject to the same not exceeding the limits specified under Section 197 read with schedule V of the Companies Act, 2013.

**RESOLVED FURTHER THAT** any one Director of the Company and/or Company Secretary be and is hereby authorized to take such steps as may be necessary, proper, expedient or incidental for the purpose of giving effect to the aforesaid resolution.”

By Order of the Board of Directors  
**For ZENITH EXPORTS LIMITED**

**Govind Pandey**  
*Company Secretary*  
ACS: 32804

**Registered & Head Office:**  
19, R. N. Mukherjee Road  
First Floor, Kolkata- 700 001  
Dated: 13<sup>th</sup> August’2018

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**NOTES:****EVOTING**

- 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 BE A MEMBER 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 48 (Forty Eight) hours before the commencement of the AGM. Proxies submitted on behalf of the Companies, Societies etc. must be supported by an appropriate resolution/ authority, as applicable issued on behalf of the nominating organization.

In terms of Section 105 of the Companies Act'2013 and Rules framed thereunder, a Person can act as a proxy on behalf of members not exceeding 50 and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. A member holding more than 10 % 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. As required under SS-2 issued by the ICSI, a route map, including a prominent Landmark, showing directions to reach the AGM Venue is annexed to the Annual Report.
3. Additional information pursuant to Regulation 36 of Listing Regulation and Secretarial Standards in respect of directors seeking appointments/re-appointments at the AGM, forms part of the Notice.
4. Pursuant to Section 113 of the Companies Act'2013 and Rules framed thereunder, the corporate members intending to send their authorized representatives to attend the AGM are requested to send to the Company, a certified copy of the Board Resolution and Power of Attorney, if any, authorizing their representative(s) to attend and vote, on their behalf, at the AGM.
5. The Registrar of members and the Share Transfer Books the Company will remain closed from 19.09.2018 to 25.09.2018 (both days inclusive).
6. Members holding shares in electronic mode are requested to intimate immediately any change in their address, email-id, and bank particulars to their Depository Participants with whom they are maintaining their De-mat Accounts. Members holding shares in physical form are requested to advise any change in their address or bank mandates immediately to Registrars and Transfer Agents, M/s. C.B. Management Services Private Limited, P-22, Bondel Road, Kolkata- 700 019.
7. Members are requested to bring and produce the Attendance Slip duly signed as per the Specimen Signature recorded with the Company / Depository Participant's for admission to the AGM Hall.
8. The Ministry of Corporate Affairs (MCA), Government of India has introduced "Green Initiative in Corporate Governance" by allowing paperless compliances by the Companies through electronic mode. As per the Circular No.17/2011, dated 21.04.2011 and Circular No. 18/2011, dated 29.04.2011 issued by Ministry of Corporate Affairs, Companies can now send various notices/documents (including notice calling Annual General Meeting, Audited Financial Statements, Board Report, Auditors Report etc.) to the Shareholders through electronic mode, to their registered email address.



Electronic copy of the Notice of the aforesaid Meeting and Annual Report for the financial year 2017-18 of the Company inter alia indicating the process and manner of voting through electronic means 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 for communication purpose.

For members who have not registered their email address, physical copies of the Notice of the Meeting and Annual Report for the financial year 2017-18 of the Company's inter alia indicating the process and manner of voting through electronic means with Attendance Slip and Proxy Form is being sent to all eligible members of the company.

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 the 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/Registrars and Transfer Agents, M/s. C.B. Management Services Private Limited.

#### **10. E-Voting:**

#### **VOTING THROUGH ELECTRONIC MEANS:**

The Company is pleased to provide members a facility to exercise their right to vote on resolutions as set out in the Notice by electronic means and all the businesses may be transacted through e-voting services provided by National Securities Depository (NSDL).

The Company is providing facility for voting by electronic means in compliance with the provisions of section 108 read with Rule 20 of the Companies (Management and Administration) Rules'2014 and amendments thereto and Regulation 44 of SEBI (Listing Obligations And Disclosure Requirement) Regulations, 2015.

The facility for voting through remote e-voting / ballot paper / Poling Paper shall be made available at the AGM/EGM 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.

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.

The remote e-voting period commences on 22th September'2018(9:00 A.M.) and ends on 24<sup>th</sup> September'2018 (5:00 P.M.). During this period members of the Company, holding shares in physical form or in dematerialized form, as on cutoff date of 18\* September'2018, may cast their vote electronically. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.



**The instructions for shareholders voting electronically (remote e-Voting) are as under:  
The procedure to login to e-Voting website consists of two steps as detailed hereunder:**

**Step 1: Log-in to NSDL e-Voting system**

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL:

<https://www.evotmg.nSDL.com/>.

2. Once the home page of e-voting system is launched. Click on the icon “Login” which is available under ‘Shareholders’ section.

3. A new screen will open. Enter your User ID, and Password and a Verification Code as shown on the screen. If you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nSDL.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. cast your vote electronically.

4. Your User ID details will be as per details given below :

- a. **For Members who hold shares in demat account with NSDL:** 8 Character DP ID followed by 8 Digit Client ID (For example if your DP ID is IN300\*\*\* and Client ID is 12\*\*\*\*\* then your user ID is IN300\*\*\*12\*\*\*\*\*)
- b. **For Members who hold shares in demat account with CDSL:** 16 Digit Beneficiary ID (For example if your Beneficiary ID is 12\*\*\*\*\* then your user ID is 12\*\*\*\*\*).
- c. **For Members holding shares in Physical Form:** “EVEN” Number followed by Folio Number registered with the company (For example if foho number is 001\*\*\* and EVEN is 101456 then user ID is 101456001\*\*\*).

5. Your password details are given below:

- a. If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
- b. If you are using NSDL e-Voting system for the first time, you will need to retrieve the ‘initial password’ which was communicated to you. Once you retrieve your ‘initial password’, you need enter the ‘initial password’ and the system will force you to change your password.
- c. How to retrieve your ‘initial password’?
  - i. If your email ID is registered in your demat account or with the company, your ‘initial password’ is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form The .pdf file contains your ‘User ID’ and your ‘initial password’.



- ii. If your email ID is not registered, your 'initial password' is communicated to you on your postal address.
6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
  - a. Click on "**Forgot User Details/Password**" (If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com)
  - b. "**Physical User Reset Password**" (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com)
  - c. If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number/folio number, your PAN, your name and your registered address.
7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
8. Now, you will have to click on "Login" button.
9. After you click on the "Login" button. Home page of e-Voting will open.

**Step 2: Cast your vote electronically on NSDL e-Voting system.**

1. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click one-Voting. Then, click on Active Voting Cycles.
2. After click on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.
3. Select "EVEN" of (ZENITH EXPORTS LIMITED). Members can cast their vote online from 22th September'2018 (9:00a.m) till 24\* September'2018 (5:00 p.m)
4. Now you are ready for "e-Voting" as the "Cast Voting" page opens.
5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
6. Upon confirmation, the message "Vote cast successfully" will be displayed.
7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.



**General Guidelines for shareholders:**

1. 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. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to [asit.labhl@gnail.com](mailto:asit.labhl@gnail.com) to with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the “[Forgot User Details/Password](#)” or “[Physical User Reset Password](#)” option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) to reset the password.
11. The voting rights of the shareholders shall be in proportion to their shares of the paid up equity shares capital of the Company as on the cutoff date (record date) of 18\* September’2018.
12. 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 “Downloads” section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no. 1800-222-990.
13. Any persons, who acquires shares of the Company and become member of the Company after dispatch of the notice and holding shares as of the cutoff date i.e. 18\* September’2018, may obtain the login id and password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or [rta@cbmsl.com](mailto:rta@cbmsl.com).
14. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on cutoff date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper.
15. The board of Directors has appointed Mr. Asit Kumar Labh, Company Secretaries (ACS No.32891, CP No. 14664) has been appointed 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.
16. 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.
17. 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.



18. The results shall be declared by the Chairman or by any person authorized by him in this regard on or before 27<sup>th</sup> Septemebr'2018. The results along with the scrutinizer report shall be placed on the Company's website [www.zenithexportslimited.com](http://www.zenithexportslimited.com) and on the website of NSDL within two days of passing the resolutions at the AGM of the Company and communicated BSE Limited, National Stock Exchange of India Limited. The resolution, if approved will be taken as passed effectively on the date of declaration of the results, explained as above. The results shall also be made available on the Notice Board of the Company at its Registered Office in Kolkata.

19. All documents referred in the accompanying Notice shall be open for inspection at the registered office of the Company at 19, R.N. Mukherjee Road, T\* Floor, Kolkata-700 001 during normal Working day (Monday to Friday 11:00 am to 1:00 p.m.) including the date of AGM of the Company and shall also be available at the venue of the AGM. Further, the Notice for this 36<sup>th</sup> Annual General Meeting along with the Annual Report for the Financial Year ended 2017-18 shall also be available on the Company's website, [www.zenithexportslimited.com](http://www.zenithexportslimited.com) except on Sundays and Public Holidays.

**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 make on the Attendance Slip as "Proxy" or "Representative", as the case may be.

By Order of the Board of Directors  
For **ZENITH EXPORTS LIMITED**

**Govind Pandey**  
*Company Secretary*

ACS: 32804

**Registered & Head Office:**

19, R. N. Mukherjee Road  
First Floor, Kolkata- 700 001  
Dated: 13\*August'2018

**EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013:**

Annexed to the Notice of 36<sup>th</sup> Annual General Meeting scheduled to be held on Tuesday, 25<sup>th</sup> September, 2018 at 11:30 A.M. at the Ground Floor, Auditorium of Birla Academy of Art & Culture, 108, Southern Avenue, Kolkata- 700 029.

**Item No. 3.**

Mr. Surendra Kumar Loyalka was appointed as the Managing Director of the Company for a fixed term of 5 years with effect from 12-02-2014 to 11-02-2019. The said tenure shall expire on 11<sup>th</sup> February'2019.

Considering various parameters during his tenure of office which, inter alia, includes, the scale of operations of the Company and taking into account the size of operation of the Company, position, responsibilities, capabilities, the Nomination and Remuneration Committee at its meeting held on 13<sup>th</sup> August'2018 recommended to the Board for re-appointment and extension of term of Mr. Surendra Kumar Loyalka as a Managing Director for a further period of 2 years.

The Board of Directors, on recommendation of the Nomination and Remuneration Committee, at their meeting held on 13<sup>th</sup> August'2018 have approved the re-appointment of Mr. Surendra Kumar Loyalka as a Managing Director for a further period of 2 years with effect from 12-02-2019.

Name of Director	Surendra Kumar Loyalka
Age	68
Nationality	Indian
Qualification	B.Com, LLB
Experience	36 years of experience in Export marketing administration.
Terms of Re-appointment	Re-appointed for a period of 2 years with effect from 12-02-2019
Remuneration	Rs.36 Lakhs per annum
Shareholding in this company	481496 equity shares of Rs. 10/- each
Relationship	Relation with Directors- Husband of Smt. Urmila Loyalka Father of Mr. Varun Loyalka
	Relationship with KMP- Brother of Sri Raj Kumar Loyalka
Name of other entities in which holding of directorship	1. SKL Exports Limited 2. L. L. Textiles Limited 3. S. M. Loyalka Hospital, a charitable organization.
Chairmanship/Membership in committees of other entities	NIL

None of the Directors and KMP except Mr. R. K. Loyalka, Ms. Urmila Loyalka, and Mr. Varun Loyalka being relatives are, in anyway concerned or interested, financially or otherwise, in the proposed resolution.



The Board of Directors, therefore, recommends the Ordinary Resolution at Item No.3 for approval of the members.

Item No. 4.

Mr. Varun Loyalka was appointed as an Additional Director with effect from 29.05.2018 as per the provisions of Section 161 of the Companies Act'2013, Mr. Varun Loyalka will hold office only upto the date of the 36\* Annual General Meeting of the Company.

Considering various parameters during his tenure of office which, inter alia, includes, the scale of operations of the Company and taking into account the position, responsibilities, capabilities. Nomination and Remuneration Committee at its meeting held on 13<sup>th</sup> August'2018 recommended to the Board for the appointment of Mr.Varun Loyalka as a Jt. Managing Director for a fixed period of 3years with effect from 26<sup>th</sup> September'2018 to 25<sup>th</sup> September'2021.

The Board of Directors, on recommendation of the Nomination and Remuneration Committee, at their meeting held on 13<sup>th</sup> August'2018 have approved the appointment of Mr. Varun Loyalka as Jt. Managing Director for a period of 3 years with effect from 26.09.2018.

Name of Director	Varun Loyalka
Age	27
Nationality	Indian
Qualification	Masters in business Administration from IE Business School, Maria De Molina, Spain in 2017.
Experience	6 years of experience in Managing Embroidery manufacturing Units and Sales.
Terms of Appointment	Appointed for a period of 3 years with effect from 25-09-2018
Remuneration	Rs. 15 Lakh per annum
Shareholding in this company	268900 equity shares of Rs. 10/- each
Relationship	Relation with Directors- Son of Smt. Urmila Loyalka Son of Mr. Surendra Kumar Loyalka
Name of other entities in which holding of directorship	1. Bloomkraft Silk Limited 2. A C Roy & Co Pvt Ltd 3. Purotech Sales Pvt Ltd 4. Capital Ltd 5. P P Developers Pvt Ltd
Chairmanship/Membership in committees of other entities	NIL

None of the Directors and KMP except Mr. R. K. Loyalka, Mr. S. K. Loyalka, and Mr. Ms. Urmila Loyalka being relatives are, in any way concerned or interested, financially or otherwise, in the proposed resolution.



The Board of Directors, therefore, recommends the Ordinary Resolution at Item No.4 for approval of the members.

By Order of the Board of Directors  
For **ZENITH EXPORTS LIMITED**

**Govind Pandey**  
*Company Secretary*  
ACS: 32804

**Registered & Head Office:**  
19, R. N. Mukherjee Road  
First Floor, Kolkata- 700 001  
Dated: 13<sup>th</sup> August'2018

**DIRECTORS REPORT TO THE MEMBERS**

Your Directors are pleased to present the 36<sup>th</sup> Annual Report covering the operational and financial performance of your Company along with the Audited Financial Statements for the Financial Year ended March 31, 2018.

**FINANCIAL HIGHLIGHTS**

	Standalone (₹.in Lakh)	
	2017-2018	2016-17
<b>Revenue from operations and other Income</b>	<b>11483.55</b>	13305.25
<b>Profit/(Loss) before tax</b>	<b>(186.17)</b>	(296.30)
<b>Tax Expenses (Current &amp; Deferred)</b>	<b>1.79</b>	(88.68)
<b>Net Profit/(Loss) after Tax</b>	<b>(187.96)</b>	(207.62)

**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 revenue from operation for the current year was ₹ 11483.55/- Lakhs compared to ₹ 13305.25/- Lakhs in the previous year. The tax expenses of the Company (Current & deferred) was ₹ 1.79/- Lakh in comparison of Loss figure of (₹ 88.68) Lakh in previous year. The net Profit/(Loss) after Tax for the current year is {187.96/-}Lakhs compared to profit/(Loss) of { ₹ .207.62/-}Lakhs in the previous year.

During the year 2017-18, there was no significant change in the business model of the Company.

**WEAVING DIVISION**

Demands of the Silk 8i Velvet Fabrics were under pressure due to financial crisis in the European and American Continent. In-spite of pressure in the Global Market the Financials of the Divisions for the year under review has been improved compares to previous year mainly due to correction in raw material. SPINNING DIVISION

**SPINNING DIVISION**

The Management would like to inform that the plant of Spinning Division located at Sarandi, Dholka, Ahmedabad, Gujarat had already been closed and there has been no work since Decernber'2015.

**DIVIDEND**

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

**PARTICULARS OF LOAN, GUARANTEES AND INVESTMENTS**

In terms of Section 186 of the Companies Act'2013 and Rules framed thereunder, details of the Loans given and Investments made by your Company have been disclosed in Notes of the Financial Statements for the year ended March3r2018, which forms part of this Annual Report. Your Company has not taken any term Loan during the year under review.

**CREDIT RATING**

During the year under review, ICRA Limited (ICRA) has reaffirmed the Credit Rating of '[ICRA] A4' (pronounced as ICRA A Four) for the Fund and Non-Fund Based Facilities of your Company.

**MATERIAL CHANGES AND COMMITMENTS AFFECTING FINANCIAL POSITION BETWEEN END OF THE FINANCIAL YEAR AND DATE OF REPORT**

Subsequent to the end of the financial year on March 31'2018 till date, there has been no material change and/ or commitment which may affect the financial position of the Company.

**LISTING INFORMATION**

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

**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.

**RELATED PARTY TRANSACTIONS**

During the Financial year ended March 31'2018, all transactions with the Related Parties as defined under the Companies Act'2013 read with Rules framed thereunder were in the ordinary course of business' and 'at arm's length' basis. All Related Party Transactions are placed before the Audit Committee as also to the Board for Approval. As required under Listing Regulations, 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 forms part of the Report as **Annexure 1**

**EXACT 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. The link of the same may be accessed on the Company's website i.e. [www.zenithexportslimited.com](http://www.zenithexportslimited.com).

**STATUTORY AUDITORS**

Pursuant to provisions of Section 139 of the Companies Act'2013 read with the Companies (Audit and Auditors) Rules,'2014, as amended M/s. V. Goyal & Associates, Chartered Accountants (ICAI Firm Registration No.312136E), Kolkata, were appointed as Statutory Auditors of your Company in the 35<sup>th</sup> Annual general Meeting of the Company for a term of 5 years till the conclusion of 40<sup>th</sup> Annual General meeting.

Earlier, pursuant to first provision of Section 139 of Companies act 2013, the Company was required to place the



ratification of appointment of statutory auditors at every annual general meeting. But, pursuant to the Companies (Amendment) Act, 2017 dated 3<sup>rd</sup> January, 2018 and commencement of amended provisions as per notification dated 7th May, 2018, the said provision was omitted. Hence, the Company is not required to place the shareholders resolution for approval for ratification of the appointment of Statutory Auditors till the conclusion of their tenure i.e. 40<sup>th</sup> Annual General Meeting of the Company.

The financial statements of the Company including Balance Sheet, Statements of Profit and Loss and Cash Flow Statement including Notes and Schedules to the Accounts have been audited by M/s. V. Goyal & Associates Chartered Accountants, Kolkata.

The independent Auditors Report given by the Auditors on the financial statements of the Company is part of Annual Report. There had been no qualifications, reservation, adverse remark or disclaimer given by the Auditors in their Report.

#### **SECRETARIAL AUDITOR**

In terms of Provisions of Section 204 of the Companies Act'2013 read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules'2014, the Board of Directors had appointed CS Asit Kumar Labh, Company Secretary, Kolkata, as the Secretarial Auditor of the Company for conducting the Secretarial Audit for the financial year 2017-18. The Secretarial Audit Report does not contain any adverse remark, qualification reservation, or disclaimer given by the Auditors in their Report.

However, the Auditor had raised one point of payment of fine levied by the Stock Exchange to your Company in regard of 1 day delay in conducting the Board Meeting for the June Quarter ending on 30.06.2017.

Your Company would like to clarify that this delay was made due to the first time adoption of IND-AS in the Accounting system of your Company. However, there was no further delay in conducting any of the meetings thereafter.

#### **COST AUDITOR**

There are no Cost Audit criteria applicable for the financial year 2017-18 to your Company.

#### **COMPLIANCE WITH SECRETARIAL STANDARDS**

During the financial year 2017-18, your Company has complied with applicable Secretarial Standards, issued by the institute of Company Secretaries of India.

#### **INTERNAL CONTROL SYSTEM**

The Company has an adequate internal control system which commensurate with the size, scale and complexity of its operations. The Internal Auditor monitors and evaluates the efficiency and adequacy of internal control system in the Company.



**SIGNIFICANT AND MATERIAL LITIGATIONS/ ORDERS**

There have been no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and Company's operations. The details of litigation on tax matters are disclosed in the Auditors' Report and Financial Statements which forms part of this Annual Report.

**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND 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 below:

**A. POWER AND FUEL CONSUMPTION**

	Current Year (2017-18)	Previous Year (2016-17)
	Weaving	Weaving
<b>OELECTRICITY</b>		
a) Purchased Unit(KWH in lacs)	11.35	16.32
Total Amount ( ₹ in lacs)	101.06	124.05
Rate/Unit (in ₹)	8.91	7.60
b) Own Generation		
i) Generated Units (KWH in lacs)	0.01	0.04
Unit/Litre of Diesel	2.97	2.82
Cost/Unit ( ₹./Unit)	22.01	19.15
<b>ii) COAL</b>	NIL	NIL
<b>iii) FURNACE/OTHER OIL</b>	0.005	0.15
Quantity (in lacsLtrs.)	0.13	2.82
Total Amount ( ₹ in lacs)	28.00	19.15
Average rate per litre( ₹ )	4.99	6.62
Briquettes (in lacsKgs.)	25.21	30.98
Total Amount ( ₹ In lacs)	6.42	8.07
Average Rate per Kgs.( ₹ )	NIL	NIL
<b>iv) OTHER INTERNAL GENERATION</b>		

**CONSUMPTION PER UNIT OF PRODUCTION**

Electricity (KWH)	NIL	15.70
Furnace Oil (Ltrs.)	NIL	1.36
Briquettes (Kgs.)	NIL	8.07
Standard (KWH)	NIL	0.00

**B. TECHNOLOGY ABSORPTION**

There are no existing technology supply agreements. Along with that we have been continuously adding latest machines, and balancing equipment's as and when required.

**C. FOREIGN EXCHANGE EARNINGS AND OUTGO**

Particulars	Current Year ₹ in Lakhs	Previous Year ₹ in Lakhs
Total Foreign exchange earnings	9667.63	11435.00
Total foreign exchange outgo	988.12	942.10

**BOARD OF DIRECTORS AND KEY MANEGARIAL PERSONNEL****(i) Change in Directors**

Mr. Keshar Deo Rungta, Independent Director of the Company had resigned from the Directorship of the company with effect from 28/02/2018.

**(ii) Key Managerial Personnel**

The following are the Key Managerial Personnel of the Company as defined under Sections 2(51), 203 of the Companies Act'2013 read with Company's appointment and Remuneration of Managerial personal Rules, 2014.

- Mr. Surendra Kumar Loyalka as the whole time Managing Director of the Company
- Mr. Raj Kumar Loyalka as Chief Executive Officer of the Company
- Mr. Govind Pandey as the Company Secretary of the Company
- Mr. Sushil kumar Kasera as the Chief Financial Officer of the Company

**(iii) Director Liable to retire by rotation**

In accordance with the provisions of the Companies Act, 2013 and the Article of Association of the Company, Mr. Surendra Kumar Loyalka being longest in office retires by rotation and being eligible offers his candidature for re-appointment as Director.

**(iv) Independent Directors Declaration**

The Company has received declaration from all Independent Directors of the Company confirming that they continue to meet with the criteria of Independence as prescribed under Section 149(6) of the Companies Act'2013 and Regulation 25 & 16 of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015.

**(v) Board Evaluation**

Pursuant to the provisions of the Companies Act'2013 and applicable regulation of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015, Independent Director at their meeting without the participation of the Non-Independent Directors and management, considered, evaluated the Boards performance. Performance of the Chairman and other Non-Independent Directors.

The Board also evaluated its own performance, the working of its Committees (Audit, Nominations and Remuneration and Stakeholders Relationship Committee) and Independent Director (without participation of the relevant directors)

The Criteria of performance evaluation have been detailed in the Corporate Governance Report.



***(vi) Remuneration Policy for Directors***

The Policy for remuneration of Directors, key Managerial Personnel and members of the Executive Committee is set out in Corporate Governance Report.

***(vii) Meeting***

**• Board of Directors**

During the year five Board Meetings were held, the details of which are given in the Corporate Governance Report.

**• Audit Committee**

The Audit Committee comprises 3 members. The Chairman of the Committee is an Independent Director. The committee met five times during the year. Details of role and responsibilities of the Audit Committee, the particulars of meeting held, attendance of Members are given in Corporate Governance Report.

**DIRECTORS' RESPONSIBILITY STATEMENT**

Pursuant to provisions of Section 134 of the Companies Act'2013, the Directors, to the best of their knowledge and belief, hereby 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'2018 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; 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.

**INDIAN ACCOUNTING STANDARDS (IND AS)**

Your Company had adopted Indian Accounting Standards (IND AS) for the preparation of financial statements for the financial year 2017-18 onwards in accordance with Companies (Indian Accounting Standards) Rules, 2015 (IND AS) as amended.

**WHISTLE BLOWER POLICY/ VIGIL MECHANISM**

The vigil mechanism of the Company also incorporates a Whistle Blower Policy in terms of the Listing Agreement. Protected disclosures can be made by a whistle blower through email, or telephone line or letter to the Chairman of the Audit Committee. The Policy on vigil mechanism and whistle blower policy may be accessed on the Company's website i.e. [www.zenithexportslimited.com](http://www.zenithexportslimited.com).

No person has been denied an opportunity to have access to the Vigil Mechanism Committee including the Audit Committee Chairman. During the year under review, there has been no incidence reported which requires action by the Vigil Mechanism Committee.

**RISK MANAGEMENT**

The Board members were informed about risk assessment and minimization procedures after which the Board formally adopted steps for framing, implementing and monitoring the risk management plan for the company.

**PARTICULARS OF EMPLOYEES**

Disclosure regarding section 197(12) of the companies act'2013 read with rules 5(1) of the companies (appointment and remuneration of managerial personnel) rules'2016 has been form part of this Report as *Annexure II*

**POLICY ON PREVENTION OF SEXUAL HARASSMENT OF WOMEN AT WORKPLACE**

Your Company has adopted a Policy under the Sexual Harassment of Women at workplace (Prevention, Prohibition and Redressal) Act'2013 and Rules framed thereunder. An internal Complaints Committee (ICC) with requisite number of representatives has been set up to redress complaints relating to sexual harassment. Further there had been no complain as such received by the committee during the year.

**CORPORATE GOVERNANCE**

It has been the endeavor 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**  
**DIN:00006232**

Place: Kolkata

Dated: 13<sup>th</sup> August'2018



**ANNEXURE-I**

**Form No. AOC-2**

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act  
Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto.

**1. Details of contracts or arrangements or transactions not at arm's length basis: NIL**

**2. Details of material contracts or arrangements or transactions at arm's length basis:**

I.

- (a) Name(s) of the related party and nature of relationship - BilasRai Loyalka, Relative of Key Managerial Personnel
- (b) Nature of contracts/arrangements/transactions-Advisory Service
- (c) Duration of the contracts / arrangements/transactions- one financial year
- (d) Salient terms of the contracts or arrangements or transactions including the value, if any: Prevailing Market Price, Aggregate value of Rs.9,00,000/- p.a
- (e) Date(s) of approval by the Board, if any: Yes BM date:09/02/2017
- (f) Amount paid as advances, if any: Nil

II.

- (a) Name(s) of the related party and nature of relationship - SKL Exports Ltd, Director of the Company is Director in SKL Exports Ltd
- (b) Nature of contracts/arrangements/transactions - Purchase of fabrics, job work & sale of goods
- (c) Duration of the contracts / arrangements/transactions - One financial year
- (d) Salient terms of the contracts or arrangements or transactions including the value, if any: Prevailing Market Price, Aggregate value of Rs. 10 Crore
- (e) Date(s) of approval by the Board, if any: yes, BM date: 26.05.2017
- (f) Amount paid as advances, if any: Nil

Place: Kolkata

Date: 13.08.2018

**Surendra Kumar Loyalka**  
**Managing Director**  
**DIN:00006232**

**ANNEXURE- II****DISCLOSURE UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5 (1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) AMENDMENT RULES,**

Name of the Director / CEO	Designation	(i) Ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year 2017-18	(ii) Percentage increase in Remuneration during 2017-18
Surendra Kumar Loyalka	Managing Director	10:1	Nil
Raj Kumar Loyalka	Chief Executive Officer	10:1	Nil

SL.No.	Description	Remarks
iii.	the percentage increase in the median remuneration of employees in the financial year;	Nil
iv.	the number of permanent employees on the rolls of company;	357
v.	average percentile increase already made in the salaries of employees other than the managerial personnel 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;	Nil
vi.	It is hereby affirmed that the remuneration to managerial personnel referred to above is as per the remuneration policy of the Company.	



**PARTICULARS OF EMPLOYEES PURSUANT TO SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5 (2) and 5(3) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) AMENDMENT RULES, 2016**

It is hereby affirmed that:

- (i) No employee was in receipt of remuneration for the year in aggregate of more than Rs. 1.02 Crores (if employed throughout the financial year);
- (ii) No employee was in receipt of remuneration for any part of the year at a rate which in aggregate was more than Rs. 8.5 lacs per month (if employed for a part of the financial year);
- (iii) No employee was in receipt of remuneration in excess of that drawn by the Managing Director of Whole-time Director or Manager nor holds by himself or along with his spouse and dependent children more than two percent of the equity shares of the Company. Top Ten Employees in terms of Remuneration drawn for F.Y. 2017-18:

Sl. No.	Name	Designation	Remuneration (in Lakhs)	Nature of Employment	Qualification and Experience	Date of Commencement of Employment	Age	Last Employment Held	% of equity shares held	Whether relative of any Director / Manager
1	MR. SURENDRA KUMAR LOYALKA	Managing Director	18.00	Permanent	B.Com, LLB	23-02-94	67	Zenith Exports Ltd. - MD	8.92	Yes
2	MR. RAJ KUMAR LOYALKA	Chief Executive Officer	18.00	Permanent	B.E.E	14-11-16	73	Zenith Exports Ltd. - MD	0.37	Yes
3	MS. MEGHNA GHOSH	Export Manager	12.15	Permanent	Higher Secondary	26-09-96	44	Rishi Export Pvt. Ltd. - Export Assistant	0.1	No
4	MR. PRADYUT DEY	Executive	11.24	Permanent	Higher Secondary	27-07-84	51	Zenith Exports Ltd.	0.0	No





5	MR. MANOJ KUMAR AGARW AL	Export Import Officer	5.14	Permanent	B. Com (Hons)	10-08-09	46	Zenith Exports Ltd.	0.0	No
6	MS.SAHEL I DUTTA	Export Executive	4.60	Permanent	B. A. (Pass)	25-02-08	42	Ramkrishna Forgings Ltd. Steno Secretary	0.0	No
7	MR. GOVIND PANDEY	Company Secretary	4.46	Permanent	ACS, LLB,M.Com , B.com	28-12-15	28	SFIS Ltd. Company Secretary	0.0	No
8	MS. PIYALI DAS	Export Executive	3.96	Permanent	P. G. Diploma	04-06-02	42	Zenith Exports Ltd	0.0	No
9	MR. SURAJIT SAHA	Assistant Export Manager	3.84	Permanent	M. Com	07-08-07	47	Zenith Exports Ltd	0.0	No
10	MR. CHANDAN GANGULY	Assistant Manager Account	3.69	Permanent	B. Com (Hons)	21-07-11	33	SP Power Serve Consulting Pvt. Ltd. Senior Accountant	0.0	No



FormNo.MGT-9

## EXTRACT OF ANNUAL RETURN

As on the financial year ended on 31.03.2018

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

## I. REGISTRATION &amp; 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	85%
2	Silk Fabrics	2444	15%

## 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 01.04.2017				No. of Shares held at the end of the year 31.03.2018				% Change during the Year
	Demat	Physical	Total	% of Total	Demat	Physical	Total	% of Total	
<b>(A) Promoter</b>									
<b>1. Indian</b>									
(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									
<b>Sub Total(A)(1)</b>	<b>2792556</b>	<b>0</b>	<b>2792556</b>	<b>51.75</b>	<b>2792556</b>	<b>0</b>	<b>2792556</b>	<b>51.75</b>	<b>0</b>
<b>2. Foreign</b>									
(a) NRIs-Individuals									
(b) Other-Individuals									
(c) Bodies Corporate									
(d) Bank/Financial Institutions									
(e) Any Others									
<b>Sub Total(A)(2)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>
<b>Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)</b>	<b>2792556</b>	<b>0</b>	<b>2792556</b>	<b>51.75</b>	<b>2792556</b>	<b>0</b>	<b>2792556</b>	<b>51.75</b>	<b>0.00</b>



<b>(B) Public shareholding</b>									
<b>1. Institutions</b>									
(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)									
<b>Sub-Total (B)(1)</b>	0	0	0	0	0	0	0	0	0
<b>B. 2. Non-institutions</b>									
<b>(a) Bodies Corporate</b>									
(i) Indian	2306678	601	2307279	42.76	2313692	601	2314293	42.89	0.13
(ii) Overseas									
<b>(b) Individuals</b>									
i. Individual shareholders holding nominal share capital up to Rs 1 lakh	155336	35930	191266	3.54	149032	35229	184261	3.41	-0.13
ii. Individual shareholders holding nominal share capital in excess of Rs. 1 lakh.	104666	0	104666	1.94	104666	0	104666	1.94	0.00
<b>(c) Other (specify)</b>									
1. NRI	83	0	83	0.00	83	0	83	0.00	0
2. Clearing Member	100	0	100	0.00	91	0	91	0.00	0
3. OCB									
4. Trust	300	0	300	0.01	300	0	300	0.01	0
5. Foreign Portfolio Investor									
<b>Sub-Total (B)(2)</b>	<b>2567163</b>	<b>36531</b>	<b>2603694</b>	<b>48.25</b>	<b>2567864</b>	<b>35830</b>	<b>2603694</b>	<b>48.25</b>	<b>0</b>
<b>Total Public Shareholding (B)= (B)(1)+(B)(2)</b>	<b>2567163</b>	<b>36531</b>	<b>2603694</b>	<b>48.25</b>	<b>2567864</b>	<b>35830</b>	<b>2603694</b>	<b>48.25</b>	<b>0</b>
<b>TOTAL (A)+(B)</b>	<b>5359719</b>	<b>36531</b>	<b>5396250</b>	<b>100.00</b>	<b>5360420</b>	<b>35830</b>	<b>5396250</b>	<b>100.00</b>	<b>0</b>
<b>C. Shares held by Custodians for GDRs &amp; ADRs</b>									
<b>GRAND TOTAL ( A )+( B )+( C )</b>	<b>5359719</b>	<b>36531</b>	<b>5396250</b>	<b>100.00</b>	<b>5360420</b>	<b>35830</b>	<b>5396250</b>	<b>100.00</b>	<b>0</b>

**(ii) Shareholding of Promoters**

Sl No.	Shareholder's Name	Shareholding at the beginning of the year (01-04-2017)			Cumulative Shareholding during the year (01-04-2017 to 31-03-2018)		
		No of Shares	% of total shares of Company	% of shares Pledged/encumbered to	No of Shares	% of total shares of Company	% of shares Pledged/encumbered to total shares
1	A.C.ROY AND COMPANY PVT.LTD. [IN30032710308889]						
	a) At the Beginning of the year	304490	5.64	NIL	304490	5.64	NIL
	b) Change during the year				NO CHANGE		
2	PUROTECH SALES PVT.LTD [IN30032710393942]						
	a) At the Beginning of the year	356000	6.6	NIL	356000	6.6	NIL
	b) Change during the year				NO CHANGE		
3	P.P.DEVELOPERS PVT LIMITED [IN30032710436315]						
	a) At the Beginning of the year	166000	3.08	NIL	166000	3.08	NIL
	b) Change during the year				NO CHANGE		
4	VARUN LOYALKA						
	c) At the end of the year				166000	3.08	NIL



	[IN30011811393300 ]						
	a) At the Beginning of the year	268900	4.98	NIL	268900	4.98	NIL
	b)Change during the year				NO CHANGE		
	c)At the end of the year				268900	4.98	NIL
5	SURENDRA KUMAR LOYALKA						
	[IN30032710303479 ]						
	a) At the Beginning of the year	481496	8.92	NIL	481496	8.92	NIL
	b)Change during the year				NO CHANGE		
	c)At the end of the year				481496	8.92	NIL
6	SURENDRA KUMAR LOYALKA-HUF						
	[IN30032710342515 ]						
	a) At the Beginning of the year	561420	10.4	NIL	561420	10.4	NIL
	b)Change during the year				NO CHANGE		
	c)At the end of the year				561420	10.4	NIL
7	URMILA LOYALKA [IN30032710343644 ]						
	a) At the Beginning of the year	629150	11.66	NIL	629150	11.66	NIL
	b)Change during the year				NO CHANGE		
	c)At the end of the year				629150	11.66	NIL
8	BILAS RAI LOYALKA-HUF						
	[IN30032710545194 ]						
	a) At the Beginning of the year	200	0	NIL	200	0	NIL
	b)Change during the year				NO CHANGE		
	c)At the end of the year				200	0	NIL
9	BILAS RAI LOYALKA [IN30032710579987 ]						
	a) At the Beginning of the year	900	0.02	NIL	900	0.02	NIL
	b)Change during the year				NO CHANGE		
	c)At the end of the year				900	0.02	NIL
10	RAJKUMAR LOYALKA [IN30133021590309]						
	a) At the Beginning of the year	20000	0.37	NIL	20000	0.37	NIL
	b)Change during the year				NO CHANGE		
	c)At the end of the year				20000	0.37	NIL
11	RAJKUMAR LOYALKA-HUF [IN30036022554158 ]						
	a) At the Beginning of the year	4000	0.08	NIL	4000	0.08	NIL
	b)Change during the year				NO CHANGE		
	c)At the end of the year				4000	0.08	NIL

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

Sl.No.	Shareholding at the beginning of the year (01-04-2017 )		Cumulative Shareholding during the year (01-04-2017 to 31-03-2018)	
	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.No.	For each of the Top 10 Shareholders	Shareholding at the beginning of theyear (01-04-2017 )		Cumulative Shareholding during theyear (01-04-2017 to 31-03-2018 )	
		No.of Shares	% of total shares of the Company	No.of Shares	% of total shares of the Company
1	BHUTNATH VANIJYA VYAPAAR PVT.LTD [CIN30032710314377 ]				



	a) At the Beginning of the year	582586	10.80	582586	10.80
	b) Change during the year			NO CHANGE	
	c) At the end of the year			582586	10.80
2	R.K.FINANCE LIMITED [IN30032710296806 ]				
	a) At the Beginning of the year	498205	9.23	498205	9.23
	b) Change during the year				
	DATE	REASON			
	21.04.2017	SALE	6320	0.12	491885
	28.04.2017	SALE	13950	0.26	477935
	05.05.2017	SALE	8700	0.16	469235
	12.05.2017	SALE	2990	0.06	466245
	26.05.2017	SALE	1480	0.03	464765
	02.06.2017	SALE	51460	0.95	413305
	20.10.2017	SALE	30000	0.56	383305
	15.12.2017	SALE	20000	0.37	363305
	19.01.2018	SALE	25000	0.46	338305
	09.02.2018	SALE	138305	2.56	200000
	(c) At the end of the year			200000	3.71
3	GUINNESS SECURITIES LIMITED (IN30289810000193)				
	a) At the Beginning of the year	309218	5.73	309218	5.73
	b) Change during the year				
	DATE	REASON			
	21.04.2017	BUY	3600	0.07	312818
	28.04.2017	BUY	13500	0.25	326318
	05.05.2017	SALE	40300	0.75	286018
	12.05.2017	SALE	246280	4.56	39738
	19.05.2017	BUY	125000	2.32	164738
	02.06.2017	BUY	6840	0.13	171578
	09.06.2017	BUY	8230	0.15	179808
	16.06.2017	BUY	132600	2.46	312408
	23.06.2017	BUY	4140	0.08	316548
	30.06.2017	BUY	1880	0.03	318428
	07.07.2017	BUY	3350	0.06	321778
	15.09.2017	BUY	1950	0.04	323728
	22.09.2017	BUY	2450	0.05	326178
	06.10.2017	BUY	1	0.00	326179
	13.10.2017	BUY	6348	0.12	332527
	20.10.2017	BUY	2970	0.06	335497
	27.10.2017	BUY	2130	0.04	337627
	03.11.2017	BUY	3450	0.06	341077
	10.11.2017	BUY	2940	0.05	344017
	17.11.2017	BUY	1970	0.04	345987
	24.11.2017	BUY	1780	0.03	347767
	01.12.2017	BUY	3960	0.07	351727
	08.12.2017	BUY	3950	0.07	355677
	15.12.2017	BUY	6930	0.13	362607
	05.01.2018	BUY	5930	0.11	368537
	12.01.2018	BUY	7890	0.15	376427
	19.01.2018	BUY	7900	0.15	384327
	26.01.2018	BUY	1880	0.03	386207
	09.02.2018	BUY	16930	0.31	403137
	16.02.2018	BUY	28900	0.54	432037
	23.02.2018	BUY	12520	0.23	444557
	02.03.2018	BUY	2780	0.05	447337



	09.03.2018	BUY	7950	0.15	455287	8.44
	16.03.2018	BUY	14890	0.28	470177	8.71
	c) At the end of the year				470177	8.71
4	ZENITH CREDIT LIMITED [IN30032710296785 ]					
	a) At the Beginning of the year		226842	4.20	226842	4.20
	b) Change during the year				NO CHANGE	
	c) At the end of the year				226842	4.20
5	MAXXON IMPEX AND CREDIT PVT.LTD.[IN30032710433486 ]					
	a) At the Beginning of the year		264093	4.89	264093	4.89
	b) Change during the year				NO CHANGE	
	DATE	REASON				
	21.04.2017	BUY	6000	0.11	270093	5.01
	12.05.2017	SALE	5000	0.09	265093	4.91
	26.05.2017	SALE	100000	1.85	165093	3.06
	c) At the end of the year				165093	3.06
6	OMKARA VINCOM PRIVATE LTD.[IN30032710588875 ]					
	a) At the Beginning of the year		153640	2.85	153640	2.85
	b) Change during the year					
	DATE	REASON				
	12.05.2017	BUY	5000	0.09	158640	2.94
	26.05.2017	BUY	171250	3.17	329890	6.11
	c) At the end of the year				329890	6.11
7	BKL SECURITIES LIMITED [IN30225210056657 ]					
	a) At the Beginning of the year		180273	3.34	180273	3.34
	b) Change during the year					
	DATE	REASON				
	09.03.2018	SALE	8666	0.16	171607	3.18
	c) At the end of the year				171607	3.18
8	BIJAY KUMAR LOYALKA [IN30032710593833]					
	a) At the Beginning of the year		92110	1.71	92110	1.71
	b) Change during the year				NO CHANGE	
	c) At the end of the year				92110	1.71
9	SMC GLOBAL SECURITIES LTD [IN30134820072267]					
	a) At the Beginning of the year		73	0.00	73	0.00
	b) Change during the year					
	DATE	REASON				
	26.05.2017	BUY	43250	0.80	43323	0.80
	09.03.2018	SALE	5410	0.10	37913	0.70
	09.03.2018	SALE	6600	0.12	31313	0.58
	09.03.2018	SALE	5141	0.10	26172	0.49
	09.03.2018	SALE	900	0.02	25272	0.47
	09.03.2018	SALE	3350	0.06	21922	0.41
	09.03.2018	SALE	1950	0.04	19972	0.37
	09.03.2018	SALE	2450	0.05	17522	0.32
	09.03.2018	SALE	6349	0.12	11173	0.21
	09.03.2018	SALE	2970	0.06	8203	0.15
	26.05.2017	BUY	19380	0.36	27583	0.51
	09.03.2018	SALE	1790	0.03	25793	0.48
	09.03.2018	SALE	3970	0.07	21823	0.40
	09.03.2018	SALE	3990	0.07	17833	0.33
	09.03.2018	SALE	4980	0.09	12853	0.24
	26.05.2017	BUY	18020	0.33	30873	0.57
	09.03.2018	SALE	5960	0.11	24913	0.46
	09.03.2018	SALE	7900	0.15	17013	0.32
	09.03.2018	SALE	2960	0.05	14053	0.26
	26.05.2017	BUY	18180	0.34	32233	0.60
	09.03.2018	SALE	16931	0.31	15302	0.28
	26.05.2017	BUY	200	0.00	15502	0.29



	26.05.2017	BUY	85800	1.59	101302	1.88
	09.03.2018	SALE	14914	0.28	86388	1.60
	c) At the end of the year				86388	1.60
10	GUINNESS SECURITIES LIMITED [IN30289810018888]					
	a) At the Beginning of the year		5619	0.10	5619	0.10
	b) Change during the year					
	DATE	REASON				
	05.05.2017	BUY	50000	0.93	55619	1.03
	16.02.2018	BUY	98	0.00	55717	1.03
	23.02.2018	SALE	98	0.00	55619	1.03
	09.03.2018	SALE	4	0.00	55615	1.03
	c) At the end of the year				55615	1.03

(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 (01-04-2017)		Cumulative Shareholding during the year (01-04-2017 to 31-03-2018)	
		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	481496	8.92	481496	8.92
	b) Change during the Year	-			
	c) At the end of the Year	481496	8.92	481496	8.92
2	Mr. Raj Kumar Loyalka				
	a) At the Beginning of the Year	20000	0.37	20000	0.37
	b) Change during the Year	-			
	c) At the end of the Year	20000	0.37	20000	0.37

V. INDEBTEDNESS

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

	Secured Loans including deposits	excluding Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	67954521	-	-	67954521
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>67,954,521</b>	<b>-</b>	<b>-</b>	<b>67,954,521</b>
<b>Change in Indebtedness during the financial year</b>				
* Addition	45009941	-	-	45009941
* Reduction	-	-	-	-
<b>Net Change</b>	<b>45009941</b>	<b>-</b>	<b>-</b>	<b>45,009,941</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	112,964,462	-	-	112,964,462
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>112,964,462</b>	<b>-</b>	<b>-</b>	<b>112,964,462</b>



**VI. 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/CEO		Total Amount ₹
		Mr. Surendra Kumar Loyalka Managing Director	Mr. Raj Kumar Loyalka CEO	
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	1800000	1800000	3600000
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	530790	-	530790
	(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 -			
	Contribution to Provident Fund	216000	0	216000
	<b>Total (A)</b>	<b>2546790</b>	<b>1800000</b>	<b>4346790</b>
Overall Ceiling as per the Act		Schedule V of the Companies Act'2013		

**B. Remuneration to other directors**

Sl. No.	Particulars of Remuneration	Name of Directors				Total Amount ₹
		Mr. Madhukar manilal Bhagat	Mr. Keshar Deo Rungta	Mr. Mangilal Jain	Mr. Devendra Kumar sarawgee	
1	<b>Independent Directors</b>					
	Fee for attending board committee meetings	61000	58000	53000	45000	217000
	Commission	-	-	-	-	-
	Others, please specify	-	-	-	-	-
	<b>Total (1)</b>	<b>61000</b>	<b>58000</b>	<b>53000</b>	<b>45000</b>	<b>217000</b>
2	Other Non-Executive Directors					
	Fee for attending board committee meetings	Nil				Nil
	Commission	-				
	Others, please specify	-				
	<b>Total (2)</b>	<b>Nil</b>				<b>Nil</b>
	<b>Total (B)=(1+2)</b>					<b>217000</b>
	<b>Total Managerial Remuneration (A+B)</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	431900	328920	760820
	(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	21600	19026	40626
Total		453500	347946	801446

**VII. 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)
<b>A. COMPANY</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
<b>B. DIRECTORS</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-

**MANAGEMENT DISCUSSION AND ANALYSIS REPORT****INDIAN ECONOMY**

Financial Year 2017-18 marked a significant economic measure by the government. The Good and Service Tax (GST) was implemented from July'2017 as the nation moved to "one nation-one tax". The transformation was huge and its impact on Exports Business was highest. While overall economy started recovering in the 2<sup>nd</sup> half post stabilization of the GST regime. Export Industry continued to witness disruption by changes in rules.

**THE COMPANY HAS 3 DIVISIONS VIZ.**

1. 100% EOU Unit at Nanjangud - Karnataka - Manufacturing High Quality Silk and Velvet Fabrics.
2. Exports Division at Kolkata - Exporting Industrial Leather Hand Gloves, Silk & Cotton Fabrics and made- ups manufactured on Handloom etc.
3. A yam division at Sarandi- Ahmedabad\*\*

**Note:-\*\*The yarn unit located at Sarandi - Ahmedabad had been closed since December 2015 and there has been no operation in the unit**

**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 yam 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 in 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. 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.

**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.

**FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE**

The Company could achieve a turnover of ₹ 10141.65 Lakhs and net Loss of ₹ 187.98 Lakhs during the year under review.

**SEGMENTWISE PERFORMANCE**

( ₹ in Lakhs)

	2017-18	2016-17
<b>TRADING DIVISION</b>		
Sales	8842.00	9892.00
Net Profit	459.68	167.84
<b>WEAVING DIVISION</b>		
Sales	1299.65	1796.77
Net Profit/(loss)	(530.11)	(326.02)
<b>SPINNING DIVISION</b>		
Sales	NIL	NIL
Net Profit/(loss)	(117.55)	(49.44)

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

The company presently has 357 employees on its rolls (As on 31/03/2018). These are basically human resource assets and are integral in Company's on-going success. They have played 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. The Company has had very harmonious relations with its workforce during theyear.

**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 difference to the Company' operations include global and Indian demand supply conditions, finished goods once, 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

[In terms of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations'2015 {'Listing Regulations'}]

## 1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE:

ZENITH EXPORTS LIMITED (ZEL) believes that good Corporate Governance is the foundation for a truly sustainable company. Corporate Governance is a set of principles and systems to be followed by the Directors, Management and all Employees of the Company for enhancement of shareholder value while keeping in view interests of other stakeholders. Your Company is fully committed to the principles of integrity, transparency and compliance with regulations in all dealing with the Government, Customers, Suppliers, Employees and other Stakeholders. Your Directors fully endorse and support the Corporate Governance practices in accordance with the provisions of the Listing Regulations.

## 2. BOARD OF DIRECTORS:

The Company's Board comprised of (5) Five Members, out of which 1 (One) is Executive Director (including Chairman cum Managing Director), 3(Three) are Independent Directors (ID), 1 (One) is Non-Executive Woman Director. The Number of Independent Directors (IDs) are more than half of the total number of Directors. During the year under review the Board met on 5 (five) occasions i.e 26/05/2017, 25/07/2017, 15/09/2017, 07/12/2017 and 12/02/2018.

## a) Board Composition and category of Directors

Name of the Director	Category	Number of Directorships Held in Listed Entities including this Listed Entity in India*	Number of Chairperson/ Membership in Audit/Stakeholders Committees including this Listed Entity**		Number of Shares Held	Relationships with other Directors
			Chairperson	Member		
Mr. S. K. Loyalka DIN: 00006232	Promoter/ Executive/ Chairperson	1			481496	Husband of Ms.Urmila Loyalka
Mr. M. M. Bhagat DIN: 00006245	Non- Executive/ Independent	3	2	4	100	
Mr. M.L. Jain DIN: 00353075	Non- Executive/ Independent	4	3	4		
Mr.D.K.Sarawg ee DIN: 00087256	Non- Executive/ Independent	2	1	2		
Mrs.Urmila Loyalka DIN:00009266	Promoter/ Non- Executive	1			629150	Wife of Mr. S.K. Loyalka



The attendance of each Director at the Board meeting during the year under review and at the Annual General meeting is listed below:

Name of the Director	Category	Board Meeting Held	Attended	Attendance at last AGM
Mr. S. K. Loyalka	Executive-Promote/Chairperson	5	1	Present
Mr. M. M. Bhagat	Non Executive-Independent	5	5	Present
Mr. M.L. Jain	Non Executive-Independent	5	5	Present
Mr. K.D. Rungta	Non Executive-Independent	5	5	Present
Mr. D.K. Sarawgee	Non Executive-Independent	5	5	Present
Mrs.Urmila Loyalka	Non Executive-Promoter/Women Director	5	2	Present

\*Mr. K.D. Rungta resigned from the Directorship of the Company w.e.f.28/02/2018.

**Notes:**

\*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.

\*\*Includes only Audit Committee and Stakeholder Relationship Committee as per Regulation 26(l)(b) of the Listing Regulations.

**b) Familiarization Programme For Independent Directors**

In order to encourage active participation from the Independent Directors and also to enable them to understand the business environment of the Company, a Familiarization Programme for the Independent Directors has been adopted and implemented. The details of the same are hosted on website of the Company and can be accessed at <http://www.zenithexportslimited.com/CodePolicv/FamProglndDir.pdf>

**C) Code of conduct**

The Board of Directors of the Company has adopted a Code of Conduct for the Directors, Key Managerial Personnel, Senior Management Personnel and Functional Heads of the Company. The said Code of Conduct of the Company has been uploaded on the website of the Company at <http://www.zenithexportslimited.com/CodePolicv/CodeConPolicv.pdf>

**d) Declaration By Managing Director**

I hereby confirm that

All Board Members and Senior Management Personnel have affirmed compliance with the Code of Conduct for the financial year ended March 31, 2018.

**Surendra Kumar Loyalka**  
**Managing Director**  
(DIN: 00006232)

**3. AUDIT COMMITTEE:**

Your Company had constituted an Audit Committee. The Composition of Audit Committee is as under:

Name of the Director	Position held	No. of Meetings	
		Held during tenure	Attended
Mr. K. D. Rungta*	Member/Chairman	5	5
Mr. M. M. Bhagat	Member	5	5
Mr. M.L. Jain	Member	5	5
Mr. D.K. Sarawgee	Member	5	5

Mr. K. D. Rungta was the Member/Chairman of the Audit Committee till 28/02/2018.

The Audit Committee met five times during the year on 26.05.2017, 25.07.2017, 15.09.2017, 07.12.2017 & 12.02.2018 and all members attended the meeting.

The terms of reference of the Audit Committee cover the matters specified in Regulation 18 read with part C of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 177 of the Companies Act'2013 all other applicable provisions.

- a) 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.
- b) Recommending to the Board the appointment, re-appointment and if required, the replacement or removal of the Statutory Auditors and the fixation of audit fees.
- c) Approval of payment to statutory auditors for any other services rendered by the Statutory Auditors.
- d) 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:
  - i. *Matters required being included in Board's Report in terms of sub-section 3 of Section 134 of the Companies Act, 2013.*
  - ii. *Changes, if any, in accounting policies and practices and reasons for the same.*
  - iii. *Major accounting entries based on exercise of judgment by management.*
  - iv. *Significant adjustments made in the financial statements arising out of audit findings.*
  - v. *Compliance with listing and other legal requirements relating to financial statements.*
  - vi. *Disclosure of any related party transactions.*
  - vii. *Qualifications in the draft audit report*
- e) Reviewing, with the management, the quarterly financial statements before submission to the Board for approval.
- f) Reviewing with the management the adequacy of the internal control system.
- g) Review and monitor the auditors independence and performance, and effectiveness of audit process.
- h) Approval of related parties transaction.
- i) Scrutiny of Inter Corporate Loans and investments.
- j) Valuation of undertakings or assets of the Company, wherever it is necessary.



- k) Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
- l) Discussion with internal auditors of any significant findings and follow up thereon.
- m) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure or internal control systems of a material nature and reporting the matter to board.
- n) Discussion with Statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern, if any
- o) To look into the reasons for substantial defaults, if any, in the payment to the depositors, shareholders and creditors.
- p) To review the functioning of the Whistle Blower Mechanism in case the same is existing.
- q) Carrying out any other function as assigned by the Board to the Committee.

**4. NOMINATION AND REMUNERATION COMMITTEE:**

The Nomination and Remuneration Committee has been constituted on 13th February, 2015 and comprises of 3 (three) non-executive independent directors, Mr. M. M. Bhagat (Chairman), Mr. M.L. Jain, Mr. K. D. Rungta (upto 28.02.2018).The Committee had met four times during the year i.e. on 26/05/2017, 25/07/2017, 07/12/2017 and 12/02/2018

Name of the Director	Category	Meeting held	Attended
Mr. M. M. Bhagat	Independent Director	4	4
Mr. K. D. Rungta*	Independent Director	4	4
Mr. M.L. Jain	Independent Director	4	4

\*Mr. K.D. Rungta was a member till 28.02.2018. Mr. D. K. Sarawgee was inducted as a member in place of Mr. K.D. Rungta effective 01/04/2018.

**Terms of reference of the Committee would be as under:**

1. Formulation of the criteria for determining qualifications, positive attributes and independence of a directors and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees.
2. Formulation of criteria for evaluation of Independent Directors and Board.
3. 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.
4. Reviewing the performance of the Managing Director(s)/Senior Management and recommending to the Board, the quantum of annual increments and commission.
5. Structure and design a suitable succession planning policy for the Board and Senior management team of the Company.



**Performance evaluation criteria for independent directors**

- Attends Meetings Regularly.
- Understands business regulatory complete 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 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 of Agenda items presented to the Board.
- Brings useful outside information and perspective to Board deliberations.
- Contributes meaningfully to Board discussions, makes useful suggestions, provide 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.
- Appropriately questions data and information presented to the Board for its deliberations.
- Listens effectively to others ideas and view points and encourages contributions from other Directors.
- Works effectively with fellow directors to build consensus, manages conflict constructively.
- Awareness about the developments regarding corporate governance.

**REMUNERATION POLICY**

## a. Remuneration to Non-Executive Directors

The Non-Executive Directors are paid remuneration by way of sitting fees for each meetings of the Board of Directors attended by them. They do not have any material pecuniary relationship or transaction with the Company.

<b>Name of Director</b>	<b>Category</b>	<b>Sitting Fees (₹ )</b>
<i>Mr. M. M. Bhagat</i>	<i>Non-Executive-Independent</i>	<i>61,000/-</i>
<i>Mr. K. D. Rungta</i>	<i>Non-Executive-Independent</i>	<i>58,000/-</i>
<i>Mr. M.L. Jain</i>	<i>Non-Executive-Independent</i>	<i>53,000/-</i>
<i>Mr. D. K. Sa rawgee</i>	<i>Non-Executive-Independent</i>	<i>45,000/-</i>



## b. Remuneration to Executive Directors &amp; Key Managerial Personnel's

The appointment of Executive Directors including Chairman and Managing Director shall be governed by the recommendation of Nomination and Remuneration Committee, resolution passed by the Board of Directors and shareholders of the Company. The remuneration of the Executive functional directors includes basic salary, allowances and perquisites as per the applicable rules. Also, they are entitled to provident fund and superannuation contribution as per the rules of the Company.

Name of the Director/KMP	Salary and Perquisites	Sitting Fees
Mr. Surendra Kumar Loyafka	25,46,790/-	-
Mr. Raj Kumar Loyaika	18,00,000/-	-
Mr. Govind Pandey	4,53,500/-	-

## 5. STAKEHOLDERS RELATIONSHIP COMMITTEE:

The Stakeholders' Relationship Committee shall consider and resolve the grievances of the security holders of the listed entity including complaints related to transfer of shares, non- receipt of annual report and shall approve transfer of Company's securities.

Name of the Director	Position held	No. of Meetings	
		Held during tenure	Attended
Mr. M. M. Bhagat	Chairman	0	NA
Mr. K. D. Rungta	Member	0	NA
Mr. M. L Jain	Member	0	NA

**Compliance Officer:** Mr. GovindPandey, Company Secretary

Address: 19 R. N. Mukherjee Road, Kolkata-700001

Contact No:03322487071

Email Id: zenith@giascl01.vsnl.net.in

During the year under review, your Company had not received any complaints from any of the shareholders.

## 6. 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.



## 7. GENERAL BODY MEETINGS

The last three Annual general meetings of the Company were held at Birla Academy of Art & Culture, 108, Southern Avenue, Kolkata- 700 029. The details of date, time and special resolutions passed thereat as under

<i>Year</i>	<i>Date</i>	<i>Time</i>	<i>Special Resolution</i>
2016-17	15.09.2017	10:30A.M.	No special Resolution was passed in the meeting
2015-16	27.09.2016	10:30A.M.	Re-appointment of Mr. Raj Kumar Loyalka (DIN: 00006232) as the Managing Director of the Company for a period of Five consecutive years with effect from 27 <sup>th</sup> September'2016 and fixation of his remuneration.
2014-15	30.09.2015	10:30A.M.	No special Resolution was passed in the meeting

**Note: Neither any resolution was passed through Postall Ballot for the FY 2017-18 nor is proposed is to be passed in the FY 2018-19.**

## DISCLOSURES:

The following are the disclosures as required under Regulation 34,35,53 and Schedule V of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 and voluntary guidelines issued by Ministry of Corporate Affairs.

- a) One Separate meeting of Independent Directors as required under Regulation 25(3) of SEBI (LODR) Regulations, 2015 was held on 12.02.2018. The requirement relating to separate meeting of Independent Directors was compiled during financial year 2017-18 and the same will be complied for 2018-19.
- b) The Company has adopted the Indian Accounting Standards (Ind AS) Rules'2015, and accordingly, the Audited Financial Statements for the year ended March 31, 2018 have been prepared.
- c) The Board of Directors of the Company has approved a policy on "Materiality of Related Party Transactions" and dealing with Related Party Transactions. The same has been hosted on the Company's website and can be accessed at the following link <http://www.zenithexportslimited.com/CodePolicy/PolRelTran.pdf>  
As per the policy on RPT, all transactions are approved by the Audit Committee. The Company has not entered into any 'Material' related party transaction that may have potential conflict with the interests of the Company at large during the year.
- d) The Company has complied with the mandatory requirements of the Stock Exchanges, SEBI and other statutory authorities during the last three years. No penalties or structures were imposed by SEBI, Stock Exchanges, or any statutory authorities on any matter related to capital markets during the last three years.
- e) 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.



- f) Pursuant to SEBI (Prohibition of Insider Trading) Regulations'2015, the Company has formulated the "Code of Internal Procedures and Conduct for Regulating, Monitoring and Reporting of Trading by Insiders" and the "Code of Practices and procedures for Fair Disclosure of Unpublished Price Sensitive Information" (ZEL Code), which allows the formulation of a trading plan subject to certain conditions
- g) Compliance with Corporate Governance Requirements Specified In Regulation 17 To 27 and Clause (B) To (I) Of sub-regulation (2) of regulation 46 Of The SEBI (Listing Obligations & Disclosure Requirements) Regulation'2015

Clause	Head	Status		
17	Board of Directors	Complied		
18	Audit Committee	Complied		
19	Nomination and Remuneration Committee	Complied		
20	Stakeholders Relationship Committee	Complied		
21	Risk Management Committee	N.A.		
22	Vigil Mechanism	Complied		
23	Related Party Transaction	Complied		
24	Corporate Governance requirements with respect to subsidiary of listed entity	N.A.		
25	Obligations with respect to Independent Directors	Complied		
26	Obligations with respect to Directors and Senior Management	Complied		
27	Other Corporate Governance Requirements	Complied		
46	2	b	Terms and conditions of appointment of Independent Director	Complied
		c	Composition of Various Committees of Board of Directors	Complied
		d	Code of Conduct of Board of Directors and Senior Management Personnel	Complied

Clause	Head	Status		
46	2	e	Details of Establishment of Vigil Mechanism and Whistle Blower Policy	Complied
		f	Criteria for making payments to non-executive Directors	Complied
		g	Policy with dealing with Related Party Transaction	Complied
		h	Policy for determining 'material' subsidiaries	N.A.
		i	Details of Familiarization Programmes imparted to Independent Directors	Complied

- h) The required certification from the CEO & CFO respectively was obtained and placed before the Audit Committee meeting and board Meeting held on 13.08.2018.
- i) The Auditors' Certificate is obtained and provided in the Annual Report.

**9. MEANS OF COMMUNICATION:**

**Financial Results:**The Board of Directors of the Company approve Financial Results within the limits prescribed under SEBI (LODR) and announces the results to Stock Exchanges where the shares are listed. The same are also published, within 48 hours in daily newspapers, viz. The "Business Standard" (English) and in the "Arthik Lipi" (Bengali).

The Quarterly Results, half yearly Results, Annual Results and Shareholding pattern are placed the Company's website at <http://www.zenithexportslimited.com/#investorsToSlide>

**10. GENERAL SHAREHOLDER'S INFORMATION:**

36th Annual General Meeting (to be held)	Tuesday
Day	25th September 2018
Date	11.30 A.M.
Time	Ground Floor, Auditorium of Birla Academy of Art and Culture 108, Southern Avenue, Kolkata - 700 029
Venue	
Financial Calendar (Tentative) (April 01, 2018 to March 31, 2019)	
[i] 1@* Quarterly results (June'30, 2018)	By August, 2018
[ii] 2"" Quarterly results (Sep'30,2018)	By November, 2018
[iii] 3"^ Quarterly results(Dec'31,2018)	By February, 2019
[iv] 4** Quarterly results (March'31,2019)	By May, 2019
* Book Closure Date:	Wednesday, 19th September, 2018 to Tuesday, 25th September, 2018 (Both days inclusive)
* Dividend Payment Date	None/Not Applicable
* Listing on Stock Exchange	National Stock Exchange of India Limited Bombay Stock Exchange Limited The Listing fee of 2018-19 has been paid.
* Stock Code - Physical	Bombay Stock Exchange Ltd. - 512553 National Stock Exchange of India Ltd. - ZENITHEXPO
ISIN No.	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 affected within an average period of 15 days.
* Distribution of Shareholding & Shareholding pattern	As per Appendix 'B' & 'C'
* Dematerialisation of Shares as on March 31, 2018	The Company has arrangements with National Securities Depository Ltd., (NSDL) as well as Central Depository Services (India) Ltd. (CSDL) for demat facility.  5307242 (98.35%) Equity Shares as on 31 <sup>st</sup> March, 2018 have been dematerialised with National Securities Depository Limited (NSDL)  53178 (0.99%) Equity Shares as on 31 <sup>st</sup> March, 2018 have been dematerialised with Central Depository Services (India) Limited (CSDL).
* Plant Location	(i) Zenith Textile Nanjangud, Dist. - Mysore, Karnataka - 571 302 (ii) Zenith Spinners# Dhoika, Ahmedabad, Gujarat-
* Address for correspondence	Zenith Exports Limited 19, R. N. Mukherjee Road, 1 <sup>st</sup> Floor, Kolkata - 700 001 Phone : (033) 2248 - 7071 / 6936 Fax : (033) 2243 - 9003 E-mail: zenith@giascl01.vsnl.net.in

***#Zenith Spinners, A unit of ZEL, located at Sarandi, Dhoika, Ahmedabad had been discontinued its operation since December'2015.***



## APPENDIX - 'A'

The monthly high and low quotation in the year 2017-18 of Equity shares traded on Bombay Stock Exchange Limited (BSE) and National Stock Exchange Limited (NSE) are as follows:

MONTH	BSE			NSE		
	Market Price (₹)		VOLUME (No. Shares)	Market Price (₹)		VOLUME (No. of Shares)
	HIGH	LOW		HIGH	LOW	
April' 2017	43.55	37.85	2810	51.40	46.00	24758
Ma/ 2017	59.85	45.70	661	56.50	49.75	17166
June' 2017	57.00	53.20	710	58.00	47.05	22190
July' 2017	56.75	56.75	138	55.10	50.80	3400
August' 2017	No Records	No Records	No Records	57.00	54.10	940
September' 2017	54.00	54.00	231	62.00	55.55	5409
October' 2017	56.70	54.00	57	60.70	51.50	21400
November' 2017	57.70	52.00	2523	59.70	51.10	19818
December' 2017	No Records	No Records	No Records	60.00	51.80	20736
January' 2018	57.75	46.65	4789	59.90	51.00	47558
February' 2018	58.70	44.20	59396	57.85	47.50	89296
March' 2018	56.70	38.75	41275	54.00	41.90	119203

## APPENDIX-'B'

## Distribution of Shareholding as on 31.03.2018

RANGE (NO. OF SHARES)	SHARE HOLDERS		SHARES	
	NO.	% OF TOTAL	NO.	% OF TOTAL
[1]	[2]	[3]	[4]	[5]
1-500	1187	93.24	90137	1.67
501-1000	30	2.36	23537	0.44
1001-2000	17	1.34	22774	0.42
2001-3000	6	0.47	15465	0.29
3001-4000	6	0.47	21975	0.41



4001-5000	4	0.31	16698	0.31
5001 -10000	5	0.39	37900	0.70
10001 - 50000	1	0.08	20000	0.37
50001- 100000	3	0.24	234113	4.34
100001 & above	14	1.10	4913651	91.06
<b>TOTAL</b>	<b>1273</b>	<b>100.00</b>	<b>5396250</b>	<b>100.00</b>

## APPENDIX - 'C'

## Shareholding Pattern as on 31.03.2018

Category	No. of Shares held	Percentage of Shareholding
A. Promoter's holding		
1. Promoters		
Indian Promoters	2792556	51.75
Foreign Promoters	Nil	Nil
2. Persons acting in Concert	Nil	Nil
<b>Sub - Total</b>	<b>2792556</b>	<b>51.75</b>
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
<b>Sub - Total</b>	<b>NIL</b>	<b>NIL</b>
4. Others		
a. Private Corporate Bodies/Trust	2314293	42.89
b. Indian Public	288927	5.35
c. NRIs/OCBs	83	0.00
d. Any other (Clearing Member)	91	0.00
e. Trust	300	0.01
<b>Sub - Total</b>	<b>2603694</b>	<b>48.25</b>
<b>GRAND TOTAL</b>	<b>5396250</b>	<b>100.00</b>
NOTE: TOTAL FOREIGN SHARE HOLDING		
	<b>No. of Shares</b>	<b>% of Share Holding</b>
Foreign Holding (Non-Resident)		
NRIs /OCBs	83	0.00
FII	-	-
<b>TOTAL</b>	<b>83</b>	<b>-</b>





**CHIEF EXECUTIVE OFFICER (CEO)/CHIEF FINANCIAL OFFICER (CFO) CERTIFICATION**

The following certificate was placed at the Board Meeting held on August 13, 2018.

We the undersigned, in our respective capacities as Chief Executive Officer & Chief Financial Officer of Zenith Exports Limited ("the Company") to the best of our knowledge and belief certify that:

A. We have reviewed financial statements and the cash flow statement for the year ended March 31'2018 and that to the best of our knowledge and belief, we state that:

- i. These statements do not contain any materially untrue statement or omit any material fact or contain any 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 knowledge and belief, no transactions entered into by the Company during the financial year ended March 31'2018 which is 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 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.

- i. We have indicated to the Auditors and the Audit Committee that; There has not been any significant change in internal control over financial reporting during the financial year ended March 31, 2018.
- ii. There has not been significant change in accounting policies during the financial year ended March 31, 2018, except to the extent, if any, disclosed in the notes to the financial statements; and
- iii. We have not become aware of any significant fraud or involvement therein, if
- iv. any, of the Management or any employee having a significant role in the Company's internal control system over financial reporting.

Place: Kolkata

Date: 13.08.2018

**Raj Kumar Loyalka**  
(Chief Executive Officer)  
PAN: ABBPL5795R

**Sushil Kumar Kasera**  
(Chief Financial Officer)  
PAN: AFNPK5320D



**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE AS PER PROVISIONS OF CHAPTER IV OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENT) REGULATIONS'2015**

**To  
The Members of  
ZENITH EXPORTS LIMITED**

1. We, V. Goyal & Associates, Chartered Accountants, the Statutory Auditors of **ZENITH EXPORTS LIMITED** ("the Company") have examined the compliance of conditions of Corporate Governance by the Company, for the year ended March 31, 2018, as stipulated in regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) and para C and D of schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations'2015 (the Listing Regulations).

**MANAGEMENT RESPONSIBILITY**

2. The preparation of the Corporate Governance Report is the responsibility of the Management of the Company including the preparation and maintenance of all relevant supporting records and documents. This responsibility also includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Corporate Governance Report.
3. The Management along with the Board of Directors are also responsible for ensuring that the Company complies with the conditions of Corporate Governance as stipulated in the Listing Regulations, issued by the Securities and Exchange Board of India.

**AUDITOR'S RESPONSIBILITY**

4. Pursuant to the requirements of the Listing Regulations, our responsibility is to express a reasonable assurance in the form of an opinion whether the Company has complied with the specific requirements of the Listing Regulations referred to in paragraph 1 above.
5. We conducted our examination of the Corporate Governance Report in accordance with the Guidance Note on Reports or Certificates for Special purpose and the guidance note on Certification of Corporate Governance, both issued by the Institute of Chartered Accountants of India ("ICAI"). The guidance Note on Reports or Certificates for Special purpose requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.



6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for firms that perform Audits and Reviews of Historical Financial Information, and other Assurance and Related Services Engagements.

7. The procedures selected depend on the Auditor's judgment, including the assessment of the risks associated in Compliance of the Corporate Governance Report with the applicable criteria. Summary of Key procedures performed include:

- (i) Reading and understanding of the information prepared by the Company and included in its Corporate Governance Report.
- (ii) Obtained and verified that the composition of the Board of Directors w.r.t Executive and Non-Executive Directors has been met throughout the reporting period.
- (iii) Obtained and read the Directors Register as on March 31, 2018 and verified that at least one Women Director was on the Board during the year.
- (iv) Obtained and read the minutes of the following meetings held during the period from April 1, 2017 to March 31, 2018.
  - (a) Board of Directors
  - (b) Audit Committee
  - (c) Nomination and Remuneration Committee
  - (d) Risk Management Committee
  - (e) Stakeholders Relationship Committee
- (v) Obtained necessary representations and declarations from Directors of the Company including the Independent Directors; and
- (vi) Performed necessary inquiries with the management and also obtained necessary specific representations from the Management.

The above-mentioned procedures include examining evidence supporting the particulars in the Corporate Governance Report on a test basis. Further, our scope of work under this report did not involve us performing audit test for the purpose of expressing an opinion on the fairness or accuracy of any of the financial information or the financial statements of the Company taken as a whole.

**OPINION**

8. Based on the procedures performed by us as referred in paragraph 7 above and according to the information and explanations given to us, we are of the opinion that the Company has complied with the conditions of Corporate Governance as stipulated in the Listing Regulations, as applicable as at March 31, 2018, referred to in paragraph 1 above.



**OTHER MATTERS AND RESTRICTION ON USE**

9. This Report is neither an assurance as to the future viability of the Company nor the efficiency of effectiveness with which the management has conducted the affairs of the Company.
10. This report is addressed to and provided to the Members of the Company solely for the purpose of enabling it to comply with its obligation under the Listing Regulations with reference to Corporate Governance Report accompanied with by a report thereon from the Statutory Auditors and should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care or for any other purpose or to any other party to whom it is shown or into whose hands it may come without our prior consent in writing. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

For **V GOYAL & ASSOCIATES**  
Chartered Accountants  
Firm Registration No.312136E

Place; Kolkata

Dated: 13<sup>th</sup> August'2018

**VINOD KUMAR GOYAL**  
(Partner)  
(Membership No.50670)



**CORPORATE GOVERNANCE COMPLIANCE**

The Company has duly complied with the requirements laid down in the provisions of the Listing Regulations for the purpose of ensuring Corporate Governance. A certificate to this effect obtained from M/s. V. Goyal & Associates, Chartered Accountants, the Statutory Auditors of the Company, has been attached to this Annual Report.

Place: Kolkata

Date: 13.08.2018

**Surendra Kumar Loyalka**  
(Managing Director)  
DIN: 00006232



**SECRETARIAL AUDIT REPORT**

FOR THE FINANCIAL YEAR ENDED 31.03.2018

*[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**  
**19, R. N. Mukherjee Road**  
**Kolkata - 700 001**  
**West Bengal**

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Zenith Exports Limited** having its Registered Office at 19, R. N. Mukherjee Road, Kolkata - 700001, West Bengal (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.

Based on my verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized 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 31.03.2018 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.



**Auditors' Responsibility**

Maintenance of Secretarial Records is the responsibility of the management of the Company. My responsibility is to express an opinion on existence of adequate Board process and compliance management system, commensurate to the size of the Company, based on these secretarial records as shown to me during the said audit and also based on the information furnished to me by the officers' and the agents of the Company during the said audit.

I have followed the audit practices and processes as were appropriate to the best of my understanding 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. I believe that the processes and practices, I followed, provide a reasonable basis for my opinion.

I have not verified the correctness, appropriateness and bases of financial records, books of accounts and decisions taken by the Board and by various committees of the Board during the period under scrutiny. I have checked the Board process and compliance management system to understand and to form an opinion as to whether there is an adequate system of seeking approval of respective committees of the Board, of the Board, of the members of the Company and of other authorities as per the provisions of various statutes as mentioned hereinafter.

Wherever required, I have obtained the management representation about the compliance of the laws, rules and regulations and happening of events, etc.

The Compliance of the provisions of Corporate and other applicable laws, rules, regulations and standards is the responsibility of the management. My examination was limited to the verification of compliance procedures on test basis.

My report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness or accuracy with which the management has conducted the affairs of the Company.



**I report that,** I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended 31.03.2018 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) Secretarial Standards as issued by The Institute of Company Secretaries of India;
- (iii) The Securities Contracts (Regulation) Act, 1956 and the rules made there under;
- (iv) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (v) Foreign Exchange Management Act, 1999 and the rules and regulation made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (vi) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992:
  - 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, 2015;
  - c) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - d) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**I further report that,** having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof, on test-check basis, the Company has specifically complied with the provisions of the following Acts:

- 1. The Foreign Trade (Development and Regulation) Act, 1992;
- 2. Foreign Trade Policy and
- 3. RBI Guidelines on Export of Goods & Services





to the extent of their applicability to the Company during the financial year ended 31.03.2018 and my examination and reporting is based on the documents, records and files as produced and shown to me and the information and explanations as provided to me by the Company and its management and to the best of my judgment and understanding of the applicability of the different enactments upon the Company. Further, to the best of my knowledge and understanding there are adequate systems and processes in the Company commensurate with its size and operation to monitor and ensure compliances with applicable laws including general laws, labour laws, competition law, environmental laws, etc.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. as mentioned above, **except**'.

- (a) ***There was a delay of 1 day by the Company in holding the Board Meeting to consider and approve the unaudited financial results for the Quarter ended 30.06.2017. The Company had duly paid the fine amount of Rs. 5000/- plus GST as levied by NSE and BSE, i.e., the Stock Exchanges where the shares of the Company are listed.***

During the period under review, provisions of the following regulations/guidelines/standards were not applicable to the Company:

- (i) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
- (ii) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
- (iii) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- (iv) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulation, 2009;
- (v) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009.



**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, if any, 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) Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.
- (d) 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.

*(Asit Kumar Labh)*  
**Practicing Company Secretary**  
*ACS-32891 /C.P. No. -14664*

**Place: Kolkata**  
**Dated: 13<sup>th</sup> August'2018**



**INDEPENDENT AUDITORS' REPORT**

TO THE MEMBERS OF

**ZENITH EXPORTS LTD.**

**Report on the Indian Accounting Standards (Ind AS) Financial Statements**

We have audited the accompanying Ind AS financial statements of Zenith Exports Limited ("The Company"), which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

**Management's Responsibility for the Ind AS 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 of these Ind AS financial statements to give a true and fair view of the financial position, financial performance (including other comprehensive income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified in the Companies (Indian Accounting Standards) Rules, 2015 (as amended) under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and 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 Ind AS 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 Ind AS financial statements based on our audit.

We have taken into account the provisions of the Act and the Rules made thereunder including the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit of the Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Ind AS financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Ind AS financial statements that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating

the overall presentation of the Ind AS financial statements.

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



Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS 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, of the state of affairs of the Company as at March 31, 2018, and its total comprehensive income (comprising of profit and other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Other Matter

The financial information of the Company for the year ended March 31, 2017 and the transition date opening balance sheet as at April 1, 2016 included in these Ind AS financial statements, are based on the previously issued statutory financial statements for the years ended March 31, 2017 and March 31, 2016 prepared in accordance with the Companies (Accounting Standards) Rules, 2006 (as amended) which were audited by the outgoing Auditors Tiwari & Co. on which they had expressed an unqualified opinion dated May 26, 2017 and May 30, 2016 respectively. The adjustments to those financial statements for the differences in accounting principles adopted by the Company on transition to the Ind AS have been audited by us.

Emphasis of Matter: With respect to one of the units of the Company

M/S ZENITH SPINNERS

The Auditors of that Unit have without qualifying their opinion, they drew attention to the following matters:

(1) Non-Availability of Balance Confirmation Statements:

Table with 3 columns: SI. No., NAME OF THE BANK, Closing Balance as on March 31st, 2018 as per books (₹). Rows include Indian Bank and UCO Bank.

Report on Other Legal and Regulatory Requirements

- 1. As required by the Companies (Auditor's Report) Order, 2016, issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act ("the Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure A 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 purposes of our audit.
(b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
(c) The reports on the accounts of the branch offices (units of the Company) audited under 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, the Statement of Profit and Loss (including other comprehensive income), the Cash Flow Statement and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
(e) In our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.



(f) On the basis of the written representations received from the directors, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.

(g) 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.**

(h) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our knowledge and belief and according to the information and explanations given to us:

- i. The Company has disclosed the impact, if any, of pending litigations as at March 31, 2018 on its financial position in its Ind AS 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 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 V. Goyal & Associates**  
**Chartered Accountants**  
**[Vinod Kumar Goyal]**  
**Partner**

Place: Kolkata

Dated: 29<sup>th</sup> day of May, 2018

Membership No. 050670  
Firm Regn No. 312136E



**ANNEXURE A TO INDEPENDENT AUDITORS' REPORT**

**Referred to in paragraph 1 under the heading "Report on Other Legal and Regulatory Requirements" of our report of even date to the members of Zenith Exports Limited on the Ind AS financial statements for the year ended March 31,2018.**

- i. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets.
  - (b) The fixed assets are physically verified by the Management according to a phased programme designed to cover all the items over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of the fixed assets has been physically verified by the Management during the year and no material discrepancies have been noticed on such verification.
  - (c) The title deeds of immovable properties, as disclosed in Note 2 on Property, Plant & Equipment to the financial statements, are held in die name of the Company.
- ii. The physical verification of inventory, excluding stocks with third parties, has been conducted at reasonable intervals by the Management during the year. In respect of inventory lying with third parties, these have substantially been confirmed by them and/or have been verified with reference to subsequent sale. The discrepancies noticed on physical verification of inventory as compared to book records were not material.
- iii. The Company has not granted any secured or unsecured loan, to any company/firm/other parties covered in the register maintained under Section 189 of the Act
- 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 Companies Act, 2013 in respect of the loans and investments made, and guarantees and security provided by it.
- v. The Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified.
- vi. Pursuant to the rules made by the Central Government of India, the Company is not required to maintain cost records as specified under Section 148(1) of the Act in respect of its products.
- vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing undisputed statutory dues in respect of provident fund, service tax, tax deducted at source. Goods & Service Tax (GST), and is regular in depositing undisputed statutory dues, including employees' state insurance, sales tax, income tax, duty of customs , value added tax, cess and other material statutory dues, as applicable, with the appropriate authorities.
- (b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of sales tax, duty of custom, value added tax which have not been deposited on account of any dispute. The particulars of dues of income tax, service tax, duty of excise as at March 31, 2018 which have not been deposited on account of a dispute, are as follows:



Nature of dues	Amount due (INR)	Forum where pending	Assessment Year
<b>INCOME TAX</b>	12,93,600/-	Commissioner of Income Tax (Appeal)/Kolkata	2011-12
<b>INCOME TAX</b>	6,35,740/-	Commissioner of Income Tax (Appeal)/Kolkata	2014-15
<b>INCOME TAX</b>	2,670/-	Commissioner of Income Tax (Appeal)/Kolkata	2013-14
<b>SERVICE TAX</b>	48,543/-	Commissioner of Central Excise (Appeal-I) Kolkata	2013-14

- viii. According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of loans or borrowings to any financial institution or bank. Accordingly, Paragraph 3 (viii) of the Order is not applicable.
- ix. In our opinion, and according to the information and explanations given to us, the Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments).
- x. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.
- xi. The managerial remuneration paid/ provided for by the Company is in accordance pursuant to the provisions of Section 197 read with Schedule V to the Act.
- xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the provisions of Clause 3 (xii) of the Order are not applicable to the Company.
- xiii. The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required under Indian Accounting Standard (Ind AS) 24.
- xiv. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of Clause 3(xiv) of the Order are not applicable to the Company.
- XV. The Company has not entered into any non-cash transactions with its directors or persons connected with him. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company.
- xvi. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company.

**For V. Goyal & Associates  
Chartered Accountants**

Place: Kolkata

Dated: 29<sup>th</sup> day of May, 2018

**[Vinod Kumar Goyal]**

**Partner**

Membership No. 050670

Firm Regn No. 312136E

**ANNEXURE B TO INDEPENDENT AUDITORS' REPORT**

**Referred to in paragraph 2(g) under the heading "Report on Other Legal and Regulatory Requirements" of our report of even date to the members of Zenith Exports Limited on the Ind AS financial statements for the year ended March 31, 2018.**

**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Act**

We have audited the internal financial controls over financial reporting of Zenith Exports Limited ("the Company") as of March 31, 2018 in conjunction with our audit of the Ind AS 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 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 Act.

**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 deemed to be prescribed under section 143(10) of the Act 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 ICAI. 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 was 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 auditor's 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 pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; 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 management and directors of the company; and 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 March 31, 2018, 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 V. Goyal & Associates  
Chartered Accountants**

Place: Kolkata

Dated: 29<sup>th</sup> day of May, 2018

**[Vinod Kumar Goyal]**  
**Partner**  
Membership No. 050670  
Firm Regn No. 312136E



# ZENITH EXPORTS LIMITED-ANNUAL REPORTS 2017-18

## Zenith Exports Limited Balance Sheet as at 31st March, 2018

₹

ASSETS	Note	As at	As at	As at
		31st March, 2018	31st March, 2017	1st April, 2016
<b>(1) Non-current Assets</b>				
Property, Plant and Equipment	2	1796.43	2068.96	2288.92
Biological Assets other than bearer plants	3	16.84	-	-
Financial Assets				
(i) Loans	4	-	-	-
(ii) Investments	5	1755.82	407.94	1.47
(iii) Other Financial Assets	6	48.85	493.42	48.85
Deferred Tax Assets (Net)	7	283.42	269.10	173.88
Other Non-Current Assets	8	571.70	447.80	366.09
		<b>4473.06</b>	<b>3687.22</b>	<b>2879.21</b>
<b>(2) Current Assets</b>				
Inventories	9	3362.90	3469.62	4333.58
Financial Assets				
(i) Trade Receivables	10	1686.81	2221.91	3445.02
(ii) Cash and Cash Equivalents	11	206.93	113.59	230.10
(iii) Bank Balances other than (ii) above	12	461.61	593.77	183.03
(iv) Other Financial Assets	13	76.30	45.40	31.31
Current Tax Assets (Net)	14	17.36	17.22	6.56
Other Current Assets	15	855.00	894.73	994.27
		<b>6666.91</b>	<b>7356.24</b>	<b>9223.87</b>
<b>TOTAL ASSETS:-</b>		<b>11139.97</b>	<b>11043.46</b>	<b>12103.08</b>
<b>EQUITY AND LIABILITIES</b>				
<b>EQUITY</b>				
Equity share capital	16	539.63	539.62	539.63
Other equity	17	8276.56	8448.42	8657.16
		<b>8816.19</b>	<b>8988.04</b>	<b>9196.79</b>
<b>LIABILITIES</b>				
<b>(1) Non-current Liabilities</b>				
Provisions	18 (A)	298.01	258.79	231.09
Other Non-Current Liabilities	19	47.23	49.56	47.46
		<b>345.24</b>	<b>308.35</b>	<b>278.55</b>
<b>(2) Current Liabilities</b>				
Financial Liabilities				
(i) Borrowings	20	1129.64	679.55	1262.82
(ii) Trade Payable	21	357.45	610.54	668.11
(iii) Other Financial Liabilities	22	262.88	131.09	85.51
Other Current Liabilities	23	197.48	296.01	583.48
Provisions	18 (B)	31.09	29.88	27.82
		<b>1978.54</b>	<b>1747.07</b>	<b>2627.74</b>
<b>TOTAL EQUITY AND LIABILITIES:-</b>		<b>11139.97</b>	<b>11043.46</b>	<b>12103.08</b>
<b>SIGNIFICANT ACCOUNTING POLICIES</b>	1			
<b>NOTES ON FINANCIAL STATEMENTS</b>	2-49			

As per our report of even date annexed

**FOR V. GOYAL & ASSOCIATES**

**Chartered Accountants**

**Firm Regn. No.- 312136E**

**(Vinod Kumar Goyal)**

**Partner**

**M.NO. 50670**

Place : Kolkata

Date : 29th May, 2018

**Govind Pandey**

*Company Secretary*

**Sushil kumar kasera**

*Chief Financial Officer*

**FOR AND ON BEHALF OF THE BOARD**

**Surendra Kumar Loyalka** *Managing Director*

**Madhukar Manilal Bhagat** *Director*

**Mangilal Jain** *Director*

**Devendra Kumar Sarawgee** *Director*

**Urmila Loyalka** *Director*



## ZENITH EXPORTS LIMITED-ANNUAL REPORTS 2017-18

## Zenith Exports Limited

## statement of Profit &amp; Loss Accounts for the year ended 31st March, 2018

	Note	Year ended 31st march' 2018 (₹)	Year ended 31st March' 2017 (₹)
<b>INCOME</b>			
Revenue from Operations	24	10951.99	12860.90
Other Income	25	531.56	444.35
<b>Total Revenue</b>		<b>11483.55</b>	<b>13305.25</b>
<b>EXPENSES</b>			
Cost of materials consumed	26	6851.26	8211.67
Purchases of Stock-in-Trade		223.04	146.81
Changes in inventories of finished goods & work-in-progress	27	188.78	694.80
Employee benefits expense	28	979.36	943.32
Finance costs	29	85.78	28.16
Depreciation and amortization expenses	30	141.33	141.95
Other expenses		3082.63	3385.40
<b>Total expenses</b>		<b>11552.18</b>	<b>13552.11</b>
<b>Profit/(Loss) before exceptional items and tax from Continuing Operations</b>		<b>(88.63)</b>	<b>(246.86)</b>
Exceptional Items			
<b>Profit/(Loss) before tax from Continuing Operation</b>		<b>(68.63)</b>	<b>(246.86)</b>
Tax Excesses			
Deferred Tax expenses/(credit)		9.45	(75.42)
Income Tax for earlier year			7.66
<b>Profit/(Loss) for the period from Continuing Operations [A]</b>		<b>(78.08)</b>	<b>(179.10)</b>
Profit/(Loss) before tax from Discontinuing Operations	32	(117.55)	(49.44)
Tax expenses of discontinuing operations	32	(7.66)	(20.91)
<b>Profit/(Loss) for the period from Discontinuing Operations [B]</b>		<b>(109.89)</b>	<b>(28.53)</b>
<b>(1) Profit/(Loss) for the period [A+B]</b>		<b>(187.97)</b>	<b>(207.63)</b>
<b>(II) Other Comprehensive Income</b>			
A. Items that will not be reclassified to profit or loss			
(i) Change in Fair Value of FVOCI Investment in Mutual Fund		(61.96)	4.30
(ii) Income-Tax relating to these items		16.11	(1.11)
<b>Total Other Comprehensive Income</b>		<b>(45.85)</b>	<b>3.19</b>
<b>Total Comprehensive Income for the period [I+II] (Comprising Profit/(Loss) and Other Comprehensive Income for the period)</b>		<b>(233.82)</b>	<b>(204.44)</b>
<b>Earnings per share (for continuing operation):</b>			
Basic & Diluted (s)	31	(1.45)	(3.32)
<b>Earnings per share (for discontinued operation):</b>			
Basic & Diluted (s)	31	(2.04)	(0.53)
<b>Earnings per share (for discontinued operation &amp; continuing operations):</b>			
Basic & Diluted (s)	31	(3.49)	(3.85)
<b>SIGNIFICANT ACCOUNTING POLICIES</b>	1		
<b>NOTES ON FINANCIAL STATEMENTS</b>	2-49		

As per our report of even date annexed

FOR V. GOYAL &amp; ASSOCIATES

Chartered Accountants  
Firm Regn. No.- 312136E(Vinod Kumar Goyal)  
Partner

M.NO. 50670

Place : Kolkata

Date : 29th May, 2018

Govind Pandey  
Company SecretarySushilkumar kasera  
Chief Financial Officer

FOR AND ON BEHALF OF THE BOARD

Surendra Kumar Loyalka  
Madhukar Manilal Bhagat  
Mangilal Jain  
Devendra Kumar Sarawgee  
Urmila LoyalkaManaging Director  
Director  
Director  
Director

**ZENITH EXPORTS LIMITED****CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31,2018**

	("Until") ₹	
	2017-2018	2016-2017
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit/(Loss) before tax (including discontinuing operations)	(186.18)	(296.30)
Adjustment for :		
Depreciation	170.81	173.86
Interest income	(92.94)	(69.14)
Interest Expenses	85.78	30.44
(Profit)/Loss on Sale of Fixed Assets (Net)	27.60	(26.36)
(Profit)/Loss on Sale of Investments (Net)	(25.91)	(2.63)
Provision for Doubtful Debts Written Back	-	(11.53)
Operating Profit/(Loss) before Working Capital changes	(20.84)	(201.66)
Adjustments for (Increase)/decrease in:		
Trade Receivable	535.10	1232.64
Other Receivable	377.63	(465.52)
Inventories	106.71	863.96
Trade Payable, Other Liabilities and Provisions	(181.74)	(245.64)
Cash generated from operations	816.86	1183.78
Income Tax Paid	(17.36)	(17.22)
<b>NET CASH INFLOW FROM OPERATING ACTIVITIES (A)</b>	799.50	1166.56
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets including Capital Work-in-Progress	(35.17)	(56.29)
Purchase of Biological Assets	(16.84)	-
Sales of Fixed Assets	109.31	128.75
Sales of Investments	459.76	4.20
Purchase of Investments	(1781.73)	(408.04)
Interest Received	62.04	72.76
<b>NET CASH OUTFLOW FROM INVESTING ACTIVITIES (B)</b>	(1202.63)	(258.62)

**ZENITH EXPORTS LIMITED****CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2018**

C. CASH FLOW FROM FINANCIAL ACTIVITIES	(₹ in Lakhs)	
	2017-2018	2016-2017
Borrowings/(Repayments) of Short Term Borrowings	450.09	(583.27)
Interest Paid	(85.78)	(30.44)
<b>NET CASH INFLOW/(OUTFLOW) FROM FINANCING ACTIVITIES (C)</b>	<b>364.31</b>	<b>(613.71)</b>
<b>NET INCREASE/(DECREASE) IN CASH &amp; CASH EQUIVALENTS [A+B+C]</b>	<b>(38.82)</b>	294.23
<b>CASH &amp; CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR</b>	<b>707.36</b>	413.13
<b>CASH &amp; CASH EQUIVALENTS AT THE END OF THE YEAR</b>	<b>668.54</b>	707.36
<b>NET INCREASE/(DECREASE)</b>	<b>(38.82)</b>	294.23
<b>Note</b>		
1. CASH & CASH EQUIVALENTS INCLUDES:		
Cash & Cash Equivalents	206.93	113.59
Balances with Scheduled Banks	461.61	593.77
	668.54	707.36
2. Figures in the brackets represent cash outflows.		
3. Previous year's figures have been re-arranged and re-cast wherever necessary.		
4. The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in IND AS 7 on Statement of Cash Flows.		
5. The above Cash Flow Statement should be read in conjunction with the accompanying notes. This is the Cash Flow Statement referred to in our report of even date.		

**As per our report of even date annexed****Chartered Accountants**

Firm Regn. No.- 312136E

**(Vinod Kumar Goyal)**

Partner

**FOR V. GOYAL & ASSOCIATES**

Partner

M.NO. 50670

Place ; Kolkata

Date ; 29<sup>th</sup> May,2018**Govind Pandey**

Company Secretary

**Sushilkumar kasera**

Chief Financial Officer

**Surendra Kumar Loyalka****Madhukar Manilal Bhagat****Mangilal Jain****Devendra Kumar Sarawgee****Urmila Loyalka***Managing Director**Director**Director**Director**Director*



2. PROPERTY, PLANT AND EQUIPMENT

( in Lakhs)

Pardoilars	Leasehold Prowertv	Freehold Prowertv	Building	Factory Building	WelVWater works & ..	Plant & Machiner	Electrical Installati	Computet & Accessori	Office & Other	Fumirute & Fixture	Site Develovme	Vehicles	Total
Gross Block						10469.39	183.83	131.74	116.31	159.42	13.69	205.89	13135.74
As at 1st April'2016	5.89	91.57	372.70	1360.01	25.30								
Additions						21.50						23.73	56.29
Continuing Operation								2.33	3.73	5.00			
Discontinuing Operation													
Disnosals/Adiustments						11.45						13.98	89.73
Continuing Operation						904.18		6.62	25.53	32.15		26.57	930.75
Discontinuing Operation													
As at 31st March'2017	5.89	91.57	372.70	1360.01	25.30	9575.26	183.83	127.45	94.51	132.27	13.69	189.07	12171.55
Additions						5.14				0.54			33.76
Continuing Operation								4.18	23.90	1.41			1.41
Discontinuing Operation													
Disnosals/Adiustments						71.47							71.47
Continuing Operation						1912.89				18.74			2082.81
Discontinuing Operation							124.64		20.43			6.11	
As at 31st March'2018	5.89	91.57	372.70	1360.01	25.30	7596.04	59.19	131.63	97.98	115.48	13.69	182.96	10052.44
Accumulated Denrecciation						9178.98							
As at 1st Apiil'2016	1.85		205.34	811.84	23.45		168.27	115.95	84.03	133.53		123.58	10846.82
Depreciation for the year						92.47						13.05	141.95
Continuing Operation			3.54	20.38	0.06			5.20	0.86	3.26		5.30	31.91
Discontinuing Operation	0.08			19.46		10.08	3.03						
Disnosals/Adiustments						825.00		6.36	19.01	23.76		12.90	72.11
Continuing Operation												20.98	845.98
Discontinuing Operation													
As at 31st March'2017	1.93		208.88	851.68	23.51	8436.37	171.30	114.79	71.67	114.41		108.05	10102.59
Depreciation for the vear						91.16						11.38	141.33
Continuing Operation	0.08		3.54	20.38	0.06			6.26	0.46	3.80		4.33	29.48
Discontinuing Operation				19.46		60.18	1.43						
Disuosals/Adiustments						1797.75			0.86	19.12		4.19	61.04
Continuing Operation							118.41			16.88			1956.35
Discontinuing Operation													
As at 31st March'2018	2.01		212.42	891.52	23.57	6669.60	54.32	121.05	59.20	102.75	-	119.57	8256.01
Nat Carrving Amount													
Asat1stApril'2016	4.04	91.57	167.36	548.17	1.85	1290.41	15.56	15.79	32.28	25.89	13.69	82.31	2288.92
Asat31stMaKh'2017	3.96	91.57	163.82	508.33	1.79	1138.89	12.53	12.66	22.84	17.86	13.69	81.02	2068.96
As at 31st March'2018	3.88	91.57	160.28	468.49	1.73	926.44	4.87	10.58	38.78	12.73	13.69	63.39	1796.43

Note:-

The Company has adopted IND AS for first time in this year and opted to consider as fair value (Deemed Cost) of its Property, Plant & Equipments (PPE) as on 01.04.2016 die transition date. Depreciation has been provided for the remaining useful life of the PPE.



Notes on Financial Statements for the year ended 31st March, 2018

(₹ in Lakhs)

3. BIOLOGICAL ASSETS OTHER THAN BEARER ASSETS	As at 31st March,	As at 31st March,	As at 1st April,
Biological Assets [Refer Note-1]	16.84		
	16.84	-	-

Note:-

1. Biological Assets represent Plantation Expenditure.

4. NON-CURRENT LOANS			
Unsecured. Considered Doubtful Loan			
Loan to Body Corporate	65.56	65.56	65.56
Less:- Provision for Doubtful Loan	65.56	65.56	65.56
	-	-	-

5. NON-CURRENT INVESTMENTS

Mutual Fund Investments Designated at FVOCI Unquoted	Face Value	As at 31st March, 2018		As at 31st March, 2017		As at 1st April, 2016	
		Units	Value	Units	Value	Units	Value
Reliance Regular Saving Fund-Debt Growth	10/-	188705.486	100.00	455230.702	101.98		
UTI Income Opportunity Fund-Growth Plan	10/-	-	-	694078.911	101.98		
Birla Sunlife Corporate Bond-Growth	10/-	1016324.63	125.00	651191.761	76.99		
Birla Sunlife Medium. Term Plan Growth-Regular Plan	10/-	868345.767	185.00	122921.361	25.00		
ICICI Prudential Corporate Bond Fund-Growth	10/-	40692.602	50.00	405745.311	101.99		
Birla Sun Life Balanced Advantage Fund-Growth	10/-	373170.545	185.00				
Reliance Diversified Power Sector Fund-Growth	10/-	82269.602	105.44				
L&T Infrastructure Fund-Growth	10/-	1458684.29	275.00				
SBI Magnum Multicap Fund-RP-Growth	10/-	212269.288	100.00				
Kotak Select Focus Fund-Growth	10/-	612544.358	199.99				
Aditya Birla Sun Life Top 100 Fund-Growth	10/-	219904.195	125.00				
SBI Blue Chip Fund-Growth	10/-	193191.783	75.00				
Aditya Birla Sun Life Advantage Fund-Growth-RP	10/-	16919.087	75.00				
Reliance Top 200 Fund-Growth	10/-	149290.787	50.00				
Aditya Birla Sun Life Infrastructure Fund-Growth	10/-	265721.656	10539				
Reliance Mutual Fund Equity Growth Fund	10/-	-	-			4775.937	1.00
Kotak Low Duration Fund Standard Growth-RP	10/-	-	-			30.237	0.47
Total Non-Current Investments			1755.82		407.94		1.47
Aggregate amount of Unquoted Non-Current Investments			1755.82		407.94		1.47

6. OTHER NON-CURRENT FINANCIAL ASSETS	As at 31st March,	As at 31st March,	As at 1st April,
Unsecured Considered Good			
Bank Fixed Deposit with original maturity for more than 12 months (Pledge of Fixed Deposit ag. overdraft facility)	48.85	493.42	48.85
	48.85	493.42	48.85
7. DEFERRED TAX ASSETS			
Difference between Book & Tax Depreciation	58.14	61.88	
Disallowance under Section 43B	102.61	111.57	65.04
Unabsorbed Depredation	70.89	53.78	108.84
Unabsorbed Business Loss	36.79	42.98	
Financial Assets at FVOCI	14.99	(1-11)	
	283.42	269.10	173.88

Notes

- (a) The Deferred Tax Assets arising from tuning differences are recognised to the extent there is reasonable certainty that these assets can be realised in future.
- (b) The deferred tax for tuning 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.

8. OTHER NON-CURRENT ASSETS			
Deposit with Govt. Authorities	25.04	25.00	23.91
Deposit with odiers	15.29	15.71	15.28
Prepaid Expenses	0.17	0.45	1.65
Capital Advance	-	-	13.46
Odiars	531.20	406.64	311.79
	571.70	447.80	366.09



**Notes on Financial Statements for the year ended 31st March, 2018**

(₹ in Lakhs)

	As at 31st March,	As at 31st March,	As at 1st April,
3. BIOLOGICAL ASSETS OTHER THAN BEARER ASSETS			
Biological Assets [Refer Note-1]	16.84		
	16.84	-	-

**Note:-**

1. Biological Assets represent Plantation Expenditure.

4. NON-CURRENT LOANS			
Unsecured. Considered Doubtful Loan			
Loan to Body Corporate	65.56	65.56	65.56
Less:- Provision for Doubtful Loan	65.56	65.56	65.56
	-	-	-

**5. NON-CURRENT INVESTMENTS**

Mutual Fund Investments Designated at FVOCI Unquoted	Face Value	As at 31st March, 2018		As at 31st March, 2017		As at 1st April, 2016	
		Units	Value	Units	Value	Units	Value
Reliance Regular Saving Fund-Debt Growth	10/-	188705.486	100.00	455230.702	101.98		
UTI Income Opportunity Fund-Growth Plan	10/-	-	-	694078.911	101.98		
Birla Sunlife Corporate Bond-Growth	10/-	1016324.63	125.00	651191.761	76.99		
Birla Sunlife Medium. Term Plan Growth-Regular Plan	10/-	868345.767	185.00	122921.361	25.00		
ICICI Prudential Corporate Bond Fund-Growth	10/-	40692.602	50.00	405745.311	101.99		
Birla Sun Life Balanced Advantage Fund-Growth	10/-	373170.545	185.00				
Reliance Diversified Power Sector Fund-Growth	10/-	82269.602	105.44				
L&T Infrastructure Fund-Growth	10/-	1458684.29	275.00				
SBI Magnum Multicap Fund-RP-Growth	10/-	212269.288	100.00				
Kotak Select Focus Fund-Growth	10/-	612544.358	199.99				
Aditya Birla Sun Life Top 100 Fund-Growth	10/-	219904.195	125.00				
SBI Blue Chip Fund-Growth	10/-	193191.783	75.00				
Aditya Birla Sun Life Advantage Fund-Growth-RP	10/-	16919.087	75.00				
Reliance Top 200 Fund-Growth	10/-	149290.787	50.00				
Aditya Birla Sun Life Infrastructure Fund-Growth	10/-	265721.656	10539				
Reliance Mutual Fund Equity Growth Fund	10/-	-	-			4775.937	1.00
Kotak Low Duration Fund Standard Growth-RP	10/-	-	-			30.237	0.47
<b>Total Non-Current Investments</b>			1755.82		407.94		1.47
<b>Aggregate amount of Unquoted Non-Current Investments</b>			1755.82		407.94		1.47
6. OTHER NON-CURRENT FINANCIAL ASSETS				As at 31st March,	As at 31st March,	As at 1st April,	
Unsecured Considered Good							
Bank Fixed Deposit with original maturity for more than 12 months (Pledge of Fixed Deposit ag. overdraft facility)				48.85	493.42	48.85	
				48.85	493.42	48.85	
7. DEFERRED TAX ASSETS							
Difference between Book & Tax Depreciation				58.14	61.88	65.04	
Disallowance under Section 43B				102.61	111.57	108.84	
Unabsorbed Depredation				70.89	53.78		
Unabsorbed Loss				36.79	42.98		
Financial Assets at FVOCI				14.99	(1-11)		
				283.42	269.10	173.88	

**Notes**

- (a) The Deferred Tax Assets arising from tuning differences are recognised to the extent there is reasonable certainty that these assets can be realised in future.
- (b) The deferred tax for tuning 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.

8. OTHER NON-CURRENT ASSETS			
Deposit with Govt. Authorities	25.04	25.00	23.91
Deposit with odiers	15.29	15.71	15.28
Prepaid Expenses	0.17	0.45	1.65
Capital Advance	-	-	13.46
Odiers	531.20	406.64	311.79
	571.70	447.80	366.09





**Notes on Financial Statements for the year ended 31st March, 2018**

(₹ in Lakhs)

	As at 31st March,	As at 31st March,	As at 1st April,
<b>9. INVENTORIES</b>			
(At cost or net relisable value whichever is lower)			
Raw materials	1249.51	1162.56	1311.48
Dyes & Chemicals	12.22	11.61	12.60
Semi-Finished Goods	334.24	321.18	730.45
Finished Goods (including in transit ₹ 25.13 Lacs in March'18 and ₹ 21.95 Lacs in March'17)	1621.63	1823.47	2109.00
Packing Materials	70.73	64.18	60.05
Stores & Spares	74.57	86.62	110.00
	<b>3362.90</b>	<b>3469.62</b>	<b>4333.58</b>
<b>10. TRADE RECEIVABLE</b>			
Secured, Considered Good	508.71	1059.47	1580.60
Unsecured, Considered Good	1178.10	1162.44	1864.42
	<b>1686.81</b>	<b>2221.91</b>	<b>3445.02</b>
<b>11. CASH &amp; CASH EQUIVALENT</b>			
Balances with Banks			
In Current Accounts	63.68	20.97	82.64
In E.E.F.C Accounts - Canara Bank (\$)	0.09	0.09	0.10
Fixed Deposit with maturity of less than three months (Pledge of Fixed Deposit ag. Overdraft facility)	136.48	88.09	144.00
Cash-in-hand	6.68	4.44	3.36
	<b>206.93</b>	<b>113.59</b>	<b>230.10</b>
<b>12. OTHER BANK BALANCES</b>			
Deposits with original maturity for more than 3 months but less than 12 months (Pledge of Fixed Deposit ag. Overdraft facility)	461.61	593.77	183.03
	<b>461.61</b>	<b>593.77</b>	<b>183.03</b>
<b>13. OTHER CURRENT FINANCIAL ASSETS</b>			
Interest Receivable from Banks on Deposit	76.30	45.40	31.31
	<b>76.30</b>	<b>45.40</b>	<b>31.31</b>
<b>14. CURRENT TAX ASSETS (NET)</b>			
Advance Income Tax (Net of Provision)	17.36	17.22	6.56
	<b>17.36</b>	<b>17.22</b>	<b>6.56</b>
<b>15. OTHER CURRENT ASSETS</b>			
Export Benefit Receivable	34.23	152.60	135.80
stamp Stock	-	-	-
Advance to Suppliers	321.94	181.42	108.08
Balance with Govt. Authorities	2.08	0.04	1.39
Prepaid Expenses	19.92	32.38	26.21
Vat Credit Receivable	29.06	373.86	524.47
GST Input Receivable	293.16	-	-
Cenvat Service Tax Input Receivable	10.66	8.76	3.31
Service Tax Receivable	-	0.12	10.45
Cenvat Duty Rebate Receivable	-	-	4.12
Deposit with others	90.00	90.00	90.00
Income -Tax Refundable	17.22	0.47	26.40
Interest Receivable	-	2.20	19.57
Insurance Claim Receivable	-	-	0.11
Capital Advance	-	15.54	19.84
Other Advance	36.73	37.34	24.52
	<b>855.00</b>	<b>894.73</b>	<b>994.27</b>



**ZENITH EXPORTS LIMITED**

**Notes on Financial Statements for the year ended 31st March, 2018**

(₹ in Lakhs).

16. EQUITY SHARE CAPITAL	As at	As at	As at
	31st March,	31st March,	1st April,
<b>SHARE CAPITAL</b>			
<b>AUTHORISED</b>			
1,00,00,000 (1,00,00,000) Equity Shares of ₹ 100	1000.00	1000.00	1000.00
<b>ISSUED-SUBSCRIBED &amp; PAID UP CAPITAL</b>			
53,96,250 (53,96,250) Equity Shares of ₹ 100	539.63	539.63	539.63

**(a) Reconciliation of number of Share Outstanding:**

	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Opening Balance	5396250	5396250	5396250
Share Issued during the year	-	-	-
Shares Outstanding at the end of the year	5396250	5396250	5396250

**(b) Equity shareholder holding more than 5% of equity share capital of the company:**

**Name of the Shareholder**

	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
--	------------------------	------------------------	-----------------------

	% of	No. of	% of	No. of Shares	% of	No. of
Urmila Lovalka	11.66	629150	11.66	629150	11.66	629150
Bhutnath Vaniya Vyapaar Pvt.Ltd.	10.80	582586	10.80	582586	10.80	582586
Surendra Kumar Loyalka (HUF)	10.40	561420	10.40	561420	10.40	561420
R.K.Finance Ltd.	-	-	9.23	498205	9.63	519445
Surendra Kumar Loyalka	8.92	481496	8.92	481496	8.92	481496
Purotech Sales Pvt.Ltd.	6.60	356000	6.60	356000	6.60	356000
Zenith Credit Ltd.	-	-	-	-	6.16	332482
Guinness Securities Limited	9.74	525792	5.83	314837	-	-
Omkara Vincom Private Limited	6.11	329890	-	-	-	-
A.C.Roy & Co.Pvt.Ltd.	5.64	304490	5.64	304490	5.64	304490

**(c) Rights Preferences and Restrictions attached to shares**

The Company has only one class of equity shares having a par value of Rs.10/- per share. Each shareholder 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 assets of the company after distribution of all preferential amounts in proportion to their shareholding.

**17. OTHER EQUITY**

( in Lakhs)

Particulars	Capital Reserve	Security Premium	General Reserve	Cash Subsidy	FVOCI Investments	Retain Earnings	Total
Balance as at 1st April' 2016	224.13	277.37	4612.77	25.00	-	3517.89	8657.16
Profit/(Loss) for the year						(204.44)	(204.44)
Addition/(Deletion) for the year					(4.30)	(4.30)	(4.30)
Balance as at 31st March' 2017	224.13	277.37	4612.77	25.00	(4.30)	3313.45	8448.42
Profit/(Loss) for the year						(233.82)	(233.82)
Addition/(Deletion) for the year					61.96		61.96
Balance as at 31st March' 2018	224.13	277.37	4612.77	25.00	57.66	3079.63	8276.56

  

18. PROVISIONS	As at 31st March,	As at 31st March,	As at 1st April, 2016
<b>(A) Long-Term Provisions</b>			
Provision for Employees Benefits	298.01	258.79	231.09
<b>Total (A)</b>	298.01	258.79	231.09
<b>(B) Short-Term Provisions</b>			
Provision for Employees Benefits	31.09	29.88	27.82
<b>Total (B)</b>	31.09	29.88	27.82



<b>19. OTHER NON-CURRENT LIABILITIES</b>			
Security Deposits	-	938	15.42
Advance from Customers	5.97	6.19	6.14
Others	41.26	33.99	25.90
	<b>47.23</b>	49.56	47.46

**ZENITH EXPORTS LIMITED**

**Notes on Financial Statements for the year ended 31st March, 2018**

(₹ in Lakhs)

<b>20. CURRENT BORROWINGS</b>			
	As at		As at
Secured	31st	March,	31st
			March,
			As at
			1st April, 2016
<b>Loan repayable on demand from banks</b>			
<b>(a) Packing Credit</b>			
Canara Bank [Refer Note below]	1129.64	679.55	1068.67
<b>(b) Advance ag.Export Documents</b>			
Canara Bank	-	-	194.15
	<b>1129.64</b>	679.55	1262.82

**Note:-**

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 Property, Plant & Equipment of the Company.

<b>21. TRADE PAYABLE</b>			
Other Trade Payable	357.45	610.54	668.11
	<b>357.45</b>	610.54	668.11

**Note:-**

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- c Nil)

<b>22. OTHER CURRENT FINANCIAL LIABILITIES</b>			
Book Overdraft with Banks [Refer Note below]	207.55	89.24	39.88
Salary & Wages Payable	55.33	41.85	45.05
Interest Accrued but not due on Borrowings	-	-	0.58
	<b>262.88</b>	131.09	85.51

**Note:-**

Bank overdraft includes Rs.19.09 Lakhs (Previous year Rs 27.65 Lakhs) overdraft with bank against Pledge of Fixed Deposit

<b>23. OTHER CURRENT LIABILITIES</b>			
Advance from Customers	90.31	188.59	282.28
Government Statutory Dues	17.57	19.29	20.41
Others	89.60	88.13	280.79
	<b>197.48</b>	296.01	583.48



**Notes on Financial Statements for the year ended 31st March, 2018**

(₹ in Lakhs)

	Year ended 31st March' 2018	Year ended 31st March'2017
<b>24. REVENUE FROM OPERATIONS</b>		
<b>(A) SALES OF PRODUCTS</b>		
Export	9784.97	11558.90
Indigenous	336.13	98.19
<b>Total (A):-</b>	<b>10121.10</b>	<b>11657.09</b>
<b>(B) SALE OF SERVICES</b>		
Job Charges-Export	7.36	0.58
Job Charges-Indigenous	15.98	12.87
<b>Total (B):-</b>	<b>23.34</b>	<b>13.45</b>
<b>(C) OTHER OPERATING REVENUE</b>		
Export Incentives	807.55	1190.36
<b>Total (C):-</b>	<b>807.55</b>	<b>1190.36</b>
<b>TOTAL(A+B+C)</b>	<b>10951.99</b>	<b>12860.90</b>
<b>25. OTHER INCOME</b>		
Interest Income	72.30	58.88
Exchange Fluctuation (net)	406.66	302.37
Excess Provision W/Back	7.59	21.25
Provision for Doubtful Debts W/Back	-	11.53
Adjustment Relating to Prior Year (net)	-	0.72
Miscellaneous Receipts	0.14	1.25
Sundry Balance W/Back	7.10	-
Insurance Claim	-	42.88
Profit on Sale of Fixed Assets	11.86	5.39
Gain on Sale of Investments	25.91	0.08
<b>Total</b>	<b>531.56</b>	<b>444.35</b>
<b>26. COST OF MATERIAL CONSUMED</b>		
<b>(A) RAW MATERIAL CONSUMED</b>		
Opening Stock	1162.56	1311.48
Add: Purchases	6882.26	8005.52
Processing Charges	-	0.97
Less: Closing Stock	(1249.51)	(1162.56)
<b>Total:- (A)</b>	<b>6795.31</b>	<b>8155.41</b>
<b>(B) DYES &amp; CHEMICALS CONSUMED</b>		
Opening Stock	11.60	12.59
Add: Purchases	56.57	55.28
Less: Closing Stock	(12.22)	(11.61)
<b>Total:- (B)</b>	<b>55.95</b>	<b>56.26</b>
<b>TOTAL:- (A+B)</b>	<b>6851.26</b>	<b>8211.67</b>
<b>27. CHANGES IN INVENTORIES OF FINISHED GOODS &amp; WORK-IN-PROGRESS</b>		
<b>(A) Inventories (at commencement)</b>		
Finished Goods	1823.47	2109.00
Work-in-Progress	321.18	730.45
<b>Total:-</b>	<b>2144.65</b>	<b>2839.45</b>
<b>(B) Inventories (at close)</b>		
Finished Goods	1621.63	1823.47
Work-in-Progress	334.24	321.18
<b>Total:-</b>	<b>1955.87</b>	<b>2144.65</b>
<b>Net (Increase)/Decrease in Stock (A-B+C)</b>	<b>188.78</b>	<b>694.80</b>
<b>28. EMPLOYEE BENEFITS EXPENSE</b>		
Salaries and Wages	865.41	826.49
Contribution to Provident & Other Funds	80.17	77.87
Staff welfare Expenses	33.78	38.96
<b>Total:-</b>	<b>979.36</b>	<b>943.32</b>



**Notes on Financial Statements for the year ended 31st March, 2018**

(₹ in Lakhs)

	Year ended 31st March	Year ended 31st March
29. FINANCE COSTS		
(A) Interest to Bank		
On Working Capital	64.24	25.68
On Bill Discotinting	21.09	2.45
<b>Total:- (A)</b>	<b>85.33</b>	<b>28.13</b>
(B) Interest to Others	0.45	0.03
<b>Total:- (A+B)</b>	<b>85.78</b>	<b>28.16</b>
30. OTHER EXPENSES		
(A) Manufacturine Exnenses		
Carriage	26.63	13.37
Designing & Sampling Charges	43.70	32.98
Material Processed	1387.67	1558.62
Power,Fuel & Water	134.10	173.53
Repairs and Maintenance	0.86	2.42
Factory Buildings	7.81	5.99
Machinery	89.42	86.80
Stores & Spares Consumed	15.58	21.42
Testing Charges	21.85	24.20
<b>Other Manufacturing Expenses</b>	<b>1727.62</b>	<b>1919.33</b>
(B) Selline de Distribution Exnenses	1.48	1.50
Advertisement	430.00	515.85
Commission and Discount	5.18	4.22
Export Promotion	42.15	65.47
Foreign Travel	180.94	207.17
Freight Forwarding & Insurance Expenses		
Packing Charges	77.77	99.29
Packing Material Consumed	0.35	0.39
Packing Expenses	38.58	7.24
Participation in Trade Fair	133.19	140.56
<b>Quality Control &amp; Inspection</b>	<b>909.64</b>	<b>1041.69</b>
(C) Administrative Exnenses	1.91	2.53
Adjustment Relating to Prior Year (net)	2.52	49.98
Auditors Remuneration	50.65	2.52
Bank Charges	7.77	17.46
ECGC Premium & Certificates		1.35
Bad Debts	2.17	0.86
Directors Sitting Fees	1.06	21.08
Donation	22.16	7.68
Electricity	8.02	39.22
Insurance	42.48	15.14
Legal & Professional Charges		
Loss on Fire	0.97	86.56
Loss on Sale of Fixed Assets	77.11	22.27
Miscellaneous Expenses	23.96	57.78
Motor Car Upkeep	59.62	14.63
Printing & Stationary	19.16	15.59
Postage,Courier & Telephone	12.20	10.95
Rates,Taxes & Fees	56.89	10.51
GST Reversal	15.26	25.16
Rent		23.11
Repairs & Maintenance	5.40	
Building	17.90	
Others	18.16	
<b>Total:-(A+B+C)</b>	<b>445.37</b>	<b>424.38</b>
<b>Total:-(A+B+C)</b>	<b>3082.63</b>	<b>3385.40</b>

**31, Earning Per Share (EPS)**

	2017-2018		2016-2017	
	Continuing Operation	Discontinuing Operation	Continuing Operation	Discontinuing Operation
(a) Total Number of Equity Share Outstanding at the end of the year	5396250	5396250	5396250	5396250
(b) Net Profit/(Loss) after tax (e in lacs)	(78.08)	(109.89)	(179.10)	(28.53)
(c) Nominal value per Equity Shares (R)	10	10		
(d) Basic/Diluted Earnings per Shares (R)	(1.45)	(2.04)	(3.32)	(0.53)

**Notes on Financial Statements for the year ended 31st March, 2018****32. Discontinuing Operations:-**

Due to unfavorable market conditions and steep competition from the modern units, one of the Company's unit Zenith Spinners at Dholka, Ahmedabad manufacture of yarns is no more viable to operate. Hence the management had decided to suspend operation since December'2015. The said undertaking is disclosed as " Discontinued Operations" as a separate business segment as per IN D AS-108 "Segment Reporting".

The revenue and expenses in respect of the ordinary activities attributable to the discontinuing operations:  
(₹in Lakhs)

	Year ended 31st March'2018	Year ended 31st March'2017
<b>INCOME</b>		
Revenue from Operations	-	-
Other Income	21.40	36.59
<b>Total Revenue</b>	21.40	36.59
<b>EXPENSES</b>		
Cost of materials consumed	-	-
Purchases	-	-
Changes in inventories of finished goods & work-in-progress	-	-
Employee benefits expense	9.14	6.28
Other expenses	100.33	45.56
<b>Total expenses</b>	109.47	51.84
Profit/(Loss) before interest, tax, and depreciation and amortisation (EBITDA)	(88.07)	(15.25)
Depreciation and amortization expenses (Refer Note No.2)	29.48	31.91
Finance costs	-	2.28
Profit/(Loss) before tax from discontinuing operations	(117.55)	(49.44)
Tax Expenses		
Current tax	-	-
Deferred Tax expenses/(Credit)	(7.66)	(20.91)
Profit/(Loss) for the year from discontinuing operations after tax	(109.89)	(28.53)

**ADDITIONALNOTESTOFINANCIALSTATEMENTS****33. First-time adoption of Ind AS****Transition to Ind AS**

These are the Company's first financial statements prepared in accordance with Ind AS.

The accounting policies set out in Note 1 have been applied in preparing the financial statements for the year ended 31st March 2018, the comparative information presented in these financial statements for the year ended 31st March 2017 and in the preparation of an opening Ind AS balance sheet at 1st April 2016 (the Company's date of transition). In preparing its opening Ind AS balance sheet, the Company has adjusted the amounts reported previously in financial statements prepared in accordance with the accounting standards notified under Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act (previous GAAP or Indian GAAP). An explanation of how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows is set out in the following tables and notes.

**34. Exemptions and Exceptions availed**

Set out below are the applicable Ind AS 101 optional exemptions and mandatory exceptions applied in the transition from previous GAAP to Ind AS.

**34.1 Ind AS optional exemptions****34.1.1 Prospective application of Ind AS 21 to business combinations**

The Company has elected to apply this exemption.

**34.1.2 Deemed cost**

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition after making necessary adjustments for de-commissioning liabilities. This exemption can also be used for intangible assets covered by Ind AS 38 *Intangible Asset*.

Accordingly, the Company has elected to measure all of its property, plant and equipment and intangible assets at their previous GAAP carrying value. The Company does not have any de-commissioning liabilities as on the date of transition and accordingly no adjustment have been made for the same.

**34.1.3 Designation of previously recognised financial instruments**

Ind AS 101 allows an entity to designate investments in Equity Instruments/Mutual Funds at FVOCI on the basis of the facts and circumstances at the date of transition to Ind AS.

The Company has elected to apply this exemption for its investment in mutual funds.



### 34.2 Ind AS Mandatory Exemptions

#### Estimates

An entity's estimates in accordance with Ind AS at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error.

Ind AS estimates as at 1st April 2016 are consistent with the estimates as at the same date made in conformity with previous GAAP. The Company has made estimates for following items in accordance with Ind AS at the date of transition as these were not required under previous GAAP:

- i Investment in Mutual Fund carried at FVOCI;
- ii Biological asset measured at expenses incurred for plantation.

#### 34.2.1 Classification and measurement of financial assets

Ind AS 101 requires an entity to assess classification and measurement of financial assets (investment in debt instruments) on the basis of the facts and circumstances that exist at the date of transition to Ind AS. The Company has no such debt instruments.

#### 35A. Reconciliation of Equity Share Capital as at 31st March, 2018

Particulars	No-of Shares
As at 1 <sup>st</sup> April, 2015	53,96,250
Changes in Equity Share Capital	-
As at 31 <sup>st</sup> March, 2017	53,96,250

#### 35B. Reconciliation of Other Equity as at 31st March, 2017

Particulars	Capital Reserve	Security Premium Reserve	General Reserve	Cash Subsidy	FVOCI Investments	Retain Earnings	Total
Balance as at 1st April' 2016	224.13	277.37	4612.77	25.00		3517.89	8657.16
profit/(Loss) for the year						(204.44)	(204.44)
Addition/(Deletion) for the year					(4.30)		(4.30)
Balance as at 31st March'2017	224.13	277.37	4612.77	25.00	(4.30)	3313.45	8448.42



**36. Other Notes to First time Adoption of Ind-AS****36.1 Depreciation on Biological Assets**

Under the previous GAAP, there were no Biological Assets. Under Ind AS, since biological assets come within the ambit of Ind AS 16 "Property, Plant and Equipment" depreciation and loss on disposal is being provided on Biological plants. There was no biological asset as on 1<sup>st</sup> April, 2016 or 31<sup>st</sup> March, 2017 but as on 31<sup>st</sup> March 2018, there is a biological asset of Rs. 16.84 lakhs. Since the same is under cultivation, no depreciation has been

**36.2 Fair valuation of Investments**

Under the previous GAAP, investments in Mutual Fund were classified as long-term investments based on the intended holding period and realisability. Long-term investments were carried at cost less provision for other than temporary decline in the value of such investments. Under Ind AS, these investments are required to be measured at fair value.

Fair value changes with respect to investments in Mutual Fund designated as at FVOCI have been recognized in FVOCI - Mutual Fund (net of tax) as at the date of transition and subsequently in the other comprehensive income for the year ended 31<sup>st</sup> March 2018.

**36.3 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 N RV, whichever is lower
- f) Waste : at estimated realizable value

**36.4 Borrowings**

Ind AS 109 requires transaction costs incurred towards origination of borrowings to be deducted from the carrying amount of borrowings on initial recognition. These costs are recognised in the profit or loss over the tenure of the borrowing as part of the interest expense by applying the effective interest rate method. Under the previous GAAP, these transaction cost were charged to Profit/Loss as and when incurred. There is no effect of it.

**36.5 Deferred Tax**

Under previous GAAP, the deferred tax asset/ liability was recognized on revalued amount of Property, Plant and Equipment since this was considered as permanent difference. Under Ind AS, deferred tax liability has been recognized on such revalued amount, with tax base being ₹ NIL.

**36.6 Remeasurements of post-employment benefit obligations**

Under Ind AS, remeasurements i.e. actuarial gains and losses and the return on plan assets, excluding amounts included in the net interest expense on the net defined benefit liability are recognised in other comprehensive income instead of profit or loss. Under the previous GAAP, these remeasurements were forming part of the profit or loss for the year. As result of this change, there is no change in Profit & Loss for the year.

**36.7 Retained Earnings**

Retained earnings as at 1st April, 2016 has been adjusted consequent to the above Ind AS transition adjustments.

**36.8 Other Comprehensive Income**

Under Ind AS, all items of income and expense recognised in a period should be included in profit or loss for the period, unless a standard requires or permits otherwise. Items of income and expense that are not recognised in profit or loss but are shown in the statement of profit and loss as 'other comprehensive income' includes remeasurements of defined benefit plans and fair value gains or (losses) on FVOCI Mutual Funds. The concept of other comprehensive income did not exist under previous GAAP.

**NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018****37. Derivative instruments and unhedged foreign currency exposure****(a) Forward Exchange Contracts :**

Currency	2017-2018		2016-2017	
	No. Of Contracts	Amount in Foreign Currency	No. Of Contracts	Amount in Foreign Currency
EURO	39	1956019	16	875000
USD	51	4950000	35	3194565

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

Category	Currency	2017-2018	2016-2017
		Amount in Foreign Currency	Amount in Foreign Currency
Exports	EURO	546108	909214
Exports	USD	1761538	2221206
Exports	GBP	25337	121480
Others	EURO	58920	66735
Others	USD	124674	112367
Others	GBP	9872	22100

**38. Expenditure in Foreign Currencies**

	2017-2018	2016-2017
Foreign Travel & Participation in Exhibitions and Trade Fair	64.76	48.67
Commission	371.29	483.13
Design Purchase	21.73	28.91
Others	0.48	1.71
	458.26	562.42

**39. Earnings in Foreign Currencies**

	2017-2018	2016-2017
Exports of Goods on F.O.B. Basis	9667.64	11434.64
	9667.64	11434.64

**40. Value of Imports on CIF Basis**

	2017-2018	2016-2017
Raw Materials	527.65	366.97
Stores.Spares & Components	2.21	12.73

**41. Commitment and Contingent Liabilities**

(i) Commitments/Contingent Liabilities	As at	As at
a. Foreign Bills discounted through banks	31st March,2018	31st March,2017
(ii) Claims against the company not acknowledged as debts in respect of	637.56	
a. Income-Tax demand under CIT(Appeal) Kolkata	19.32	328.22
b. Service Tax Appellate Tribunal-Kolkata	0.49	0.49



**42. Employee Benefits**

**Defined Contribution Plans**

**Contribution to Recognised Provident Fund & Pension Fund**

	<u>2016-2017</u>	<u>2017-2018</u>
	₹ in Lacs	₹ in Lacs
	52.07	53.76

**Defined Benefits Plans**

**Gratuity Benefits are as follows**

Description	2017-2018		2016-2017	
	GRATUITY		GRATUITY	
	Funded	Unfunded	Funded	Unfunded
	in Lacs	in Lacs	in Lacs	in Lacs
<b>Reconciliation of opening and closing balances of obligation</b>				
a.Present value of the beginning of the year	33.92	216.42	51.68	190.37
b.Current service cost	1.20	14.25	2.04	15.22
c.Interest cost	2.71	14.20	4.14	15.09
d.Actuarial (gain)/loss	11.15	14.19	(0.86)	(0.63)
e.Benefits paid	(0.89)	(18.22)	(23.08)	(3.63)
f.Present value of the end of the year	48.09	240.84	33.92	216.42
<b>Change in fair value of plan assets</b>				
a.Fair value of plan assets as at the beginning of the year	33.77		52.22	
b.Expected return on plan assets	2.76		3.16	
c.Actuarial gain/(loss)	-		-	
d.Contributions/refunds made by/to the company	1.34		1.27	
e.Benefits paid	(0.89)		(23.08)	
f.Fair value of plan assets as at the end of the year	36.78		33.57	
<b>Reconciliation of fair value of plan assets and obligations</b>				
a.Fair value of plan assets as at year end	36.78		33.57	
b.Present value of obligation as at the year end	(48.08)	(240.84)	(33.92)	(216.42)
c. Amount recognised in the balance sheet	(11.30)	(240.84)	(0.35)	(216.42)
<b>Expenses recognised during the year</b>				
a.Current service cost	1.20	14.25	2.04	15.22
b.Interest cost	2.71	14.20	4.14	15.08
c.Expected return on plan assets	(0.76)	-	(3.16)	-
d.Actuarial (gains)/loss	11.15	14.19	(0.86)	(0.63)
e.Expenses recognised during the year	12.30	42.64	2.16	29.67
<b>Investment details</b>				
a.Others (fund with life Insurance Corporation of India)	36.78	-	33.57	-
<b>Assumptions</b>				
a.Discount rate (per annum)	8.00%	7.60%	8.00%	8.00%
b.Estimated rate of return on plan assets (per annum)	9.00%	-	9.00%	-
c.Rate of escalation in salary	3.00%	8.00%	3.50%	6.00%

**Note:-**

- (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 above Funded disclosures are based on Computer Generated Certificate issued by Life Insurance Corporation of India.



43. Segment Reporting

(i) Business Segments

	inLacB						
	Silk & Made-ups	Fabrics Industrial Leather H/Gloves	Weavings Silk Fabrics (100% EOU)	Unallocable	Total (Continuing Operations)	Discontinuing Operations	Total (Including Discontinuing Operations)
	2017-2018	2017-2018	2017-2018	2017-2018	2017-2018	2017-2018	2017-2018
(a) Revenue External	1041.91	9018.75	1350.59		11411.25		11411.25
(Previous Year)	774.12	10673.49	1798.76	-	13246.37	36.15	13282.52
(b) Results	355.65	237.59	(515.39)		77.85	(138.19)	(60.34)
(Previous Year)	21.66	141.45	(315.64)		(152.53)	(56.97)	(209.50)
Unallocated Expenses net of unallocated income				(133.00)	(133.00)	-	(133.00)
(Previous Year)				(125.05)	(125.05)	-	(125.05)
Interest Expenses					(85.78)	-	(85.78)
(Previous Year)					(28.16)	(2.28)	(30.44)
Interest Income					72.30	20.64	92.94
(Previous Year)					58.88	9.81	68.69
Profit/(Loss) before tax					(68.63)	(117.55)	(186.18)
(Previous Year)					(246.86)	(49.44)	(296.30)
Income Tax for Earlier Years					-	-	-
(Previous Year)					7.66	-	7.66
Provision for current tax					-	-	-
(Previous Year)					-	-	-
Provision for deferred tax					9.45	(7.66)	1.79
(Previous Year)					(75.42)	(20.91)	(96.33)
Net Profit/(Loss) after tax					(78.08)	(109.89)	(187.97)
(Previous Year)					(179.10)	(28.53)	(207.63)
Other Information							
(c) Segment Assets	2022.80	6055.70	2351.34	42.99	10472.83	667.14	11139.97
(Previous Year)	1782.41	5765.66	2620.85	44.47	10213.39	830.07	11043.46
(d) Segment Liabilities	555.52	845.69	896.11	19.94	2317.26	6.52	2323.78
(Previous Year)	556.29	756.39	722.92	13.86	2049.46	5.96	2055.42
(e) Capital Expenditure			-	33.76	33.76	-	33.76
(Previous Year)			8.55	47.74	56.29	-	56.29
(f) Depreciation			112.03	29.30	141.33	29.48	170.81
(Previous Year)			115.37	26.58	141.95	31.91	173.85
(g) Non-cash expenses other than depreciation			-	-	-	-	-
(Previous Year)	41.16		-	-	41.16	-	41.16

(ii) Geographical Segments

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

Sales	2017-2018	2016-2017
India	336.13	98.19
Outside India	9784.97	11558.90
Total:-	10121.10	11657.09

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.



**NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018**

**44 Auditors Remuneration**

in Lacs

	2017-2018	2016-2017
As Statutory Audit	1.75	1.64
As Tax Audit	0.55	0.46
For Certification & Other Services	0.12	0.33
For Out of Pocket Expenses	0.10	0.10
	2.52	2.53

**45 Purchase of Finished Goods**

Class of Goods	2017-2018	2016-2017
	Value	Value
Silk/Cotton/Viscose Fabrics	210.14	141.15
Silk Made-ups	12.90	5.66
<b>Total</b>	<b>223.04</b>	<b>146.81</b>

**46 Consumption of Raw Materials and Dyes & Chemicals**

Class of Goods	2017-2018		2016-2017	
	%	Value	%	Value
<b>(A) RAW MATERIALS</b>		5990.52		7475.96
Raw Leather		119.53		133.13
Clothes		685.26		546.32
Yarn		6795.31		8155.41
<b>Total of (A) :-</b>				
Imported	6.87	466.55	4.51	368.08
Indigenous	93.13	6328.76	95.49	7787.33
	100.00	6795.31	100.00	8155.41
<b>(B) Dyes &amp; Chemicals</b>		55.95		56.26
Indigenous	100.00	55.95	100.00	56.26
	100.00	55.95	100.00	56.26
<b>Total of (A+B) :-</b>		6851.26		8211.67

**47 Consumption of Stores & Spares and Packing Materials**

Class of Goods	2017-2018		2016-2017	
	%	Value	%	Value
<b>(A) Stores &amp; Spares</b>		30.13		26.52
Thread		37.01		37.96
Rubb, Cuff, back & Components Spares parts		22.28		22.32
<b>Total of (A) :-</b>		89.42		86.80
Imported	8.56	7.65	15.32	13.29
Indigenous	91.44	81.77	84.68	73.51
	100.00	89.42	100.00	86.80
<b>(B) Packing Materials</b>		77.77		99.29
<b>Total of (B) :-</b>		77.77		99.29

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH. 2018**48. Related Party Disclosures:**List of Related Parties**(a) Key Management Personal (KMP)-as per Companies Act. 2013**

- (i) Shri S.K.Loyalka (SKL)- Chairman Cum-Managing Director  
(ii) Shri R.K.Loyalka (RKL) -Chief Executive Officer  
(ii) Shri Govind Pandey (GP) - Company Secretary  
(ii) Shri Sushil Kumar Kasera (SKK)-Chief Financial Officer

**Additional KMPs (Pursuant to Ind AS 24)**

- (i) Shri Mangilal Jain (MLJ)- Independent & Non Executive Director  
(ii) Shri Devendra Kumar Sarawgee (DKS)- Independent & Non Executive Director  
(iii) Shri Mudhukar Manilal Bhagat (MMB)- Independent & Non Executive Director  
(iv) Shri Keshar Deo Rungta (KDR)- Independent & Non Executive Director (Resigned from the post w.e.f. 28/02/2018)  
(v) Smt.Urmila Loyalka (UL)- Non Executive Director

**(b) Relatives/Associates of Key Management Personnel**

- (i) Shri B.R.Loyalka- Father of Shri S.K.Loyalka  
(ii) SKL Exports Ltd.- Shri S.K.Loyalka is Common Director  
in Lacs

(I) Nature of Transactions	2017-18		2016-17	
	Shri	SKL Exports Ltd.	Shri B.R.Loyalka	SKL Exports Ltd.
Professional Exnses				
Advisorv Service	9.00		9.00	
Sales				
Goods, Materials and Services		144.95		50.61
Furchases/Tob work charges				
Goods and Materials		199.75		350.15
Outstanding as at vear end				
Receivable/(Payable)		114.92		(26.08)

**(II) Key Management Personnel Compensation**

	2017-18		2016-17	
	Transaction Value	Outstanding as at end	Transaction Value	Outstanding as at end
Short Term Employee benefits				
SKL	20.16	(0.92)	20.16	(0.93)
RKL	18.00	-	48.68	-
GP	4.87	-	4.02	-
SKK	3.77	-	3.29	-
Post Employment benefits*	-	-	-	-
other Benefits				
SKL	5.31	-	5.31	-
RKL		-	0.60	-

\* As the liability for Gratuity and Leave Encashment are provided on actural basis for the Company as a whole, the amount pertaining to KMP are not included above.

**(111) Transactions with Non-Executive Directors**

	2017-18	2016-17
<b>Sitting Fees</b>		
<b>MLJ</b>	<b>0.53</b>	<b>0.27</b>
<b>DKS</b>	<b>0.45</b>	<b>0.23</b>
<b>MMB</b>	<b>0.61</b>	<b>0.42</b>
<b>KDR</b>	<b>0.58</b>	<b>0.43</b>

49. Previous year's figures have been re-grouped/re-classified wherever necessary to correspond with the current year's classification/disclosure.

As per our report of even date annexed

**Chartered Accountants**  
**Firm Regn. No.- 312136E**

**(Vinod Kumar Goyal)**  
Partner  
**FOR V. GOYAL & ASSOCIATES**  
Partner  
M.No.50670

**Govind Pandey**  
*Company Secretary*

**Sushilkumar kasera**  
*Chief Financial Officer*

**Surendra Kumar Loyalka**  
**Madhukar Manilal Bhagat**  
**Mangilal Jain**  
**Devendra Kumar Sarawgee**  
**Urmila Loyalka**

*Managing Director*  
*Director*  
*Director*  
*Director*  
*Director*

Place : Kolkata  
Date :29<sup>th</sup> May 2018

**NOTES TO FINANCIAL STATEMENTS****BACKGROUND**

Zenith Exports Limited is a Company limited by shares, incorporated and domiciled in India. The Company is engaged in the business of Exports of Leather Goods & Textile Fabrics. The Company has a weaving unit namely 'Zenith Textiles' located at Nanjangud, Mysore. Another unit namely 'Zenith Spinners' located at village-Dholka, Ahmedabad (being under discontinuation of operation since December 2015)

**1. SIGNIFICANT ACCOUNTING POLICIES**

This note provides a list of the significant accounting policies adopted in the preparation of these financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

**1.1 Basis of Preparation****1.1.1 Compliance with Ind AS**

These financial statements comply in aU material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the "Act") [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

The financial statements up to year ended 31<sup>st</sup> March 2017 were prepared in accordance with the accounting standards notified under Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act.

These financial statements are the first financial statements of the Company under Ind AS. Refer Note nos. 33 to 36 for an explanation of how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows.

**1.1.2 Classification of current and non-current**

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Ind AS 1 - Presentation of financial Statements and Schedule III to the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realization in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current/non-current classification of assets and liabilities.

**1.1.3 Historical Cost Convention**

These financial statements have been prepared in accordance with the generally accepted accounting principles in India under the historical cost convention, except for the following:

- i) Certain financial assets and liabilities (including derivative instruments) that is measured at fair value.
- ii) Defined benefit plans - plan assets measured at fair value;
- iii) Biological assets are measured at cost incurred for their plantation.



**12 Segment Reporting**

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

**13 Foreign Currency Translation**

Foreign currency transactions are translated into Indian Rupee (INR) which is the functional currency (i.e. the currency of the primary economic environment in which the entity operates) using year end exchange rates.

Foreign Currency loans for financing Property, Plant and Equipment outstanding at the close of financial year are revalued at appropriate bank exchange at the close of the year. The gain/loss for decrease/increase in rupee liability due to fluctuations in rates of exchange is adjusted to carrying amount of Property, Plant and Equipment acquired out of said loans. Income and Expenditure for the year are recorded as per prevailing bank rate on the date of transaction/negotiation.

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 actual realization at custom rate and/or bank rate is adjusted to Exchange Difference Account in Profit and Loss Account.

Gains or losses on cancellation of Forward Exchange Contracts are recognized in the Profit and Loss Account of the year in which they are cancelled.

**14 Revenue Recognition**

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are inclusive of Export benefits. Incentive and are net of sales return, sales tax/ value added tax/Goods & Service Tax, trade allowances. The Company recognizes revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the Company and significant risk and reward incidental to sale of products is transferred to the buyer.

Export Sales are recognised on the basis of the date as mentioned in Shipping Bill/Bill of Lading. Value of the export sales is recognized at Custom Rates mentioned in the Shipping Bill.

Income & Expenditure are recognised on accrual basis. 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.

Domestic Sales are recorded on raising bills net off discounts, return and Applicable taxes. Accounting for Differential Custom Duty on wastage of Imported Raw Silk Yam determined as per the Input/output norms for EOU is accounted as and when the demand is raised by the customs authorities. Revenue in respect of Job charges is recognised based on the work performed and invoiced as per terms of specific contracts.

**1.5 Government Grants**

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Company will comply with all attached conditions.

Government grants relating to income are deferred and recognised in the profit or loss over the period necessary to match them with the costs that they are intended to compensate and presented within other operating income.

Government grants relating to the acquisition/ construction of property, plant and equipment are included in non-current liabilities as deferred income and are credited to profit or loss on a straight-line basis over the expected lives of the related assets and presented within other operating income.

However there is no such grant for the company in the current year.

**1.6 Accounting for Taxes on Income**

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantially enacted at the end of the reporting period.

Deferred income tax is provided in full, using the liability method on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

**1.7 Cash and Cash Equivalents**

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, other short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.



### 1.8 Trade Receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment, if any.

### 1.9 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 realizable value

### 1.10 Biological Assets

Trees planted are measured at cost incurred for plantation.

### 1.11 Investments and Other Financial Assets

#### 1.11.1 Classification

The Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- those measured at amortised cost

The classification depends on the Company's business model for managing the financial assets and the contractual terms of cash flows.

#### 1.11.2 Measurement

At initial recognition, the Company measures a financial asset at its fair value. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

### Debt instruments

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. The Company classifies its debt instruments into the following categories:

**Amortised cost:** Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method.

**Fair value through other comprehensive income (FVOCI):** Assets that are held for collections of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). Interest income from these financial assets is included in other income using the effective interest rate method.



**Fair value through profit or loss:** Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. Interest income from these financial assets is included in other income.

### **1.11.3 Impairment of financial assets**

The Company measures the expected credit loss associated with its assets based on historical trend, industry practices and the business environment in which the entity operates or any other appropriate basis. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

### **1.11.4 Derecognition of financial assets**

A financial asset is derecognised only when

- The Company has transferred the rights to receive cash flows from the financial asset, or Retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Company has not retained control of the financial asset.

### **1.11.5 Income Recognition**

#### **Interest Income**

Interest Income from debt instruments is recognized using the effective interest rate method.

#### **Dividends**

Dividends are recognised in profit or loss only when the right to receive payment is established.

### **1.12 Financial liabilities**

#### **1.12.1 Initial recognition and measurement**

The Company recognizes all the financial liabilities on initial recognition at fair value minus, in the case of a financial liability not at fair value through Profit or Loss, transaction costs that are directly attributable to the acquisition or issue of the financial liability.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts and derivative financial instruments.

#### **1.12.2 Subsequent measurement**

All the financial liabilities are classified as subsequently measured at amortised cost, except for those mentioned below.

**1.12.3 Financial liabilities at fair value through profit or loss**

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Co. that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109.

Gains or losses on liabilities held for trading are recognised in the profit or loss.

For liabilities designated as Fair Value through profit or loss, fair value gains/ losses attributable to changes in own credit risk are recognized in Other Comprehensive Income. These gains/ losses are not subsequently transferred to Profit or Loss. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the Statement of Profit and Loss.

**1.13 Property, Plant and Equipment**

Freehold land is carried at historical cost. All other items of property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit and loss during the reporting period in which they are incurred.

**Transition to Ind AS**

On transition to Ind AS, the Company has elected to continue with the carrying value of all its property, plant and equipment recognised as at 1<sup>st</sup> April 2016 measured as per the previous GAAP and use that carrying value as the deemed cost of property, plant and equipment.

**Depreciation methods, estimated useful lives and residual value**

Depreciation is calculated using the straight-line method to allocate their cost, net of their residual values on the basis of useful lives prescribed in Schedule II to the Companies Act, 2013, which are also supported by technical evaluation. Item of Fixed Assets for which related actual cost do not exceed Rs 0.05 lakhs are fully depreciated in the year of purchase. In respect of the following assets, useful lives different from Schedule II have been considered on the basis of technical evaluation, as under:-

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.



Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss within other gains/ (losses).

**1.14 Intangible Assets**

Intangible Assets are recognized if the future economic benefits attributable to the assets are expected to flow to the Company and the cost of the asset can be measured reliably. No Intangible assets were acquired during the year ending 31<sup>st</sup> March, 2018 as well as on 31<sup>st</sup> March, 2017 and 1<sup>st</sup> April, 2016.

**1.15 Provision, Contingent Liabilities and Contingent Assets, legal or constructive**

Provisions are recognised when there is a present obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation. Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risk specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

A disclosure for contingent liabilities is made when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

When there is a possible obligation or a present obligation and the likelihood of outflow of resources is remote, no provision or disclosure for contingent liability is made.

Contingent Assets are not recognised but are disclosed when an inflow of economic benefits is probable.

**1.16 Employee Benefits****1.16.1 Short-term Employee Benefits**

These are recognised at the undiscounted amount as expense for the year in which the related service is rendered.

**1.16.2 Post-Employment Benefit Plans****(a) Defined Contribution Plans****(i) Gratuity Plan:**

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 LIC. The actuarial method used for measuring the liability is the Projected Unit Credit Method. In case of Unfunded Gratuity, 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 3 March every year. Benefit would be paid at the time of separation based on the last drawn basic salary.

**1.16.3 Bonus plans**

The Company recognizes a liability and an expense for bonuses. The Company recognizes provision where contractually obliged or where there is a past practice that has created constructive obligation.

**1.17 Equity**

Equity shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

**1.18 Dividends**

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the Company, on or before the end of the reporting period but not distributed at the end of the reporting period.

**1.19 Earnings per Share**

**1.19.1 Basic earnings per share**

Basic earnings per share is calculated by dividing:

- The profit/ loss attributable to owners of the Company
- By the weighted average number of equity shares outstanding during the financial year.

**1.19.2 Diluted earnings per share**

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- The after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- The weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

**1.20 Leases**

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating leases. Payments made under operating leases (net of any incentives



received from the lessor) are charged to profit or loss on a straight line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

### **1.21 Impairment of non-financial assets.**

Assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher on an asset's fair value less costs of disposal and value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows which are largely independent of the cash flows from other assets or group of assets (cash-generating units). Non-financial assets that suffered impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

### **U2 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 recognized 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.

### **1.23 Offsetting financial instruments**

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

### **1.24 Use of Estimates**

The Preparation of financial statements in conformity with the generally accepted accounting principles in India requires the management to make estimates and assumptions that affects the reported amount of assets and liabilities as at the balance sheet date, the reported amount of revenue and expenses for the periods and disclosure of contingent liabilities at the balance sheet date. The estimates and assumptions used in the financial statements are based upon management's evaluation of relevant facts and circumstances as of the date of financial statements. Actual results could differ from estimates.

### **1.25 Borrowing costs**

Interest and other borrowing costs attributable to qualifying assets are capitalised. Other interest and borrowing costs are charged to Statement of Profit and Loss.

### **1.26 Standards issued but not yet effective**

The amendment to Ind AS 7, 'Statement of cash flows', introduce an additional disclosure that will enable users of financial statements to evaluate changes in liabilities arising from financing activities. This includes changes arising from cash flows (e.g. drawdowns and repayments of borrowings) and non-cash changes (i.e. changes in fair values). The Company is not expecting any material impact on the financial statements.





ZENITH EXPORTS LIMITED

Venue of Annual General Meeting

