
NOTICE



NOTICE is hereby given that the **32nd Annual General Meeting** of the members of **ZENITH EXPORTS LIMITED** will be held on Saturday, 27th September' 2014 at 10.30 A.M. at the ground floor, Auditorium of Birla Academy of Art & Culture, 108, Southern Avenue, Kolkata - 700 029 to transact the following business:

Ordinary Business:

1. To receive, consider and adopt the Audited statement of Profit & Loss for the year ended 31st March' 2014 and the Balance Sheet as at the date together with the report of Board of directors and Auditors thereon.
2. To appoint auditors and fix their remuneration and in this connection, to consider and if thought fit to pass with or without modification the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to provisions of Section 139, 142 and other applicable provisions, if any of the Companies Act, 2013 (“Act”) and Rules framed thereunder, as amended from time to time, Tiwari & Company, Chartered Accountants (Firm Registration No. 309112E), be and is hereby re-appointed as Auditors of the Company to hold office from the conclusion of this Annual General Meeting (“AGM”) till the conclusion of the 35th (Thirty Fifth) AGM of the Company to be held in the year 2017 (subject to ratification of their appointment at every AGM), at such remuneration plus out of pocket expenses as may be mutually agreed between the Board of Directors of the Company and the Auditors.

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorized to appoint separate branch Auditors in consultation with the Statutory Auditors of the Company, for conducting the audit of branch offices accounts at Company’s Spinning Division at Ahmedabad and Weaving Division at Mysore and to fix their remuneration.”

Special Business:

3. **Re-appointment of Mr. Surendra Kumar Loyalka as Managing Director**

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

“RESOLVED THAT pursuant to the provisions of Section 196, 197, 203 and Schedule V and other applicable provisions of the Companies Act, 2013 and Rules framed thereunder and the Articles of Association of the Company, Mr. Surendra Kumar Loyalka (DIN:00006232) be and is hereby re-appointed as Managing Director of the Company for a further period of 5 years with effect from 12.02.2014, on remuneration as set out in the Explanatory Statement attached to this notice.

RESOLVED FURTHER THAT the Board of Director of the Company (“Board”) be and is hereby authorized to vary and/or modify the terms and conditions as set out in the Letter of Re-appointment including remuneration, benefits and perquisites payable/made available to the appointee in such manner as may be agreed to between the Board and Mr. Surendra Kumar.Loyalka, within and in accordance with or without exceeding the limits prescribed in Schedule V to the Companies Act, 2013 and/or any amendment/modifications that may be made by the Central Government in that behalf from time to time or any amendments or re-enactment of the relevant provisions of the Companies Act, 2013.

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deeds and things and execute all such documents, instruments and writings, as may be required and to delegate all or any of its powers herein conferred to any Committee of Directors or to any director or to any employee of the company to give effect to the aforesaid resolutions.

RESOLVED FURTHER THAT in the event of any loss, absence or inadequacy of profits of the Company in any financial year during the term of the office of Mr. Surendra Kumar Loyalka, the remuneration as mentioned in the Explanatory Statement shall be paid to him as Minimum Remuneration”.

4. **Re-appointment of Mr. Raj Kumar Loyalka as Jt. Managing Director**

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

“RESOLVED THAT pursuant to the provisions of Section 196, 197, 203 and Schedule V and other applicable provisions of the Companies Act, 2013 and Rules framed thereunder and the Articles of Association of the Company, Mr. Raj Kumar Loyalka (DIN:00006226) be and is hereby re-appointed as Joint Managing Director of



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the Company for a further period of 5 years with effect from 12.02.2014, on remuneration as set out in the Explanatory Statement attached to this notice.

RESOLVED FURTHER THAT the Board of Director of the Company ("Board") be and is hereby authorized to vary and/or modify the terms and conditions as set out in the Draft Letter of Re-appointment including remuneration, benefits and perquisites payable/made available to the appointee in such manner as may be agreed to between the Board and Mr. Raj Kumar Loyalka, within and in accordance with or without exceeding the limits prescribed in Schedule V to the Companies Act, 2013 and/or any amendment/modifications that may be made by the Central Government in that behalf from time to time or any amendments or re-enactment of the relevant provisions of the Companies Act, 2013

RESOLVED FURTHER THAT the Board is hereby authorized to do all such acts, deeds and things and execute all such documents, instruments and writings, as may be required and to delegate all or any of its powers herein conferred to any Committee of Directors or to any director or to any employee of the company to give effect to the aforesaid resolutions.

RESOLVED FURTHER THAT in the event of any loss, absence or inadequacy of profits of the Company in any financial year during the term of the office of Mr. Raj Kumar Loyalka, the remuneration as mentioned in the Explanatory Statement shall be paid to him as Minimum Remuneration".

5. **Appointment of Mr. Madhukar Manilal Bhagat as an Independent Director**

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

"RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and other applicable provisions, if any, of the Companies Act, 2013 ("Act") and the Rules framed thereunder (including any statutory modification(s) or re-enactment thereof, for the time being in force) read with Schedule IV to the Act and the applicable provisions of the Listing Agreement with the Stock Exchange(s), Mr. Madhukar Manilal Bhagat (DIN:00006245), Director of the Company whose period of the office is liable to determination by retirement of Directors by rotation be and is hereby appointed as an Independent Director of the Company to hold office for a period of 5 (five) consecutive years from the date of 32nd Annual General Meeting ("AGM") up to the conclusion of the 37th AGM of the Company in the calendar year 2019.

RESOLVED FURTHER THAT pursuant to the provisions of Section 149, 197 and all other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed thereunder (including any statutory modification(s) or re-enactment thereof, for the time being in force) and the applicable provisions of the Listing Agreement with the Stock Exchanges, Mr. Madhukar Manilal Bhagat be paid such fees & remunerations as the Board of Directors of the Company (including any committee thereof) may approve from time to time and subject to such limits, prescribed or as may be prescribed from time to time".

6. **Appointment of Mr. Keshar Deo Rungta as an Independent Director**

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

"RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed thereunder (including any statutory modification(s) or re-enactment thereof, for the time being in force) read with Schedule IV to the Act and the applicable provisions of the Listing Agreement with the Stock Exchange(s), Mr. Keshar Deo Rungta (DIN:00006252), Director of the Company whose period of the office is liable to determination by retirement of Directors by rotation be and is hereby appointed as an Independent Director of the Company to hold office for a period of 5 (five) consecutive years from the date of 32nd Annual General Meeting ("AGM") up to the conclusion of the 37th AGM of the Company in the calendar year 2019.

RESOLVED FURTHER THAT pursuant to the provisions of Section 149, 197 and all other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed thereunder (including any statutory modification(s) or re-enactment thereof, for the time being in force) and the applicable provisions of the Listing Agreement with the Stock Exchanges, Mr. Keshar Deo Rungta be paid such fees & remunerations as the Board of Directors of the Company (including any committee thereof) may approve from time to time and subject to such limits, prescribed or as may be prescribed from time to time".



7. **Appointment of Mr. Mangi Lal Jain as an Independent Director**

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

“RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and other applicable provisions, if any of the Companies Act, 2013 and the Rules framed thereunder (including any statutory modification(s) or re-enactment thereof, for the time being in force) read with Schedule IV to the Act and the applicable provisions of the Listing Agreement with the Stock Exchange(s), Mr. Mangi Lal Jain (DIN:00353075), Director of the Company whose period of the office is liable to determination by retirement of Directors by rotation be and is hereby appointed as an Independent Director of the Company to hold office for a period of 5 (five) consecutive years from the date of 32nd Annual General Meeting (“AGM”) up to the conclusion of the 37th AGM of the Company in the calendar year 2019.

RESOLVED FURTHER THAT pursuant to the provisions of Section 149, 197 and all other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed thereunder (including any statutory modification(s) or re-enactment thereof, for the time being in force) and the applicable provisions of the Listing Agreement with the Stock Exchanges, Mr. Mangi Lal Jain be paid such fees & remunerations as the Board of Directors of the Company (including any committee thereof) may approve from time to time and subject to such limits, prescribed or as may be prescribed from time to time.”

8. **Appointment of Mr. Devendra Kumar Sarawgee as an Independent Director**

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

“RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and other applicable provisions, if any of the Companies Act, 2013 and the Rules framed thereunder (including any statutory modification(s) or re-enactment thereof, for the time being in force) read with Schedule IV to the Act and the applicable provisions of the Listing Agreement with the Stock Exchange(s), Mr. Devendra Kumar Sarawgee (DIN:00087256), Director of the Company whose period of the office is liable to determination by retirement of Directors by rotation be and is hereby appointed as an Independent Director of the Company to hold office for a period of 5 (five) consecutive years from the date of 32nd Annual General Meeting (“AGM”) up to the conclusion of the 37th AGM of the Company in the calendar year 2019.

RESOLVED FURTHER THAT pursuant to the provisions of Section 149, 197 and all other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed thereunder (including any statutory modification(s) or re-enactment thereof, for the time being in force) and the applicable provisions of the Listing Agreement with the Stock Exchanges, Mr. Devendra Kumar Sarawgee, be paid such fees & remunerations as the Board of Directors of the Company (including any committee thereof) may approve from time to time and subject to such limits, prescribed or as may be prescribed from time to time.”

Registered & Head Office
19, R. N. Mukherjee Road
First Floor, Kolkata - 700 001
Dated: 14th August' 2014

By Order of the Board
LAWKUSH PRASAD
Company Secretary

NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (“THE MEETING”) IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT 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 forty-eight hours before the commencement of the Meeting. A proxy form is sent herewith.

A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.



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2. The relative explanatory statement pursuant to Section 102, of the Act, in respect to the business mentioned under item nos. 3 to 8 above, are annexed hereto. The relevant details of the Directors seeking appointment / re-appointment under item nos. 3 to 8 above are annexed above as required under Clause 49 of the Listing Agreement with the Stock Exchanges are also annexed.
3. Corporate members intending to send their authorized representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.
4. The Register of Members and Share Transfer Books of the Company will remain closed from Monday, September 22, 2014 to Saturday, September 27, 2014 (both days inclusive)
5. Members holding shares in electronic form are requested to intimate immediately any change in their address or bank mandates 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 the Company's Registrars and Transfer Agents, M/s. C. B. Management Services Private Ltd., P-22, Bondel Road, Kolkata - 700019.
6. Queries on accounts and operation of the Company, if any, may please be sent at the Corporate Office of the Company at 19 R. N. Mukherjee Road, Kolkata - 700 001, at least seven days in advance of the meeting so that the answers may be made readily available at the meeting.
7. Members are requested to bring their attendance slip along with their copy of Annual Report to the meeting.
8. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their Demat accounts. Members holding shares in physical form can submit their PAN details to the Company's Registrars and Share Transfer Agents, M/s. C. B. Management Services Private Ltd., P-22, Bondel Road, Kolkata - 700 019.
9. Electronic copy of the Notice of the aforesaid Annual General Meeting (AGM) of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent to all the Members whose email IDs are registered with the Company's Registrar and Share Transfer Agents/ Depository Participant(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email IDs, physical copies of the Notice of the aforesaid AGM of the inter alia indicating the process and manner of e-voting along with the Attendance slip and Proxy Form is being sent.
10. In accordance with the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and applicable provisions of the listing agreements with Stock Exchanges, the Company has engaged the services of CDSL to provide Electronic Voting ("e-voting") facility to all the members to enable them to cast their votes electronically in respect of all the business to be transacted at the aforesaid Annual General Meeting. Members who cast their vote through e-voting mechanism shall not be able to vote at the Annual General Meeting.
11. In keeping with the Ministry of Corporate Affairs' Green Initiative measures, the Company hereby requests members who have not registered their email addresses so far, to register their email addresses for receiving all communication including annual report, notices, circulars etc. from the Company electronically.
12. Relevant documents referred to in the accompanying notice/explanatory statement including the Register of Contracts or Arrangements in which Directors are interested, maintained under Section 189 of the Companies Act, 2013 are open for inspection by the members at the registered office of the Company on all working days, between 11:00 a.m. and 1:00 p.m. up to the date of the ensuing Annual General Meeting. Further, the Notice for this 32nd Annual General Meeting along with the Annual Report for the financial year ended 2013-14 shall also be available on the Company's website, www.zenithexportslimited.com.
13. The Board of Directors of your Company has appointed Mr. Surajit Pal (Membership No.066285), FCA, Practicing Chartered Accountant, partner of M/s. Agarwal Subodh & Co., (Firm Registration No.319260E) as the Scrutinizer for conducting the e-voting process in fair and transparent manner.
14. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Companies Act, 2013 read with Rules issued thereunder will be available for inspection by the members at the Annual General Meeting.



15. The Results of e-voting and poll shall be aggregated and declared on or after the AGM of the Company by the Chairman or by any other person duly authorised in this regard. The Results declared along with the Scrutinizer's Report shall be placed on the website of CDSL within two (2) days of passing of the resolutions at the AGM of the Company and communicated to the Stock Exchanges.
16. The instructions for shareholders voting electronically are as under:
- (i) The voting period begins at 10.00 a.m. on September 22, 2014 and ends at 10.00 p.m. on September 23, 2014. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) 29th August, 2014 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
 - (ii) The shareholders should log on to the e-voting website www.evotingindia.com during the voting period.
 - (iii) Click on "Shareholders" tab.
 - (iv) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. or NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
 - (v) Next enter the Image Verification as displayed and Click on Login.
 - (vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
 - (vii) If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> • Members who have not updated their PAN with the Company/Depository Participant can enter in the PAN field 10 characters as First 2 alphabets of the first Holder's Name followed by 8 characters consisting of Folio Number prefix by '0' (or 8 characters from right of BO_ID). No special characters will be taken from the name and folio number (Example: Ajay Srivastava and Folio Number is 00000005, the PAN to be entered will be AJ00000005; Vipul Chandak and Folio Number is C0000129, the PAN to be entered will be VIC0000129) • In case the folio number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. eg. if yours name is Ramesh Kumar with yours Folio Numbers 0630 then refer RA00000630 in the PAN field.
DOB	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details	<p>Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.</p> <ul style="list-style-type: none"> • Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the numbers of shares held by you as on the cut off date in the Dividend Bank details field.

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for Zenith Exports Limited, on which you choose to vote.
- (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/



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NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
 - (xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
 - (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
 - (xvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
 - (xvii) If Demat account holder has forgotten the same password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
 - (xviii) Note for Institutional Shareholders
 - Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.com> and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details they have to create compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
 - The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer (subodhka@yahoo.com) to verify the same.
 - (xix) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.co.in under help section or write an email to helpdesk.evoting@cdslindia.com.
 - (xx) The voting rights of shareholders shall be in proportion to their shares of the paid-up equity share capital of the company as on 15th August, 2014.
 - (xxi) The Results of e-voting shall be declared on the date of the AGM of the Company by the Chairman or by any other person duly authorised in this regard. The Results declared along with the Scrutinizer's Report shall be placed on the Company's website www.zenithexportslimietd.com and on the website of CDSL within two(2) days of passing of the resolutions at the AGM of the Company and communicated to the Stock Exchanges.
17. Members who do not have any access to e-voting, may requisite a Physical Ballot Form from the Office of the Registrars & Share Transfer Agents of the Company. Members are required to fill the Physical Ballot Form and enclose it in a sealed envelope and send it "TO THE SCRUTINIZER. MR. SURAJIT PAL (UNIT: ZENITH EXPORTS LIMITED) C/O. C B MANAGEMENT SERVICES PRIVATE LIMITED, P-22, BONDEL ROAD, KOLKATA-700019. Unsigned/wrongly signed, incomplete or incorrectly ticked forms shall be rejected. The Scrutinizer's decision on the validity of the form will be final. Members are required to vote either through the electronic system or through physical ballot and not in any other mode. In the event of Members casting votes through both the processes, the votes in the electronic system will be considered only. The Physical Ballot Form must be received by the Scrutinizer on or before 23rd September, 2014 (6.00 p.m.).
18. Attendance Slip and Proxy Form in the prescribed format are being attached to this Notice of the 32nd Annual General Meeting for the convenience of the shareholders.

Request to the Members:

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

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

As required under Section 102 of the Companies Act, 2013 the following Explanatory Statement sets out all material facts relating to the Special Business set out from Item No. 3 to Item No. 8 of the accompanying Notice dated August 14, 2014.

Item Nos. 3 & 4

The terms of office of Mr. Surendra Kumar Loyalka, Managing Director & Mr. Raj Kumar Loyalka, Joint Managing Director expired on 12.02.2014. The Board of Directors of the company in its meeting held on 14.02.2014 has extended the terms of office of Mr. Surendra Kumar Loyalka, Managing Director & Mr. Raj Kumar Loyalka, Joint Managing Director for a further period of 5 (five) years.

The broad particulars of remuneration payable to and terms of the respective re-appointment of Mr. Surendra Kumar Loyalka & Mr. Raj Kumar Loyalka are as under:

Name & Designation	Salary (Rs. Per month)
Mr. Surendra Kumar Loyalka (Managing Director)	1,50,000/-
Mr. Raj Kumar Loyalka (Jt. Managing Director)	1,50,000/-

The two Managing Directors of the company shall also be entitled to other benefits:

- Rent free furnished residential accommodation,
- Reimbursement of medical expenses actually incurred on self and family subject to a ceiling of one month salary in a year or three months' salary over a period of three years,
- Leave Travel Concession once in a year for self and family,
- Club fees of not more than two clubs including Annual, Admission and Life membership,
- Personal Accident Insurance premium not exceeding Rs.10,000/- (Rupees ten thousand) per annum,
- Provident Fund as per rules of the Company,
- Gratuity not exceeding half a month's salary for every completed year of services,
- Telephone including mobile phone at the residence for official as well as personal use provided, however, that personal long distance calls will be billed by the company to Mr. Loyalka,
- Car for business as well as personal use,
- Privileges and earned leave on full pay and allowances as per the rules of the company subject to a maximum of one month leave for eleven months of service.

The terms and conditions as set out in the letter of Re-appointment issued by the Company are available for inspection at the registered office of the Company on any working days, except Saturdays, between 11 am and 1 pm upto the date of the Annual General Meeting.

Concerned Directors and their relatives are interested in their respective resolutions being related to their own appointments. Other than the aforesaid, none of the Directors and Key Managerial Personnel of the Company and their relatives are, in any way, concerned or interested, financially or otherwise, in the Resolutions as set out in item nos. 3 & 4 of the accompanying Notice.

The Board recommends the resolutions set forth in item nos. 3 & 4 for the approval of members.

The above explanatory statement sets out an abstract of material terms of the contract with Managing Directors and hence the same may be treated as an abstract of Memorandum of Interest in accordance with related provisions of the Companies Act, 2013.

Item Nos. 5 to 8

The modality of appointment of Independent Directors has been introduced for the first time under the provisions of Companies Act, 2013 with effect from 1st April, 2014. However, your Company, being a listed company, by virtue of Clause 49 of the Listing Agreement with Stock exchanges, was required to appoint requisite number of Independent Directors on the Board of Directors of the Company. Accordingly, Mr. Madhukar Manilal Bhagat ("M. M. Bhagat"), Mr. Keshar Deo Rungta ("K. D. Rungta"), Mr. Mangilal Jain ("M. L. Jain") & Mr. Devendra Kumar sarawgee ("D. K.



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Sarawgee”), Directors of the Company, whose appointments as directors have already been approved by the Board of Directors and Members of the Company, are presently acting as Independent Directors in compliance with the Listing Agreement requirements. However, their terms of appointment are such that they are liable to retire by rotation as per the Companies Act, 1956. Further, in keeping with the original terms of appointment, Mr. K. D. Rungta & Mr. D. K. Sarawgee are liable to retire by rotation at the ensuing annual general meeting.

Section 149 of the Companies Act, 2013, inter-alia, provides that an Independent Director shall hold office for a term up to five consecutive years on the Board of a company and their office will not be subject to retirement by rotation. It is further clarified that any previous tenure of an Independent Director on the date of commencement of the Companies Act, 2013 shall not be counted as a term of appointment of Independent Director.

Based on the declarations received from Mr. M. M. Bhagat, Mr. K. D. Rungta, Mr. M. L. Jain & Mr. D. K. Sarawgee, Directors of the Company in terms of Section 149 (7) of the Companies Act, 2013, the Board is of the opinion that Mr. M. M. Bhagat, Mr. K. D. Rungta, Mr. M. L. Jain & Mr. D. K. Sarawgee fulfill the criteria of being appointed as Independent Directors as stipulated in Section 149(6) and other applicable provisions of the Companies Act, 2013 and Rules made thereunder. The Board is also of the opinion that the proposed Directors are independent of the management. The Company has received notice(s) under Section 160 along with requisite deposit(s) from member(s) proposing their re-appointment as Independent Directors at the ensuing Annual General Meeting.

Details in respect of the aforesaid Directors are furnished in the Corporate Governance Report. All are eminent personalities in their respective fields. Your Board considers that their continued association with the Company would be of immense benefit to the Company.

Consequently, the Board of Directors recommends for approval of the shareholders the re-appointment of Mr. M. M. Bhagat, Mr. K. D. Rungta, Mr. M. L. Jain & Mr. D. K. Sarawgee, as Independent Directors of the Company on such terms that they shall continue to hold office as non-rotational directors for a term of 5(five) consecutive years, effective from the date of this AGM.

Copy of draft letter(s) for appointment of the above named persons as Independent Directors setting out the terms and conditions would be available for inspection without any fee by the members at the Registered Office of the Company on all working days, except Saturday, between 11:00 a.m. and 1:00 p.m. up to the date of the ensuing Annual General Meeting.

Concerned Directors and their relatives are interested in their respective resolutions being related to their own appointments. Other than the aforesaid, none of the Directors and Key Managerial Personnel of the Company and their relatives are, in any way, concerned or interested, financially or otherwise, in the Resolutions as set out in item nos. 5 to 8 of the accompanying Notice.

The Board recommends the resolutions set forth in item nos. 5, 6, 7 & 8 for the approval of the members.

Registered & Head Office
19, R. N. Mukherjee Road
First Floor, Kolkata - 700 001
Dated: 14th August' 2014

By Order of the Board
LAWKUSH PRASAD
Company Secretary

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DETAILS OF THE DIRECTORS SEEKING APPOINTMENT/RE-APPOINTMENT AT THE FORTHCOMING ANNUAL GENERAL MEETING (IN PURSUANCE OF CLAUSE 49 OF THE LISTING AGREEMENT)

SL No.	1	2	3
Name of the Directors	Mr. Surendra Kumar. Loyalka	Mr. Raj Kumar Loyalka	Mr. Keshar Deo Rungta
DIN	00006232	00006226	00006252
Date of Birth	18.09.1950	15/11/1944	11.09.1931
Appointed on	27.07.1981	23/07/1981	28.01.2000
Qualifications	B.Com & LLB	B.E.E.	I.Com
Expertise in specific functional areas	Exports & Administration	Manufacturing & Exports	Finance
Directorship held in other Companies (excluding foreign companies)	i) SKL Exports Ltd ii) Loyalka Leclercq Textiles Ltd. iii) S.M.Loyalka Hospital	S. M. Loyalka Hospital	i) Keshav Fiscal Services Pvt.Ltd ii) S.M.Loyalka Hospital
Membership/Chairmanship of Public limited companies: Audit Committee Remuneration Committee	NONE NONE	NONE NONE	Zenith Exports Ltd. - Chairman Zenith Exports Limited - Member
Shareholding in the Company	481496	20000	100
Relationship with other Director	Brother of Mr. Raj Kumar Loyalka	Brother of Mr. Surendra Kumar Loyalka	—

SL No.	4	5	6
Name of the Directors	Madhukar Manilal Bhagat	Mr. Mangilal Jain	Mr. Devendra Kumar Sarawgee
DIN	00006245	00353075	00087256
Date of Birth	21/08/1933	14/07/1931	20/09/1939
Appointed on	30/11/1996	30/04/2010	10/12/2011
Qualifications	B.Com/A.C.I.I.	B.Com , Visharad & FCA	M.Com, L.L.B & F.C.A
Expertise in specific functional areas	Insurance	Accounts & Finance	Accounts, Audit & Taxation
Directorship held in other Companies (excluding foreign companies)	i) VCK Share & Stock Broking Services Ltd. ii) Hindalco Industries Limited iii) Aditya Birla Insurance Brokers Limited iv) VCK Capital Market Services Ltd. v) Birla Family Investments Private Limited	i) Century Plyboards (India) Ltd. ii) Cement Manufacturing Company Limited iii) Megha Technical & Engineers Private Ltd. iv) Auro Sundram Ply & Door Private Ltd. v) Star Cement Meghalaya Limited vi) Meghalaya Power Limited vii) NE Hills Hydro Limited viii) Star Ferro & Cement Ltd.	i) Magnum Traders Ltd. ii) Namrata Gardens Pvt.Ltd. iii) Ramjeevun Fulchand Sarawgee Pvt.Ltd. iv) Sarawgee Brothers Pvt.Ltd.
Membership/Chairmanship of Public limited companies: Audit Committee Remuneration Committee	1. Hindalco Industries Limited - Chairman 2. VCK Capital Market Services Limited - Chairman 3. Zenith Exports Limited - Member Zenith Exports Limited - Chairman	1. Century Plyboards (India) Ltd. - Chairman 2. Zenith Exports Limited - Member Century Plyboards (India) Ltd. - Member	Zenith Exports Limited - Member
Shareholding in the Company	100	NIL	NIL
Relationship with other Director	—	—	—

**BOARD OF DIRECTORS**

Mr. S. K. Loyalka, *Chairman-cum-Managing Director*
Mr. R. K. Loyalka, *Jt. Managing Director*
Mr. M. M. Bhagat
Mr. K. D. Rungta
Mr. M. L. Jain
Mr. D. K. Sarawgee

COMPANY SECRETARY

Mr. Lawkush Prasad

AUDITORS

M/s. Tiwari & Company
Chartered Accountants
107/1, Park Street
Kolkata, PIN - 700 016

PRINCIPAL BANKERS

Canara Bank
State Bank of India

REGISTERED OFFICE

19, Rajendra Nath Mukherjee Road
First Floor, Kolkata, PIN - 700 001
Phone: 91-33-2248 6936 / 7071 / 9522
Fax : 91-33-2248 0960 / 9853
E-mail : zenith@giascl01.vsnl.net.in
Website : www.zenithexportslimited.com

WORKS**ZENITH SPINNERS**

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

ZENITH TEXTILES

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

REGISTRAR AND TRANSFER AGENT

C.B. Management Services (P) Ltd
P-22, Bondel Road, Kolkata - 700 019
Telephone - 4011-6700/2280-6692/
2282-3643/2287-0263
Fax: 40116739, E-mail: rta@cbmsl.com
Website: www.cbmsl.com

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DIRECTORS' REPORT

Your Directors have pleasure to present the 32nd Annual Report together with Audited Accounts of the Company for the year ended 31st March, 2014.

FINANCIAL HIGHLIGHTS

(₹ in lacs)

	Current Year ended 31.03.2014	Previous Year ended 31.03.2013
Turnover and other Income	31681.87	29032.67
Profit before Depreciation and Tax	929.28	765.62
Depreciation	646.42	649.80
Profit before Tax	282.86	115.82
Income Tax for earlier years	(0.69)	(0.48)
	283.55	116.30
Tax Expenses (Current & Deferred)	116.93	32.68
Net Profit After Tax	166.62	83.62
Add: Surplus Brought Forward	3847.22	3763.60
Surplus Carried to Balance Sheet	4013.84	3847.22

OPERATIONAL REVIEW AND FUTURE OUTLOOK

The sales have increased to ₹ 29718 lacs against ₹ 27013 lacs in the previous year, an increase of 10%. The Company has achieved profit before tax of ₹ 282.86 lacs against ₹ 115.82 lacs in the previous year, an increase of 144%. The Net profit after Tax (including deferred tax) has increased to ₹ 166.62 lacs against ₹ 83.63 lacs in the previous year, an increase of 99% compared to last year.

WEAVING DIVISION

Demands of the Silk & velvet fabrics have been increased due to recovery in the Global market. However, increase in price of raw silk & other input cost has seriously affected the bottom lines of the division.

SPINNING DIVISION

High production of cotton fibre in USA & China has seriously impacted price & export of cotton yarn. The prices of cotton yarn crashed heavily due to oversupply.

EXPANSION PROJECT

WEAVING DIVISION

No major expansion project was initiated by the Company at its Weaving Division, Mysore due to low demand and sufficient installed capacity.

SPINNING DIVISION

No major expansion project was initiated by the Company at its Spinning Division at Dholka, Ahmedabad due to the moribund condition of textile industry.

DIVIDEND

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

**FINANCE**

The Company has neither taken any term loan during the year nor there was any outstanding term loan during the year.

PARTICULARS OF EMPLOYEES

There was no employee drawing salary in excess of the limits as prescribed under section 217(2A) of the Companies Act, 1956. Hence, information required to be given under the said section read with companies (Particulars of employees) rules, 1975 as amended has not been provided in this report.

ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS & OUTGO

The particulars in respect of conservation of energy and technology absorption are given in annexure "A" forming part of this report pursuant to section 217(1)(e) of the Companies Act, 1956 read with Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988.

CORPORATE GOVERNANCE

Your Company complies with all the mandatory requirements pertaining to Corporate Governance, in terms of revised Clause 49 of the Listing Agreement with the Stock Exchanges. A detailed report on Corporate Governance along with a copy of certificate from statutory auditors regarding compliance of conditions on corporate governance is annexed thereto.

DIRECTORS' RESPONSIBILITY STATEMENT

As required under Section 217(2AA) of Companies Act, 1956, your directors hereby confirm that:

- I] in the preparation of the annual accounts, the applicable accounting standards had been followed alongwith proper explanation relating to material departures;
- II] the Directors had 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, 2014 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, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- IV] the Directors had prepared the annual accounts on a going concern basis.

MANAGEMENT DISCUSSION AND ANALYSIS

Management Discussion and Analysis as required under Clause 49(IV)(F) is disclosed separately in this report.

DEPOSITS

In terms of the provision of Section 58A of the Companies Act, 1956 read with the Companies (Acceptance of Deposits rules) 1975, the Company has not accepted any fixed deposits during the year under review.

DIRECTORS

- In accordance of the provisions of the Section 196, 197 & 203 of the Companies Act, 2013, it is proposed to Re-appoint Mr. Surendra Kumar Loyalka, managing Director & Mr. Raj Kumar Loyalka, Joint Manging Director for a further period of 5 (five years).
- In accordance with the provisions of Section 149, 152 and other applicable provisions of the Companies Act, 2013 ("Act) and Rules framed thereunder, it is proposed to appoint Mr. Madhukar Manilal Bhagat, Mr. Keshar Deo Rungta, Mr. Manik Lal Jain & Mr Devendra Kumar Sarawgee, who are currently non-executive independent directors of the Company and who met the criteria for independence as provided in Setion 149(6) of the Act, as



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independent Director for a period of 5 (five) years wherever applicable from the date of the ensuing Annual General Meeting

AUDITORS

M/s. Tiwari & Co., Chartered Accountants, retires as the Statutory Auditors of the Company at the conclusion of the ensuing 32nd Annual General Meeting and being eligible offers themselves for re-appointment. The retiring Auditors have furnished a certificate of their eligibility for re-appointment under the provisions of the Companies Act, 2013.

Your Directors request you to appoint the existing auditors as statutory auditors for a further period of 3 (three) financial year i.e. upto the conclusion of 35th Annual General Meeting of the Company.

CAUTIONARY STATEMENT

Certain Statements 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.

Place : Kolkata
Dated : 14th August, 2014

For and on behalf of the Board of Directors
SURENDRA KUMA LOYALKA
Chairman-cum-Managing Director

COMPLIANCE TO CODE OF CONDUCT

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

To the Members of
ZENITH EXPORTS LTD.

Declaration by the CEO under Clause 49 of the listing agreement.

I, Surendra Kumar Loyalka, Chairman-cum-Managing Director of Zenith Exports Limited to the best of my knowledge and belief, declare that all the members of the board of directors and the senior management personnel have affirmed compliance with the code of conduct of the Company for the year ended 31st March'2014.

Place: Kolkata
Dated: 14th August'2014

For Zenith Exports Limited
SURENDRA KUMA LOYALKA
Chairman-cum- Managing Director



ANNEXURE – A TO THE DIRECTORS’ REPORT

Information under Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 and forming part of the Director’s Report for the year ended 31st March, 2014.

I. CONSERVATION OF ENERGY

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

FORM-A

A. POWER AND FUEL CONSUMPTION

	CURRENT YEAR 2013-14		PREVIOUS YEAR 2012-13	
	Spinning	Weaving	Spinning	Weaving
i) ELECTRICITY				
a) Purchased Unit (KWH in lacs)	152.89	20.35	167.67	20.82
Total Amount (₹ in lacs)	905.04	129.28	1102.90	128.01
Rate/Unit (in ₹)	5.92	6.35	6.58	6.15
b) Own Generation				
i) Through Furnace Oil	—	—	—	—
Generated Units (KWH in lacs)	—	—	—	—
Unit/Litre	—	—	—	—
Cost/Unit (₹/Unit)	—	—	—	—
ii) Through Steam Turbine Generator	—	—	—	—
iii) Through Diesel Generator				
Generated Units (KWH in lacs)	—	0.12	—	0.24
Unit/Litre of Diesel	—	3.02	—	2.98
Cost/Unit (₹/Unit)	—	19.83	—	18.31
ii) COAL	NIL	NIL		
iii) FURNACE/OTHER OIL				
Quantity (in lacs Ltrs.)	—	0.00	—	0.92
Total Amount (₹ in lacs)	—	0.00	—	40.35
Average rate per litre (₹)	—	0.00	—	44.06
Briquettes (in lacs Kgs)	—	8.12	—	6.04
Total Amount (₹ In lacs)	—	41.11	—	30.43
Average Rate per Kgs. (₹)	—	4.61	—	4.52
iv) OTHER INTERNAL GENERATION	NIL	NIL	NIL	NIL
B. CONSUMPTION PER UNIT OF PRODUCTION				
Electricity (KWH)	3.62	11.27	3.45	11.34
Furnace Oil (Ltrs.)	—	1.64	—	1.65
Briquettes (Kgs)	—	4.61	—	4.52
Standard (KWH)	3.50	—	3.50	—

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

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

i) Weaving Division

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

ii) Spinning Division

1. The Spinning unit is continuously trying to improve the quality of its products by optimizing the process parameters, manufacturing process and adopting standard methods.

2. Research and Development (Energy Audit) is carried out by separate Textile Research Association for Textile units situated at Ahmedabad (AITRA).

3. The expenditure incurred on Research and Development is not separately accounted for.

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

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

FOREIGN EXCHANGE EARNINGS AND OUTGO

i) Activities relating to exports, initiatives taken to increase exports, development of new export markets for products and services and export plans.

ii) Export Sales (including deemed exports) during the year was ₹ 27419 lacs, compared to ₹ 25083 lacs in the preceding year. The Export sales increased by ₹ 2336 lacs, 9% over the last year, due to recovery in the Global Market. Necessary steps are being taken by the management to access new markets with a view to enhance the turnover further.

iii) The required data with regard to Foreign Exchange earnings and outgo are furnished below:

(₹ in lacs)

	CURRENT YEAR 2013-14	PREVIOUS YEAR 2012-13
Earnings	23446.09	23511.81
Outgo	1862.55	2114.30

Place : Kolkata
Dated: 14th August, 2014

For and on behalf of the Board of Directors
SURENDRA KUMA LOYALKA
Chairman-cum-Managing Director



REPORT ON CORPORATE GOVERNANCE

I. Company's Philosophy on Corporate Governance

The Company strongly believes in fair, efficient and transparent business operations, fairness to all stakeholders in the company, proper disclosure of relevant financial and non-financial information and enhancing shareholders value on a continuing basis.

II. Board of Directors

(a) As at March 31, 2014 the Board consisted of six members. Two Third of the Board comprised of Non-Executive Independent Directors. The Board also met the stipulated requirement of having at least 50% of Independent Directors, the Chairman being Executive.

Sl. No.	Directors	Composition / Category	Number of outside Directorships* held	Number of outside Committee Position** held	
				As Chairman	As Member
1.	Mr. S. K. Loyalka <i>Chairman-cum-Managing Director</i>	Promoter/ Executive	2	—	—
2.	Mr. R. K. Loyalka <i>Managing Director</i>	Promoter/ Executive	—	—	—
3.	Mr. M. M. Bhagat	Non-Executive/ Independent	5	2	—
4.	Mr. K. D. Rungta	Non-Executive/ Independent	—	—	—
5.	Mr. M. L. Jain	Non-Executive/ Independent	6	1	1
6.	Mr. D. K. Sarawgee	Non-Executive/ Independent	1	—	—

* excluding private companies, foreign companies and companies under section 25 of the Companies Act, 1956.

** only the position held in committees, such as Audit, Remuneration and Share Transfer and Investors' Grievance Committee in Indian Public Limited Companies have been considered.

(b) The Board of Directors met four times during the year on 24.05.13, 14.08.13, 13.11.13 & 14.02.14. The Company has held one meeting in every three months and the maximum gap between any two meetings was not more than four months.



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Sl. No.	Director	No. of Meetings		AGM held on 27th September 2013
		Held during the tenure of Directorship	Attended	
1	Mr. S. K. Loyalka	4	0	Absent
2	Mr. R. K. Loyalka	4	2	Present
3	Mr. M. M. Bhagat	4	4	Present
4	Mr. K. D. Rungta	4	4	Present
5	Mr. M. L. Jain	4	3	Present
6	Mr. D. K. Sarawgee	4	3	Present

Information provided to the board members:

- Annual operating plans and budgets including capital budgets and any updates thereof.
- Quarterly results of the Company and its business segments.
- Minutes of meeting of Audit Committee and other committees of the Board.
- The information on recruitment and remuneration of senior officers of Board level, including appointment or resignation of Chief Financial Officer and the Company Secretary.
- Show cause, demand, prosecution notices and penalty notices which are materially important.
- Fatal or serious accidents, dangerous occurrences, any material effluent or pollution problems.
- Any material default in financial obligations to and by the Company or substantial non-payment for services rendered by the Company.
- Quarterly details of foreign exchange exposures and the steps taken by the management to limit the risks of adverse exchange rate movement, if material.
- Non-compliance of any regulatory, statutory or listing requirements and shareholders service such as non-payment of dividend, delay in shares transfer etc.

Risk Management

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

III. Audit Committee

1. Terms of Reference

The Company has an Audit Committee at the Board level with the powers and the role that are in accordance with Clause 49 of the Listing Agreement. The Committee acts as a link between the management, the statutory and internal auditors and the Board of Directors and oversees the financial reporting processes.



2. Composition

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

Sl. No.	Name of the Member	No. of Meetings held during the Tenure of membership	No. of Meetings Attended
1.	Mr. K. D. Rungta#	4	4
2.	Mr. M. M. Bhagat	4	4
3.	Mr. M. L. Jain	4	3
4.	Mr. D. K. Sarawgee	4	3

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

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

3. Meetings

The Meetings held four times during the year on 24.05.13, 14.08.13, 13.11.13 & 14.02.14 to review the Quarterly Unaudited Financial Results and Annual Audited Financial Results.

IV. Remuneration Committee

1. Terms of Reference

The Remuneration Committee decides about the remuneration and other payments to Directors of the Company subject to approval of Shareholders and Central Government as and when necessary.

2. Composition

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

Sl. No.	Name of the Member	Designation	No. of Meetings held during the tenure of membership	No. of Meetings Attended
1.	Mr. M. M. Bhagat#	Chairman	1	1
2.	Mr. K. D. Rungta	Member	1	1

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

All the members of the Remuneration Committee are Non-Executive Independent Directors.



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3. Details of Remuneration/Sitting fees paid to Directors

The remuneration/sitting fees paid/payable to the Executive Directors and Non-Executive Directors for the year 2013-14 are as under:

(Amounts in ₹)

Name of the Director	Salary and Perquisites	Sitting Fees
Executive Directors		
1. Mr. R. K. Loyalka	18,79,236/-	—
2. Mr. S. K. Loyalka	19,85,790/-	—
Non-Executive Directors		
1. Mr. M. M. Bhagat	—	28,000/-
2. Mr. K. D. Rungta	—	34,000/-
3. Mr. M. L. Jain	—	17,000/-
4. Mr. D. K. Sarawgee	—	17,000/-

Non-Executive directors are paid sitting fees of ₹ 3000/- for every Board Meeting and ₹ 2000/- for Audit, Remuneration and Administrative Committee Meetings. Sitting fees of the members of the Board has been increased from ₹ 3,000/- to ₹ 5,000 for attending each Board Meeting. However, the sitting fees of the Chairman of Audit & Remuneration Committee are ₹ 4000/-.

No sitting fee is paid for attending the meetings of Share Transfer and Investors' Grievance Committee.

Presently the Company does not have any Stock Option Scheme.

Details of shares of the Company held by the Non-Executive Directors are as given below:-

Name of the Non-Executive Director	No. of Equity Shares Held
1. Mr. M. M. Bhagat	100
2. Mr. K. D. Rungta	100
3. Mr. M. L. Jain	0
4. Mr. D. K. Sarawgee	0

V. Share Transfer and Investors' Grievance Committee

1. Terms of Reference

A Share Transfer and Investors' Grievance Committee has been constituted to speed-up the process of transfer, dematerialization, redressal of Shareholders grievances and other allied matters under the chairmanship of Non-Executive Director.

2. Composition of the Committee

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

Sl. No.	Name of the Member	Designation	No. of Meetings held during the tenure of membership	No. of Meetings Attended
1.	Mr. M. M. Bhagat	Member	—	—
2.	Mr. K. D. Rungta	Member	—	—


3. Status of shareholders complaints

Number of shareholders' complaints received during the year.

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

4. Meetings

There was no meeting held of the Committee during the year under review.

VI. Management Discussion and Analysis

As required by Clause 49 of the Listing Agreement, the Management Discussion and Analysis is provided elsewhere in this Annual Report.

VII. General Body Meetings

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

Financial Year Ended	Day & Date	Venue	Time
31st March 2011	Friday, 30th September 2011	Birla Academy of Art & Culture, 108, Southern Avenue, Kolkata-29	10.30 A.M.
31st March 2012	Saturday, 29th September 2012	- Do -	10.30 A.M.
31st March 2013	Friday, 27th September 2013	- Do -	10.30 A.M.

All Resolutions of Annual General Meeting were passed by show of hands by the shareholders present at the meeting.

VIII. Disclosures
1. Disclosure on materially significant related party transactions

There were no materially significant related party transactions i.e. transactions of the Company of material nature, with its promoters, the directors or the management or relatives, etc., that had any potential conflict with the interests of the Company at large, which requires a separate disclosure. Annual Accounts as at 31st March, 2014 contain the list of related party relationship and transactions as required by the Accounting Standard 18 on "Related Party Disclosures" issued by the Institute of Chartered Accountants of India.

2. Disclosure on compliance of Law

The Company has complied with the requirements of Stock Exchanges, Securities and Exchange Board of India (SEBI) and statutory authorities on matters relating to capital markets during the last three years and consequently no penalties, strictures have been imposed on the Company by these authorities.

3. CEO / CFO Certification

The aforesaid certificate duly signed by the CEO and CFO in respect of the financial year ended 31st March, 2014 has been placed before the Board in the meeting held on 14th August'2014.

4. Code of Conduct

The Company has already adopted a Code of Conduct which was made applicable to all its Directors, whether executive or non-executive and all Senior Management Personnel of the Company. All Board members



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and senior management personnel have affirmed compliance with the Company's code of conduct during the period. A declaration to this effect that all Board members and senior management personnel have complied with the Company's code of conduct during the period and duly signed by the Chief Executive Officers of the Company is annexed forming part of this Report. The aforesaid Code of Conduct has been posted on the website of the Company.

5. Auditors' Certificate on Corporate Governance

The auditors' certificate is obtained and provided in the Annual Report.

IX. Means of communication

In compliance with the requirement of the Listing Agreement, the Company regularly intimates Unaudited as well as audited financial results to the Stock Exchanges immediately after they are taken on record by the Board. Further, coverage is given for the benefit of the Shareholders and investors by publication of Financial results in Business Standard and Arthik Lipi.

The financial results of the Company are also posted on the Company's website www.zenithexportslimited.com

X. General Shareholders' Information

*32nd Annual General Meeting (to be held)

Day	Saturday
Date	27th September 2014
Time	10.30 A.M.
Venue	Ground floor, Auditorium of Birla Academy of Art and Culture 108, Southern Avenue, Kolkata - 700 029

*Financial Calendar (Tentative)

(April 01, 2014 to March 31, 2015)

[i] 1st Quarterly results	on 14th August, 2014
[ii] 2nd Quarterly results	within 14th November, 2014
[iii] 3rd Quarterly results	within 14th February, 2015
[iv] 4th Quarterly results	within 15th May, 2015

*Book Closure Date: Monday, 22nd September, 2014
to Saturday, 27th September, 2014 (Both days inclusive)

*Dividend Payment Date None

*Listing on Stock Exchange Bombay Stock Exchange Limited
National Stock Exchange of India Limited
The Company has paid the Annual Listing fee to each of the Stock Exchanges for the period April, 2014 to March 31, 2015.

*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 and Services Pvt.Ltd.
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 dematerialization received from Shareholders are effected within an average period of 15 days.
*Distribution of Shareholding & Shareholding pattern	As per Appendix 'B' & 'C'
*Dematerialisation of Shares as on March 31, 2014	The Company has arrangements with National Securities Depository Ltd., (NSDL) as well as Central Depository Services (India) Ltd. (CDSL) for demat facility. 5316122 (98.55%) Equity Shares as on 31st March, 2014 have been dematerialised with National Securities Depository Limited (NSDL) 41537 (0.77%) Equity Shares as on 31st March, 2014 have been dematerialised with Central Depository Services (India) Limited (CDSL).
*Outstanding GDRs/ADRs/Warrants or any convertible instruments, conversion date and likely impact on equity	The Company has not issued any GDRs/ADRs/Warrants or any convertible instruments.
*Plant Location	(i) Zenith Spinners, Vill-Sarandi, Taluka-Dholka, Dist-Ahmedabad - 387810 (ii) Zenith Textiles Nanjangud, Dist- Mysore, Karnataka - 571 302
*Address for correspondence	Zenith Exports Limited 19, R. N. Mukherjee Road, 1st Floor, Kolkata - 700 001 Phone : 2248-7071/6936 Fax : 2248-9853/0960 E-mail : zenith@giascl01.vsnl.net.in

XI. Non-Mandatory Requirements

- i) Remuneration committee:
The Company has a Remuneration Committee comprising of Mr. M. M. Bhagat & Mr. K. D. Rungta as already stated in this Report.
- ii) Shareholder Rights:
Half-Yearly results including summary of the significant events are presently not being sent to the Shareholders of the Company. However, the quarterly Results of the Company are being published in Newspapers on the next day after considering the same by the Board of Directors.
- iii) Audit Qualification:
The observations of the Auditors have been dealt with in the Directors' Report.
- iv) Training of Board Members:
The Company has not yet adopted any training programme for its Directors.
- v) Mechanism for evaluating Non-Executive Board Members:
There is no mechanism for evaluating Non-Executive Board Members at present.
- vi) Whistle Blower Policy:
There is no Whistle Blower Policy at present.



ZENITH EXPORTS LIMITED - ANNUAL REPORT 2013-14

APPENDIX - 'A'

The monthly high and low quotation in the year 2013-14 of Equity shares traded on Bombay Stock Exchange Limited (BSE) and National Stock Exchange of India Limited (NSE) are as follows:

MONTH	BSE			NSE			
	Market Price (₹)		VOLUME (No. of Shares)	Market Price (₹)		VOLUME (No. of Shares)	
	HIGH	LOW		HIGH	LOW		
April, 2013	Information Not Available		Information Not Available	Information Not Available	Information Not Available		
May, 2013	45.00	45.00					
June, 2013	Information Not Available						
July, 2013	Information Not Available						
August, 2013	47.15	42.60					
September, 2013	Information Not Available						
October, 2013	Information Not Available						
November, 2013	40.50	40.50					
December, 2013	42.50	42.50					
January, 2014	Information Not Available						
February, 2014	42.50	42.50				38.60	38.60
March, 2014	42.50	36.10				43.80	36.70

APPENDIX - 'B'

Distribution of Shareholding as on March 31, 2014

RANGE (NO. OF SHARES)	SHARE HOLDERS		SHARES	
	NUMBER	% OF TOTAL	NO.	% OF TOTAL
[1]	[2]	[3]	[4]	[5]
UPTO – 5000	1138	98.10	191076	3.54
5001 – 10000	4	0.35	22765	0.42
10001 – 20000	2	0.17	32556	0.61
20001 – 30000	—	—	—	—
30001 – 40000	—	—	—	—
40001 – 50000	—	—	—	—
50001 – 100000	2	0.17	129650	2.40
100001 – and above	14	1.21	5020203	93.03
TOTAL	1160	100.00	5396250	100.00



Shareholding Pattern as on 31st March, 2014

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
Sub-Total	2792556	51.75
B. Non-Promoters 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. FIIS	NIL	NIL
Sub-Total	NIL	NIL
4. Others		
a. Private Corporate Bodies/Trust	2399502	44.47
b. Indian Public	203906	3.78
c. NRIs/OCBs	136	0.00
d. Any other (Clearing Member)	150	0.00
Sub-Total	2603694	48.25
GRAND TOTAL	5396250	100.00
	No. of Shares	% of Share Holding
NOTE: TOTAL FOREIGN SHARE HOLDING		
Foreign Holding (Non-Resident)	—	—
NRIS/OCB	136	0.00
FII	—	—
	<u>136</u>	<u>0.00</u>



AUDITOR'S CERTIFICATE

To
The Members of
ZENITH EXPORTS LIMITED

We have read the report of the Board of Directors on Corporate Governance and have examined the relevant records relating to Compliance of conditions of Corporate Governance by Zenith Exports Limited for the year ended on March 31, 2014, as stipulated in Clause 49 of the Listing Agreement of the said Company with stock exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was conducted in the manner described in the Guidance Note on certification of Corporate Governance issued by the Institute of Chartered Accountants of India and was limited to the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance as stipulated in the said clause. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with all material respect with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

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

Place: Kolkata
Dated: 14th August, 2014

For **TIWARI & COMPANY**
Chartered Accountants
Firm Registration No. 309112E

P. TIWARI
(Partner)
(M.N.: 016590)



MANAGEMENT DISCUSSION AND ANALYSIS

THE COMPANY HAS 3 DIVISIONS VIZ.

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

1. EOU UNIT AT NANJANGUD

A. INDUSTRY STRUCTURE AND DEVELOPMENT

The Textile Industry is highly power, man-power & capital intensive industry. However high volatility in foreign exchange and raw silk prices in international market are main concern. China is still a big threat to us in International Market due to availability of cheap labour and high quality silk yarn in the country.

B. OPPORTUNITIES AND THREATS

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

C. OUTLOOK

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

2. YARN PRODUCING UNIT AT AHMEDABAD

A. Industry Structure and Developments

Textile spinning industry is a core sector industry with high power consumption, labour intensive and high infrastructure cost. Due to bumper Cotton crop in USA & China, the demand for textile products like yarn, fabric and garments worldwide from India has fallen down.

B. Opportunities and Threat

The biggest threat to spinning industry is the increase in manpower cost, power cost and other overheads. Over and above, the bumper Cotton crop in USA & China has driven down the demand for textile products all over the world from India, which is affecting the industry. Recovery of in the International market may be considered as an opportunity for the Indian Exporters.

C. Outlook

At present, the production of Cotton Fibre in USA & China is very high and their import of yarn specially in China has totally stopped and this has brought down the Cotton yarn prices at the lowest level but bumper Cotton crop is expected in the new Cotton season in the month of October - November and the industry is expected to do far better than previous year.



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

A. INDUSTRY STRUCTURE AND DEVELOPMENT

Due to recovery in USA & other continent, the sale started picking up. Intense price competition with the entry of new players into the market is affecting our bottom-line. However, the thrust is on quality output and addition of new markets, with increase in varieties of hand gloves.

B. OPPORTUNITIES AND THREATS

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

C. OUTLOOK

The future outlook appears to be better.

4. COMMON TO ALL DIVISIONS

A. Risks and Concerns

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

FOREIGN EXCHANGE RISK

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

INTEREST RATE RISK

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

COMMODITY PRICE RISK

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

B. Internal Control Systems and their adequacy

The company has appropriate internal control system for business processes 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 responsibilities are executed effectively. The Audit Committee of the Board of Directors actively reviews the adequacy and effectiveness of internal control systems and suggests improvements for strengthening them.

C. FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

The Company could achieve a turnover of ₹ 29718 lacs and net profit of ₹ 167 lacs during the year under review.


D. SEGMENTWISE PERFORMANCE

	(₹ in lacs)	
	2013-14	2012-13
TRADING DIVISION		
Sales	16556.73	15492.69
Net Profit	640.66	508.69
WEAVING DIVISION		
Sales	2722.11	2287.83
Net Profit/(loss)	(333.78)	(270.12)
SPINNING DIVISION		
Sales	10439.91	9233.52
Net Profit/(loss)	(140.26)	(154.95)

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

The company presently has 761 employees on its rolls (As on 31/03/2014). These are basically human resource assets and are integral in Company's on-going success. They have played a significant role and enabled the company to deliver better performance year after year. The cost of staff and workers is increasing abnormally due to high cost of living and there is a shortage of skilled workers. We have to keep extra hands and train them to cover our requirement of workers. Strong emphasis is therefore given to build and nourish the human resource assets. The Company has had very harmonious relations with its workforce during the year.

F. CAUTIONARY STATEMENT

Statement made in this report describing the company's objectives, projections, estimates, expectations or predictions may be "forward looking statements" within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include global and Indian demand supply condition, finished goods prices, 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.



INDEPENDENT AUDITOR'S REPORT

To the Members of
Zenith Exports Limited

Report on the financial Statements

We have audited the accompanying financial statements of Zenith Export Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2014, the Statement of Profit and Loss and Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India including Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act") read with the General Circular 15/2013 dated 13 September 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- (b) In the case of the statement of Profit and Loss, of the profit for the year ended on that date; and
- (c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirement

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
 - a. We have obtained all the information and explanations which to the best of Our knowledge and belief were necessary for the purpose of our audit;
 - b. In our opinion proper books of account as required by law has been kept by the Company so far as appear from our examination of those books.



- bb. The report on the accounts of the branch offices audited under section 228 by a person other than a company's auditor has been forwarded to us as required by clause (c) of sub-section (3) of section 228 and have been dealt with in preparing our report in the manner considered necessary by us;
- c. The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- d. In our opinion, the Balance Sheet, the Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956; read with the General Circular 15/2013 dated 13 September 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013; and
- e. On the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

Place: Kolkata
Dated: 24th May, 2014

For TIWARI & COMPANY
Chartered Accountants
Firm Regn No. 309112E
P. Tiwari
(Partner) (M.N. 16590)

**ANNEXURE TO INDEPENDENT AUDITORS' REPORT:**

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

1. In respect of its Fixed assets:

- a. The Company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets on the basis of available information.
- b. As explained to us, all the fixed assets of the Company have been physically verified by the management in phased periodical manner, which in our opinion, is reasonable, having regard to the size of the Company and nature of its assets. No material discrepancies have been noticed on such physical verification.
- c. In our opinion, the Company has not disposed off a substantial part of its fixed assets during the year and the going concern status of the Company is not affected.

2. In respect of its inventories:

- a. The inventories of the Company have been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
- b. In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the Company and the nature of its business.
- c. The Company has maintained proper records of inventories. As explained to us, there was no material discrepancies noticed on physical verification of inventories as compared to the book records.

3. In respect of the loans, secured or unsecured, granted or taken by the Company to / from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956:

- a. The Company has neither given nor taken any loan during the year from companies, firms or other parties covered in the Register maintained under Section 301 of the Companies Act, 1956. Consequently, the requirements of Clauses (iii)(b) to (d), (f)&(g) of paragraph 4 of the Order are not applicable.

4. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchases of inventory and fixed assets and for the sale of goods. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control system.**5. In respect of the contracts or arrangements referred to in Section 301 of the Companies Act, 1956:**

- a. In our opinion and according to the information and explanations given to us, there have been no transactions made in pursuance of contracts or arrangements that need to be entered in the register maintained under Section 301 of the Companies Act, 1956.

6. According to the information and explanations given to us, the Company has not accepted any deposit from the public. Therefore, the provisions of Clause (vi) of paragraph 4 of the Order are not applicable to the Company.**7. In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.****8. The Central Government has not prescribed maintenance of cost records under Section 209(1) (d) of the Companies Act, 1956 for any of the product of the Company.****9. In respect of statutory dues:**

According to the records of the Company, undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess, and other statutory dues have been generally regularly deposited with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at March 31, 2014 for a period of more than six months from the date of becoming payable except the followings.



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

10. The Company does not have accumulated losses at the end of the financial year. The Company has not incurred cash losses during the financial year covered by the audit and in the immediately preceding financial year.
11. Based on our audit procedures and according to the information and explanations given to us, we are of the opinion that the Company has not defaulted in repayment of dues to financial institutions and banks.
12. In our opinion and according to the explanations given to us and based on the information available, no loans and advances have been granted by the Company on the basis of security by way of pledge of shares, debentures and other securities.
13. In our opinion, the Company is not a chit fund / nidhi / mutual benefit fund / society. Therefore, the provisions of clause (xiii) of paragraph 4 of the Order are not applicable to the Company.
14. According to the information and explanations given to us, the company is not a dealer or trader in securities.
15. The Company has not given any guarantees for loans taken by others from banks and financial institutions.
16. According to the information and explanations given to us and on an overall examination, the term loan has been applied for the purpose for which they were obtained.
17. According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we are of the opinion that there are no funds raised on short-term basis that have been used for long-term investment.
18. The Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under Section 301 of the Companies Act, 1956 during the year.
19. The Company has not issued any debenture during the year.
20. The Company has not raised any monies by way of public issues during the year.
21. In our opinion and according to the information and explanations given to us, no material fraud on or by the Company has been noticed or reported during the year.

Place: Kolkata
Dated: 24th May, 2014

For TIWARI & COMPANY
Chartered Accountants
Firm Regn No. 309112E
P. Tiwari
(Partner) (M.N. 16590)



ZENITH EXPORTS LIMITED - ANNUAL REPORT 2013-14

BALANCE SHEET AS AT 31ST MARCH, 2014

(₹ in Lacs)

	Note	As at 31.03.2014	As at 31.03.2013
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	1	539.63	539.63
Reserves & Surplus	2	9153.12	8986.50
		9692.75	9526.13
Non-current Liabilities			
Long-Term Borrowings	3(A)	0.84	2.43
Deferred Tax Liabilities	4	191.36	281.98
Other Long-Term Liabilities	5	99.68	145.63
Long-Term Provision	6(A)	211.00	205.58
		502.88	635.62
Current Liabilities			
Short-Term Borrowings	3(B)	3560.96	3258.10
Trade Payables	7	1216.12	1923.19
Other Current Liabilities	8	1057.14	1016.77
Short-Term Provisions	6(B)	79.61	40.36
		5913.83	6238.42
Total		16109.46	16400.17
ASSETS			
Non-current Assets			
Fixed Assets	9		
Tangible Assets		4081.98	4576.64
Long-Term Loans and Advances	10(A)	1017.67	1006.71
		5099.65	5583.35
Current Assets			
Current Investments	11	21.47	12.04
Inventories	12	6852.85	7429.72
Trade Receivable	13	1669.76	1649.97
Cash and Cash Equivalents	14	564.56	235.27
Short-Term Loans and Advances	10(B)	972.82	968.81
Other Current Assets	15	928.35	521.01
		11009.81	10816.82
Total		16109.46	16400.17

Notes forming part of the Financial Statements 1-26

As per our report of even date annexed

For TIWARI & COMPANY

Chartered Accountants

Firm Regn. No.- 309112E

P. Tiwari

Partner (M. No. 16590)

Place : Kolkata

Date : 24th May, 2014

LAWKUSH PRASAD

Company Secretary

For and on behalf of the Board of Directors

S. K. LOYALKA

Chairman cum Managing Director

R. K. LOYALKA

Joint Managing Director

M. M. BHAGAT

Director

K. D. RUNGTA

Director

M. L. JAIN

Director

D. K. SARAWHEE

Director



STATEMENT OF PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2014

(₹ in Lacs)

	Note	2013-14	2012-13
INCOME			
Revenue from Operations	16	31553.48	28777.81
Other Income	17	128.41	254.86
Total Revenue		31681.89	29032.67
EXPENSES			
Cost of materials consumed	18	19338.04	18459.47
Purchases		2679.24	1954.54
Changes in inventories of finished goods & work-in-progress	19	576.74	(320.52)
Employee benefits expense	20	1378.65	1370.63
Finance costs	21	624.65	420.32
Depreciation and amortization expenses		646.42	649.81
Other Expenses	22	6155.29	6382.60
Total Expenses		31399.03	28916.85
PROFIT/(LOSS) BEFORE TAX		282.86	115.82
Tax Expenses			
Current Tax		207.55	118.50
Deferred Tax expenses/(credit)		(90.62)	(85.83)
Income Tax for earlier year		(0.69)	(0.48)
PROFIT/(LOSS) FOR THE YEAR		166.62	83.63
Earnings per share (Face value of Rs. 10/- each)	23.3		
Basic & Diluted (₹)		3.09	1.55

Notes forming part of the Financial Statements 1-26

As per our report of even date annexed

For TIWARI & COMPANY
Chartered Accountants
Firm Regn. No.- 309112E
P. Tiwari
Partner (M. No. 16590)
Place : Kolkata
Date : 24th May, 2014

LAWKUSH PRASAD
Company Secretary

For and on behalf of the Board of Directors
S. K. LOYALKA *Chairman cum Managing Director*
R. K. LOYALKA *Joint Managing Director*
M. M. BHAGAT *Director*
K. D. RUNGTA *Director*
M. L. JAIN *Director*
D. K. SARAWHEE *Director*



ZENITH EXPORTS LIMITED - ANNUAL REPORT 2013-14

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2014

(₹ in Lacs)

	2013-14	2012-13
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit/(Loss) before tax & extra ordinary items	282.86	115.82
Adjustment for :		
Depreciation	646.42	649.80
Interest income	(38.65)	(25.84)
Interest Expenses	624.66	420.32
Fixed Assets W/Off	—	0.52
(Profit)/Loss on Sale of Fixed Assets (Net)	0.35	(16.02)
(Profit)/Loss on Sale of Investments	(0.54)	(0.44)
Provision (Reversal) of Loss on Forward Contracts	—	(6.06)
Provision for Doubtful Loan	65.56	—
Depreciation for earlier years written back	(2.61)	—
Operating Profit before Working Capital changes	1578.05	1138.10
Adjustments for (Increase)/decrease in:		
Trade Receivable	(19.80)	55.77
Loans and Advances and Other Assets	(301.22)	148.47
Inventories	576.88	(1068.89)
Trade Payable, Other Liabilities and Provisions	(875.52)	131.70
Cash generated from operations	958.39	405.15
Income Tax Paid	(165.33)	(125.29)
NET CASH FROM OPERATING ACTIVITIES (A)	793.06	279.86
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets including		
Capital Work-in-Progress	(158.67)	(325.76)
Sales of Fixed Assets	9.16	34.66
Sales of Investments	21.10	20.00
Purchase of Investments	(30.00)	(30.60)
Interest Received	18.03	24.69
NET CASH FROM INVESTING ACTIVITIES (B)	(140.38)	(277.01)



CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2014 (contd.)

(₹ in Lacs)

	2013-14	2012-13
C. CASH FLOW FROM FINANCIAL ACTIVITIES		
Borrowings/(Repayments) of Long Term Borrowings	(1.59)	(24.96)
Borrowings/(Repayments) of Short Term Borrowings	302.85	423.28
Interest Paid	(624.66)	(420.32)
NET CASH USED IN FINANCIAL ACTIVITIES (C)	(323.40)	(22.00)
NET INCREASE/(DECREASE) IN CASH & CASH EQUIVALENTS [A+B+C]	329.28	(19.15)
OPENING CASH & CASH EQUIVALENTS	235.27	254.42
CLOSING CASH & CASH EQUIVALENTS	564.55	235.27
NET INCREASE/(DECREASE)	329.28	(19.15)

Note :

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

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

As per our report of even date annexed

For TIWARI & COMPANY
Chartered Accountants
Firm Regn. No.- 309112E
P. Tiwari
Partner (M. No. 16590)
Place : Kolkata
Date : 24th May, 2014

LAWKUSH PRASAD
Company Secretary

For and on behalf of the Board of Directors
S. K. LOYALKA *Chairman cum Managing Director*
R. K. LOYALKA *Joint Managing Director*
M. M. BHAGAT *Director*
K. D. RUNGTA *Director*
M. L. JAIN *Director*
D. K. SARAWHEE *Director*



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Notes on Financial Statements for the year ended 31st March, 2014

(₹ in Lacs)

	As at 31.03.2014	As at 31.03.2013
1. SHARE CAPITAL		
AUTHORISED		
1,00,00,000 (1,00,00,000) Equity Shares of Rs. 10/- each	1000	1000
ISSUED, SUBSCRIBED & PAID UP CAPITAL		
53,96,250 (53,96,250) Equity Shares of Rs. 10/- each	539.63	539.63

Notes:

Subscribed and paid-up share capital includes:

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

Name of the Shareholder	As at 31st March, 2014		As at 31st March, 2013	
	% of Holding	Number of Shares	% of Holding	Number of Shares
Urmila Loyalka	11.66	629150	11.66	629150
Bhutnath Vanijya Vyapaar Pvt. Ltd.	10.80	582586	10.80	582586
Surendra Kumar Loyalka (HUF)	10.40	561420	10.40	561420
R.K.Finance Ltd.	9.68	522445	9.68	522445
Surendra Kumar Loyalka	8.92	481496	8.92	481496
Purotech Sales Pvt. Ltd.	6.60	356000	6.60	356000
Zenith Credit Ltd.	6.38	344150	6.40	345482
Maxxon Impex and Credit Pvt. Ltd	5.75	310093	5.75	310093
A. C. Roy & Co. Pvt. Ltd.	5.64	304490	5.64	304490

2. Rights Preferences and Restrictions attached to shares

The Company has only one class of equity shares having a par value of 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.



Notes on Financial Statements for the year ended 31st March, 2014

(₹ in Lacs)

	As at 31.03.2014	As at 31.03.2013
2. RESERVES & SURPLUS		
Capital Reserve		
At the Beginning of the year	224.12	224.12
Deduction during the year	—	—
At the end of the year	224.12	224.12
Security Premium Account		
At the Beginning of the year	277.38	277.38
General Reserve		
At the Beginning of the year	4612.77	4612.77
Cash Subsidy		
At the Beginning of the year	25.00	25.00
Surplus		
At the Beginning of the year	3847.23	3763.60
Add: Net Profit/(Loss) for the year	166.62	83.63
Amount available for appropriation	4013.85	3847.23
Balance at the end of the year	4013.85	3847.23
TOTAL	9153.12	8986.50
3. BORROWINGS		
Non Current Liabilities		
(A) Long-Term Borrowings		
Secured		
Term Loan		
From Canara Bank		
Vehicle Loan [Refer Note 2 & 3]	0.84	2.43
Total (A)	0.84	2.43
Current Liabilities		
(B) Short-Term Borrowings		
Secured		
Loan repayable on demand from banks		
(a) Packing Credit		
Canara Bank [Refer Note 2(a)]	2514.63	2171.68
State Bank of India [Refer Note 2(b)]	1046.33	1086.42
Total (B)	3560.96	3258.10



ZENITH EXPORTS LIMITED - ANNUAL REPORT 2013-14

Notes:

- (a) Working Capital Loans from Canara Bank are secured by hypothecation of Stock & book debts of Trading Division, Kolkata & Textile Division, Mysore and Personal Guarantee of Promoter Directors and further by second charge on the entire Fixed Assets of the Company.
(b) Working Capital Loans from State Bank of India are secured by hypothecation of Stocks & Book debts of Spinning Division, Ahmedabad and Personal Guarantee of Promoter Directors and further by second charge on the entire Fixed Assets of the Company.
- Secured against hypothecation of vehicles under hire purchase.
- Instalment of Term Loans and Vehicles Loan falling due within 12 months shown under “**Other Current Liabilities**” (Refer Note 8)

	(₹ in Lacs)	
	As at 31.03.2014	As at 31.03.2013
4. DEFERRED TAX LIABILITIES/(ASSETS)		
A. DEFERRED TAX LIABILITIES		
Difference between Book & Tax Depreciation	271.93	361.77
Total (A)	271.93	361.77
B. DEFERRED TAX ASSETS		
Disallowance under Section 43B	80.57	79.79
Total (B)	80.57	79.79
DEFERRED TAX LIABILITIES/(ASSETS) (NET) [A-B]	191.36	281.98

Notes :

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



Notes on Financial Statements for the year ended 31st March, 2014

(₹ in Lacs)

	As at 31.03.2014	As at 31.03.2013
5. OTHER LONG-TERM LIABILITIES		
Creditors for Capital Goods	54.15	87.19
Security Deposits	32.31	32.31
Advance from Customers	0.55	0.68
Sundry Creditors for Expenses & Others	12.67	25.45
Total	99.68	145.63
6. PROVISIONS		
NON-CURRENT LIABILITIES		
A. Long-Term Provisions		
Provision for Employee Benefits	211.00	205.58
Total (A)	211.00	205.58
CURRENT LIABILITIES		
B. Short-Term Provisions		
Provision for Employee Benefits	37.33	40.34
Others		
Excise Duty on Stock	0.06	0.02
Provision for Mark to Market Loss on Forward Contract	42.22	—
Total (B)	79.61	40.36
7. TRADE PAYABLE		
Creditors for materials & services	1216.12	1923.19
Total	1216.12	1923.19

Notes :

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

8. OTHER CURRENT LIABILITIES

Capital Creditors	42.84	45.85
Current Maturities of Long-Term Debts [Refer Note 3(3)]	5.11	28.81
Interest Accrued but not due on Borrowings	2.83	0.13
Book Overdraft with Banks [Refer Note a]	487.35	289.17
Accrued Salaries and Benefits	68.00	57.02
Others		
Advance from Customers	93.90	285.15
Government Statutory Dues	24.36	21.99
Sundry Creditors for Expenses & Others	332.75	288.65
Total	1057.14	1016.77

Notes :

- Book overdraft includes ₹ 16.58 Lacs (Previous year ₹ 76.98 Lacs) overdraft with Banks against Pledge of Fixed Deposit.



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9. FIXED ASSETS

CLASSIFICATION OF ASSETS	GROSS BLOCK				ACCUMULATED DEPRECIATION				NET BLOCK	
	As at 01.04.13	Addition	Sales/Adj. adjustments	Up to 31.03.14	As at 01.04.13	For the year	Sales/Adj. adjustments	Up to 31.03.14	As at 31.03.14	As at 31.03.13
(A) TANGIBLE										
Leasehold Property	5.89	—	—	5.89	1.61	0.08	—	1.69	4.20	4.28
Freehold Property	91.57	—	—	91.57	—	—	—	—	91.57	91.57
Building	372.70	—	—	372.70	190.55	7.70	—	198.25	174.45	182.15
Factory Building	1380.75	—	—	1380.75	667.51	40.88	—	708.39	672.36	713.24
Well, Water works & Pipe Line	25.30	—	—	25.30	7.47	0.47	—	7.94	17.36	17.84
Plant & Machinery	11929.86	114.37	28.53	12015.69	8704.10	541.26	26.07	9219.28	2796.41	3225.75
Electrical Installation	193.76	—	—	193.76	139.99	9.06	—	149.05	44.71	53.77
Computer & Accessories	115.97	3.57	—	119.55	98.13	4.72	—	102.85	16.69	17.84
Office & Other - Equipments*	113.46	13.29	30.29	96.46	79.69	6.14	32.86	52.97	43.50	33.77
Furniture & Fixture	194.44	9.48	—	203.92	134.53	7.99	—	142.52	61.39	59.90
Site Development	13.69	—	—	13.69	—	—	—	—	13.69	13.69
Vehicles*	302.88	17.95	42.81	278.02	140.04	28.13	35.78	132.38	145.65	162.84
Total	14740.26	158.66	101.63	14797.29	10163.62	646.42	94.72	10715.31	4081.98	4576.64
Previous Year	14462.46	325.75	47.95	14740.26	9542.95	649.81	29.14	10163.62	4576.64	—

Notes :

* The amount of Rs. 32.86 Lacs includes Rs. 2.57 Lacs on account of depreciation written back for earlier years.

* The amount of Rs. 35.78 Lacs includes Rs. 0.03 Lacs on account of depreciation written back for earlier years.



Notes on Financial Statements for the year ended 31st March, 2014

(₹ in Lacs)

		As at 31.03.2014	As at 31.03.2013
10. LOANS & ADVANCES			
NON CURRENT ASSETS			
A. Long-Term Loans & Advances			
Unsecured, Considered Doubtful	65.56	—	65.56
Less:- Provision for Doubtful Loan	65.56		
Unsecured Considered Good			
Capital Advances		10.52	10.52
Deposit with Government		23.82	20.98
Deposit with Others		99.76	99.40
Other Loans & Advances			
Advance Income Tax		5.13	5.13
Mat Credit Receivable		—	1.07
Income Tax Refund Receivable		128.27	33.93
Service Tax Refund Receivable		3.18	1.34
VAT Credit Receivable		732.94	762.87
Prepaid Expenses		2.38	0.41
FBT Refund Receivable		0.29	0.29
Advance to Employees		—	3.10
Others		11.38	2.11
Total (A)		1017.67	1006.71
CURRENT ASSETS			
B. Short-Term Loans & Advances			
Unsecured, Considered goods			
Advance to material suppliers/services		145.98	170.64
Other Loans & Advances			
Advance Income Tax (net of provision)		—	6.79
Prepaid Expenses		24.93	57.48
Balance with Central Excise		51.07	12.05
Cenvat Service Tax input receivable		4.72	11.23
VAT Credit Receivable		659.19	558.02
Service Tax Refund Receivable		5.71	4.87
Interest Subvention Receivable		—	2.31
Income Tax Refund Receivable		8.56	94.33
Others		72.66	51.09
Total (B)		972.82	968.81

11. CURRENT INVESTMENTS

(Valued at Lower of Cost and Fair Value)

Investments in Mutual Funds Fully paid-up

Unquoted

	Face Value	Units	Value	Units	Value
Reliance Equity Opportunity Fund-RP-Growth	10/-	4775.937	1.00	4775.937	1.00
Pine Bridge India Short Term Fund Retail Growth	1000/-	—	—	432.829	6.04
Pine Bridge India Short Term Fund Standard Growth	1000/-	1372.776	20.47	354.349	5.00
Aggregate amount of Unquoted Investments		21.47		12.04	



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Notes on Financial Statements for the year ended 31st March, 2014

(₹ in Lacs)

	As at 31.03.2014	As at 31.03.2013
12. INVENTORIES		
(At cost or net reliable value whichever is lower)		
Raw materials [Refer Note a]	3247.55	3205.56
Dyes & Chemicals	13.09	14.68
Semi-Finished Goods	669.54	808.75
Finished Goods [Refer Note b]	2655.38	3094.13
Packing Materials	53.52	48.44
Stores & Spares	206.31	251.97
Wastage & Others	7.46	6.19
Total	6852.85	7429.72
Notes:		
1. Raw Materials includes		
a. With Parties	418.07	452.84
Total	418.07	452.84
2. Finished Goods Includes		
i. At Port	1.53	0.00
ii. With Parties	21.96	44.97
iii. In Transit	4.22	38.28
Total	27.71	83.25
13. TRADE RECEIVABLE		
A. Debts Exceeding Six Months		
Unsecured, Considered Good	125.78	221.69
Total [A]	125.78	221.69
B. Other Debts		
Secured, Considered Good	731.38	638.76
Unsecured, Considered Good	812.60	789.52
Total [B]	1543.98	1428.28
Total [A+B]	1669.76	1649.97
14. CASH & CASH EQUIVALENT		
Balances with Banks		
In Current Accounts	291.67	24.03
In Fixed Deposit Accounts (Refer Note 1)	256.08	200.08
In E.E.F.C. Accounts	0.09	0.09
Cash-in-hand	16.72	11.07
Total	564.56	235.27
Fixed Deposit Accounts with more than 12 months maturity	48.00	187.08

Notes:

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



Notes on Financial Statements for the year ended 31st March, 2014

(₹ in Lacs)

	As at 31.03.2014	As at 31.03.2013
15. OTHER CURRENT ASSETS		
Interest Accrued but not due on Fixed Deposit	40.90	20.27
Export Benefit Receivable	835.99	444.06
Excise Duty Receivable	51.46	56.67
Stamp Stock	0.00	0.01
Total	928.35	521.01
16. REVENUE FROM OPERATIONS		
A. SALES OF PRODUCTS		
Export	23722.40	23900.36
Deemed Export	3696.74	1182.59
Indigenous	2272.79	1930.62
Less: Excise Duty	0.70	0.75
Total (A):	29691.23	27012.82
B. SALE OF SERVICES		
Job Charges-Indigenous (TDS ₹ 0.25 Lacs, Previous Year ₹ Nil -/)	26.83	0.46
Total (B):	26.83	0.46
C. OTHER OPERATING REVENUE		
Export Incentives	1835.42	1764.53
Total (C):	1835.42	1764.53
TOTAL (A+B+C)	31553.48	28777.81
17. OTHER INCOME		
Interest Income (TDS ₹ 3.08 Lacs, Previous year ₹ 2.29 Lacs)	38.66	25.84
Gain on Exchange Fluctuation (net)	47.78	147.27
Excess Provision W/Back	31.40	37.14
Insurance Claim Received	0.29	11.51
Miscellaneous Receipts	0.18	2.80
Profit on Sale of Fixed Assets	3.56	20.04
Depreciation for Earlier Year W/Back	2.61	—
Reversal of Provision on Forward Contract W/back	—	6.06
Sundry Balance W/back	—	2.19
Gain on Sale of Investments (Net)	0.54	0.44
Service Tax on Export Service	3.39	1.57
TOTAL	128.41	254.86



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Notes on Financial Statements for the year ended 31st March, 2014

(₹ in Lacs)

	2013-14	2012-13
18. COST OF MATERIAL CONSUMED		
A. RAW MATERIAL CONSUMED		
Opening Stock	3205.56	2404.50
Add: Purchase	19226.96	19099.06
Processing Charges	62.07	6.18
Less: Raw Material Loss in Transit	(20.02)	—
Less: Closing Stock	(3247.55)	(3205.55)
Total: (A)	19227.02	18304.19
B. DYES & CHEMICALS CONSUMED		
Opening Stock	14.69	12.60
Add: Purchase	109.42	157.36
Less: Closing Stock	(13.09)	(14.68)
Total: (B)	111.02	155.28
TOTAL: (A+B)	19338.04	18459.47
19. CHANGES IN INVENTORIES OF FINISHED GOODS & WORK-IN-PROGRESS		
A. Inventories (at commencement)		
Finished Goods	3094.13	2728.09
Work-in-Progress	808.75	856.43
Waste & Others	6.19	4.03
Total:	3909.07	3588.55
B. Inventories (at close)		
Finished Goods	2655.38	3094.13
Work-in-Progress	669.53	808.75
Waste & Others	7.46	6.19
Total:	3332.37	3909.07
C. Increase/(Decrease) in Cenvat Duty on Stock	0.04	0
Net (Increase)/Decrease in Stock (A - B + C)	576.74	(320.52)
20. EMPLOYEE BENEFITS EXPENSE		
Salaries and Wages	1219.48	1208.37
Contribution to Provident & Other Funds	98.59	99.45
Staff welfare Expenses	60.58	62.81
Total:	1378.65	1370.63
21. FINANCE COSTS		
A. Interest to Bank		
On Working Capital	314.44	286.63
On Term Loan	0.31	6.42
On Bill Discounting	293.71	124.79
Total: (A)	608.46	417.84
B. Interest to Others	16.19	2.48
Total: (A+B)	624.65	420.32



Notes on Financial Statements for the year ended 31st March, 2014

(₹ in Lacs)

	2013-14	2012-13
22. OTHER EXPENSES		
A. Manufacturing Expenses		
Carriage	93.81	98.19
Designing & Sampling Charges	107.37	82.70
Material Processed	1808.88	1855.44
Power, Fuel & Water	1088.13	1311.78
Repairs and Maintenance		
Factory Buildings	3.23	5.62
Machinery	34.14	28.47
Service-Tax on Transport	0.91	0.77
Stores & Spares Consumed	607.10	642.30
Testing Charges	7.90	7.21
Other Manufacturing Expenses	31.79	60.21
Vat Input W/off	24.21	17.21
Total: (A)	3807.47	4109.90
B. Selling & Distribution Expenses		
Advertisement	16.98	1.08
Commission and Discount	794.10	794.98
Export Promotion	10.40	20.56
Foreign Travel	102.92	83.16
Freight Forwarding & Insurance Expenses	418.53	568.80
Packing Charges		
Packing Material Consumed	97.19	88.35
Packing Expenses	14.25	23.57
Participation in Trade Fair	12.57	11.59
Quality Control & Inspection	100.90	44.35
Total: (B)	1567.84	1636.44
C. Administrative Expenses		
Adjustment Relating to Prior Year (net)	3.88	0.12
Auditors Remuneration [Refer Note No. 23.7]	4.36	3.98
Bank Charges	124.03	106.87
ECGC Premium & Certificates	13.82	11.65
Bad Debts	—	5.34
Provision for Doubtful Loan	65.56	—
Directors Sitting Fees	0.96	1.01
Donation	58.50	48.76
Electricity	26.21	26.10
Insurance	29.98	32.34
Legal & Professional Charges	40.25	49.78
Loss on Sale of Fixed Assets	3.91	4.02
Miscellaneous Expenses	95.60	83.66
Motor Car Upkeep	46.88	37.41
Printing & Stationary	77.99	62.60
Postage, Courier & Telephone	46.49	45.23
Rates, Taxes & Fees	44.07	32.66
Rent	14.61	13.45
Repairs & Maintenance		
Building	9.29	2.66
Others	35.74	35.62
Travelling & Conveyance	37.85	33.00
Total: (C)	779.98	636.26
Total: (A+B+C)	6155.29	6382.60



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Notes on Financial Statements for the year ended 31st March, 2014

(₹ in Lacs)

	As at 31.03.2014	As at 31.03.2013
23. ADDITIONAL NOTES TO THE FINANCIAL STATEMENTS		
23.1 Commitments and Contingent Liabilities		
i. Commitments/Contingent Liabilities		
a. Foreign Bills discounted through banks	2739.20	2577.76
b. Letter of Credit issued by Bankers (net of Margin)	0.00	28.71
c. Bank Guarantee	175.00	130.00
ii. Claims against the company not acknowledged as debts in respect of		
a. Employees dispute for reinstatement is pending disposal by Labour Court	22.00	22.00
b. Income-Tax demand under CIT(Appeal)/I.T. Appellate Tribunal.	33.86	20.93
iii. Estimated amount of contract remaining to be executed on capital account (net of advances)	9.24	69.78
23.2 Employee Benefits		
The disclosure required under AS-15 on "Employee Benefits" notified in the companies (Accounting Standards) Rules 2006, are given below:		
Defined Contribution Plans		
Contribution to Recognised Provident Fund & Pension Fund	69.78	69.39



Notes on Financial Statements for the year ended 31st March, 2014

Defined Benefits Plans

Gratuity Benefits are as follows:

Description	2013-14		2012-13	
	Gratuity		Gratuity	
	Funded	Unfunded	Funded	Unfunded
	₹ in lacs	₹ in lacs	₹ in lacs	₹ in lacs
1. Reconciliation of opening and closing balances of obligation				
a. Present value of the beginning of the year	54.45	150.07	53.45	128.94
b. Current service cost	2.10	23.95	2.32	28.38
c. Interest cost	4.35	12.41	4.28	10.00
d. Actuarial (gain)/loss	0.76	(4.35)	2.25	(0.30)
e. Benefits paid	(4.95)	(22.69)	(7.83)	(16.97)
f. Present value of the end of the year	56.74	159.40	54.45	150.07
2. Change in fair value of plan assets				
a. Fair value of plan assets as at the beginning of the year	44.29	—	31.24	—
b. Expected return on plan assets	4.61	—	3.72	—
c. Actuarial gain/(loss)	—	—	—	—
d. Contributions/refunds made by/to the company	10.17	—	17.15	—
e. Benefits paid	(4.95)	—	(7.83)	—
f. Fair value of plan assets as at the end of the year	54.11	—	44.29	—
3. Reconciliation of fair value of plan assets and obligations				
a. Fair value of plan assets as at year end	54.11	—	44.29	—
b. Present value of obligation as at the year end	(56.74)	159.40	(54.45)	(150.07)
c. Amount recognised in the balance sheet	(2.62)	159.40	(10.17)	(150.07)
4. Expenses recognised during the year				
a. Current service cost	2.10	23.95	2.32	28.38
b. Interest cost	4.35	12.41	4.28	10.00
c. Expected return on plan assets	(4.61)	—	(3.72)	—
d. Actuarial (gains)/loss	0.77	(4.35)	2.25	(0.30)
e. Expenses recognised during the year	2.62	32.02	5.11	38.09
5. Investment details				
a. Others (fund with life Insurance Corporation of India)	54.11	—	44.29	—
6. Assumptions				
a. Discount rate (per annum)	8.00%	8.25%	8.00%	8.25%
b. Estimated rate of return on plan assets (per annum)	9.00%	—	9.00%	—
c. Rate of escalation in salary	3.00%	6.00%	3.00%	6.00%

Note:

- The employee's Gratuity Funded Scheme of Main Division Kolkata managed by Life Insurance Corporation of India is a defined Benefit Plan.
- The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognised each period of service as giving rise to additional Unit of employee benefit entitlement and measures each unit separately to buildup the final obligation.



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Notes on Financial Statements for the year ended 31st March, 2014

(₹ in Lacs)

	2013-14	2012-13
23.3 Earning Per Share (EPS)		
a. Total Number of Equity Share Outstanding at the end of the year	5396250	5396250
b. Net Profit after tax available to Equity Shareholders (₹)	166.62	83.63
c. Nominal value per Equity Shares (₹)	10	10
d. Basic/Diluted Earnings per Shares (₹)	3.09	1.55
23.4 Purchase of Finished Goods		
Silk/Cotton/Viscose Fabrics	296.51	986.49
Polyester/ Viscose/Cotton yarn	2182.12	803.78
Silk Made-ups	32.96	36.94
Industrial Leather Handgloves	139.96	88.33
Others	27.69	39.00
Total:	2679.24	1954.54

23.5 Consumption of Raw Materials and Dyes & Chemicals

	2013-2014		2012-2013	
	%	Value	%	Value
A. RAW MATERIALS				
Raw Leather		12247.00		11116.32
Clothes		164.81		148.74
Yarn		1375.95		1448.64
Polyester, Cotton & Viscose Fibre		5439.26		5590.49
Total of (A)		19227.02		18304.19
Imported	5.61	1078.41	5.78	1058.09
Indigenous	94.39	18148.61	94.22	17246.10
	100.00	19227.02	100.00	18304.19
B. Dyes & Chemicals		111.02		155.28
Imported	1.31	1.45	1.38	2.15
Indigenous	98.69	109.57	98.62	153.13
	100.00	111.02	100.00	155.28
Total of (A+B)		19338.04		18459.47

23.6 Consumption of Stores & Spares and Packing Materials

	2013-2014		2012-2013	
	%	Value	%	Value
A. Stores & Spares				
Thread		30.47		37.86
Rubb, Cuff, back & Components		91.57		108.96
Spares parts		485.06		495.48
Total of (A)		607.10		642.30
Imported	9.81	59.55	13.25	85.12
Indigenous	90.19	547.55	86.75	557.18
	100.00	607.10	100.00	642.30
B. Packing Materials		97.19		88.35
Total of (B)		97.19		88.35



Notes on Financial Statements for the year ended 31st March, 2014

(₹ in Lacs)

	2013-14	2012-13
23.7 Auditors Remuneration		
As Statutory Audit	2.24	2.07
As Tax Audit	0.90	0.79
For Certification & Other Services	1.08	0.98
For Out of Pocket Expenses	0.14	0.14
	4.36	3.98
23.8 Value of Imports on CIF Basis		
Finished Goods	-	0.52
Raw Materials	1005.23	1268.20
Stores, Spares & Components	45.16	62.29
Others	-	15.25
23.9 Expenditure in Foreign Currencies		
Foreign Travel & Participation in Exhibitions and Trade Fair	69.31	67.98
Commission	661.29	615.64
Design Purchase	72.59	69.71
Rebate & Discount	0.00	6.84
Others	8.97	7.87
23.10 Earnings in Foreign Currencies		
Exports of Goods on F.O.B. Basis	23441.94	23509.11
Others	4.15	2.70

23.11 Derivative Instruments Outstanding

a. Forward Exchanges Contracts

Currency	2013-2014		2012-2013	
	No. of Contracts	Amount in Foreign Currency	No. of Contracts	Amount in Foreign Currency
EURO	10	675271	10	562714
USD	48	3947847	48	5264346

b. Unhedged Foreign Currency Exposure as at the Balance Sheet date

Category	Currency	2013-14	2012-13
		Amount in Foreign Currency	Amount in Foreign Currency
Exports	EURO	199627	299542
Exports	USD	2204190	2362450
Exports	GBP	91749	134321
Others	EURO	65123	25673
Others	USD	320568	344693
Others	GBP	21149	50594

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



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Notes on Financial Statements for the year ended 31st March, 2014

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

24. Segment Reporting

The Company's primary Segment reporting is by its business segments which are Silk Fabrics/Made-ups segment, Industrial Leather Hand Gloves/Made-ups segment, yarns segments and Weaving Silk Fabrics segment

i. Business Segment

(₹ in Lacs)

	Silk Fabrics & Made-ups	Industrial Leather H/Gloves Made-ups	Yarns	Weavings Silk Fabrics (100% EOU)	Unallocable	Total
	2013-2014	2013-2014	2013-2014	2013-2014	2013-2014	2013-2014
(a) Revenue						
External	1407.03	16722.87	10647.60	2865.70	—	31643.21
(Previous Year)	2441.76	14563.15	9585.19	2416.72	—	29006.82
(b) Results Segment Result before interest & tax	66.28	1206.15	(44.89)	(262.09)	—	965.45
(Previous Year)	135.13	732.53	(38.17)	(207.98)	—	621.51
Unallocated Expenses net of unallocated income	—	—	—	—	(96.59)	(96.59)
(Previous Year)	—	—	—	—	(111.22)	(111.22)
Interest Expenses	—	—	—	—	—	(624.66)
(Previous Year)	—	—	—	—	—	(420.32)
Interest Income	—	—	—	—	—	38.66
(Previous Year)	—	—	—	—	—	25.84
Profit/(Loss) before tax	—	—	—	—	—	282.86
(Previous Year)	—	—	—	—	—	115.82
Income Tax for Earlier Years	—	—	—	—	—	(0.69)
(Previous Year)	—	—	—	—	—	(0.48)
Provision for current tax	—	—	—	—	—	207.55
(Previous Year)	—	—	—	—	—	118.50
Provision for deferred tax	—	—	—	—	—	(90.62)
(Previous Year)	—	—	—	—	—	(85.83)
Net Profit/(Loss) after tax	—	—	—	—	—	166.62
(Previous Year)	—	—	—	—	—	83.63
Other Information						
(c) Segment Assets	2226.94	6027.24	4298.59	3506.05	50.64	16109.46
(Previous Year)	2407.27	5531.51	4382.80	4026.18	52.41	16400.17
(d) Segment Liabilities	1276.40	2866.56	1409.54	853.45	10.77	6416.72
(Previous Year)	1299.32	3174.66	1374.19	1017.78	8.10	6874.05
(e) Capital Expenditure	—	—	126.15	11.77	20.75	158.67
(Previous Year)	—	—	79.51	226.87	19.38	325.76
(f) Depreciation	—	—	314.04	298.13	34.25	646.42
(Previous Year)	—	—	314.50	296.44	38.87	649.81
(g) Non-cash expenses other than depreciation	78.38	24.47	0.32	1.73	—	104.90
(Previous Year)	5.34	17.21	—	—	0.52	23.07



Notes on Financial Statements for the year ended 31st March, 2014

ii. Geographical Segments

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

Sales	(₹ in Lacs)	
	2013-2014	2012-2013
India	5969.53	3113.21
Outside India	23722.40	23900.36
Total	29691.92	27013.57

Segment Revenue and Result

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

Segment assets and liabilities

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

25. Related Party Disclosures

(₹ in Lacs)

Sl. No.	Nature of the related party & nature of relationship	Nature of Transactions	2013-14		2012-13	
			Transaction Value	Outstanding debit / (credit) balance at the year end	Transaction Value	Outstanding debit / (credit) balance at the year end
A. Key Management Personnel						
1.	Mr. B. R. Loyalka (Chairman) (Refer Note-1)	Sitting Fees	0.00	—	0.05	—
2.	Mr. R. K. Loyalka (Managing Director)	Remuneration	18.79	—	18.34	(0.85)
3.	Mr. S. K. Loyalka (Chairman-cum-Managing Director)	Remuneration	19.86	(0.99)	19.41	(0.84)
4.	Mr. V. K. Loyalka (Whole time Director) (Refer Note-2)	Remuneration	0.00	—	1.28	—
B. Relatives/Associates of Key Management Personnel						
1.	B. R. Loyalka (HUF)	Rent Paid	0.48	—	0.48	—
2.	B. R. Loyalka	Advisory Service	9.00	—	7.50	—
3.	Kiran Loyalka	Salary	1.16	(0.13)	1.16	(0.13)
4.	Loyalka Charity Trust	Donation	0.00	—	2.50	—
C. Associates						
1.	SKL Exports Limited	Job Charges	488.18	19.77	545.38	30.21
		Sale	52.87	1.71	57.14	17.44
2.	Capital Limited	Providing Man-power Charges	5.62	—	7.06	—
		Rent	6.60	—	6.60	—
		Advance Paid	0.00	—	5.60	5.60

- Note:**
1. Resigned from the board w.e.f 25th June, 2012
 2. Resigned from the board w.e.f 30th August, 2012

**26. SIGNIFICANT ACCOUNTING POLICIES****26.1 Convention**

The financial statements have been prepared in accordance with generally accepted accounting principles and accounting standards issued by I.C.A.I. and as per the provisions of the Companies Act, 1956.

26.2 Basis of Accounting

The financial statements are prepared under historical cost convention following the accrual basis of accounting.

26.3 Fixed Assets

(a) Fixed Assets are stated at the original cost of acquisition/installation. Such cost includes purchase price, incidental expenses directly related thereto and pre-operative expenses apportioned based on value. Fixed Assets are shown net of accumulated depreciation. CENVAT availed on capital goods purchased are shown at net value.

(b) Capital Work-in-Progress is stated at amount incurred upto the date of Balance Sheet.

26.4 Depreciation

(a) Depreciation on fixed assets has been provided on the assets of Main Division at Kolkata on "Written down value method", for the Spinning Division at Ahmedabad and Weaving Division at Mysore on "Straight line method" at the rates as prescribed in Schedule XIV to the Companies Act, 1956 on prorata basis and the relevant accounting standard issued by the Institute of Chartered Accountants of India. In Spinning Division Plant & Machineries have been considered to be continuous process plant as defined in the said Schedule & on technical assessment and depreciation has been provided accordingly. In Weaving Division Depreciation has been charged on shift basis wherever applicable.

(b) Leasehold land are being amortised over the period of lease.

(c) Assets costing upto ₹ 0.05 Lacs are depreciated fully in the year of purchase/capitalisation.

(d) Depreciation is being provided prospectively over the residual life of the assets revolarised due to foreign exchange fluctuation wherever applicable.

26.5 Investments

(a) Investments are stated at cost including expenses related thereto.

(b) Long Term Investments are stated at cost. The diminution, if any in the value of Investments is not recognised unless such diminution is considered permanent in nature.

(c) Current Investments are stated at Lower of cost or market value.

(d) Dividend is recognised when the right to receive is established.

26.6 Inventories

Inventories are valued as under

a) Raw Materials : at cost which is arrived at on average cost basis.

b) Packing Materials : at average cost basis.

c) Stores, Consumables & Spares : at average cost basis.

d) Semi-Finished Goods : at Raw Material cost and value added thereto upto the state of completion.

e) Finished Goods : at cost or net realisable value whichever is lower.

f) Waste : at estimated realisable value.

26.7 Employee Benefits**1. Short Term employee benefits**

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

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

Gratuity is payable to all eligible employees of the Company on death, permanent disablement and



resignation as per the provisions of the Payment of Gratuity Act or as per the Company's Scheme whichever is more beneficial. Benefit would be paid at the time of separation based on the last drawn basic salary.

Leave Encashment:

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

(b) **Defined Benefit Obligation Plans**

The present value of the obligation under such plans, is determined based on an actuarial valuation, using the projected Unit Credit Actuarial Method, carried out (approximately) at the close of the year. Actuarial gains and losses arising on such valuation are recognised immediately in the Profit and Loss Account.

3. **Termination Benefits** are charged to the Profit and Loss Account in the year in which they are incurred.

26.8 Foreign Currency Transaction

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

26.9 Recognition of Income & Expenditure

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

26.10 Borrowing Costs

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

**26.11 Impairment of Assets**

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

26.12 Accounting for Cenvat Credits/Service Tax/Value Added Tax

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

26.13 Provisions,Contingent Liabilities & Contingent Assets

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

26.14 Government Grants

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

26.15 Derivative Instruments

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

As per our report of even date annexed

For TIWARI & COMPANY
Chartered Accountants
Firm Regn. No.- 309112E
P. Tiwari
Partner (M. No. 16590)
Place : Kolkata
Date : 24th May, 2014

LAWKUSH PRASAD
Company Secretary

For and on behalf of the Board of Directors
S. K. LOYALKA *Chairman cum Managing Director*
R. K. LOYALKA *Joint Managing Director*
M. M. BHAGAT *Director*
K. D. RUNGTA *Director*
M. L. JAIN *Director*
D. K. SARAWHEE *Director*

ZENITH EXPORTS LIMITED

Form No. MGT - 11

PROXY FORM

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

CIN	L24294WB1981PLC033902
Name of the Company	Zenith Exports Limited
Registered Office	19, R. N. Mukherjee Road, Kolkata – 700 001

Name of the Member(s):
Registered Address :
E-mail Id:
Folio No.
DP ID//Client ID

I / We, being the member(s) of shares of Zenith Exports Limited hereby appoint:

1) Name: Address:

Email Id: Signature: , or failing him

2) Name: Address:

Email Id: Signature: , or failing him

3) Name: Address:

Email Id: Signature: , or failing him

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 32nd Annual General Meeting of the company, to be held on the Saturday, 27th September'2014 at 10.30 a.m. at Ground Floor, Auditorium of Birla Academy of Art & Culture, 108, Southern Avenue, Kolkata -700029 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Resolutions
1	To receive, consider and adopt the Audited statement of Profit & Loss for the year ended 31st March'2014 and the Balance sheet as at that date together with the report of board of directors and auditors thereon.

Resolution No.	Resolutions
2	To appoint M/s. Tiwari & Company, Chartered Accountants (Firm Registration No.309112E) as a Statutory Auditor of the Company.
3	To re-appoint Mr.Surendra Kumar Loyalka (DIN :00006232) as Managing director of the company for a further period of 5 years with effect from 12/02/2014.
4	To re-appoint Mr.Raj Kumar Loyalka (DIN:00006226) as Jt.Managing director of the company for a further period of 5 years with effect from 12/02/2014.
5	To appoint Mr. Madhukar Manilal Bhagat (DIN:00006245) as an Independent Director of the Company.
6	To appoint Mr. Keshar Deo Rungta (DIN:00006252) as an Independent Director of the Company.
7	To appoint Mr. Mangi Lal Jain (DIN: 00353075) as an Independent Director of the Company.
8	To appoint Mr. Devendra Kumar Sarawgee (DIN: 00087256) as an Independent Director of the Company.

Signed this _____ day of _____ of 2014.

Signature of the Shareholder:

Affix
Revenue
Stamp

Signature of the proxy holder(s):

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

ZENITH EXPORTS LIMITED

(CIN : L24294WB1981PLC033902)

Regd.Office: 19, R.N.Mukherjee Road, Kolkata - 700 001

Tel: (033) 2248-7071/6936/8772

Fax: (033)2248-0960

Email: zenith@giascl01.vsnl.net.in

Website: www.zenithexportslimited.com

ATTENDANCE SLIP

Only Shareholders or Proxies will be allowed to attend the meeting

Registered Folio / DP ID & Client ID :

Name and Address of the Shareholder :

Joint Holder(s) :

No. of Shares :

I / We hereby record my / our presence at the 32nd Annual General Meeting of the Company being held on Saturday, 27th day of September' 2014 at 10.30 A.M. at Ground Floor, Auditorium of Birla Academy of Art & culture, 108, Southern Avenue, Kolkata - 700 029..

Signature of Shareholder(s) 1.

2.

Signature of Proxy holder

Note:

1. Shareholders attending the meeting in person or by Proxy are requested to complete the attendance slip and hand it over at the entrance of the meeting venue

ELECTRONIC VOTING PARTICULARS

EVSN
140901044

Note:

Please read the note nos. 9, 10 & 16 to the Notice of the 32nd Annual General Meeting dated 27th September'2014, being sent herewith, in respect of the instructions for voting through electronic means. The voting period starts from 10.00 a.m. on September 22, 2014 and ends at 10.00 p.m. on September 23, 2014.