

**BOARD OF DIRECTORS (29.08.2011)**

Mr. B. R. Loyalka, Chairman
Mr. R. K. Loyalka, Managing Director
Mr. S. K. Loyalka, Managing Director
Mr. V. K. Loyalka, Wholetime Director (w.e.f. 29.08.2011)
Mr. M. M. Bhagat, Independent Director
Mr. K. D. Rungta, Independent Director
Mr. M. L. Jain, Independent Director

COMPANY SECRETARY

Mr. Lawkush Prasad

AUDITORS

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

PRINCIPAL BANKERS

Canara Bank
State Bank of India

REGISTERED OFFICE

19, R. N. Mukherjee Road
First Floor, Kolkata-700 001
Phone : 91-33-2248 6936 / 7071 / 9522
Fax : 91-33-2248 0960/ 9853
E-mail : zenith@giascl01.vsnl.net.in
Website : www.zenexports.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
Nanjungud
Dist.-Mysore, PIN-571 302
Karnataka

REGISTRAR AND TRANSFER AGENT

C B Management Services (P) Ltd.
P-22, Bondel Road, Kolkata - 700 019
Telephone - 4011 6700 / 6711 / 6718 / 6723
Fax : 2287 0263, E-mail - rta@cbmsl.com
Website : www.cbmsl.com

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Cover design of this Report is a replica of the cloth design manufactured in our factory at Nanjungud



NOTICE

NOTICE is hereby given that the **29th Annual General Meeting** of the members of **ZENITH EXPORTS LIMITED** will be held on Friday, 30th September 2011 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, approve and adopt the Audited Balance Sheet as at 31st March 2011 and Profit & Loss Account for the year ended on that date together with the Directors' and Auditors' Report thereon.
2. To appoint a Director in place of Mr. K. D. Rungta, who retires by rotation and, being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. S. K. Loyalka, who retires by rotation and, being eligible, offers himself for re-appointment.
4. To appoint M/s. Tiwari & Company, Chartered Accountants as Statutory Auditors of the company to hold office from the conclusion of this Annual General Meeting until the conclusion of next Annual General Meeting, on such remuneration as may be determined by the Board of Directors of the Company and to give authority to the Board of Directors of the Company to appoint Branch Auditors in consultation with the Statutory Auditors of the Company for the Company's Spinning & Weaving divisions and further authority to the Board of Directors to fix their remuneration.

SPECIAL BUSINESS :

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

“RESOLVED THAT pursuant to section 257 of the Companies Act, 1956 and other applicable provisions, if any, of the Companies Act, 1956, Mr. Vinod Kumar Loyalka, be and is hereby appointed as a Director of the Company, liable to retire by rotation.

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

“RESOLVED THAT in accordance with the provisions of Sections 198, 269, 302, 309, 310 & 311 read with Schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification or re-enactment thereof, for the time being in force) the consent of the members be and is hereby accorded to the appointment of Mr. Vinod Kumar Loyalka, as a Whole-time Director of the Company, for a period of one year with effect from 29th August, 2011 on remuneration as set out in the Explanatory Statement attached to this notice.

RESOLVED FURTHER THAT the Board of Director of the Company (hereinafter referred to as the “Board”) is hereby authorized to vary / or modify the terms and conditions as set out in the Draft Letter of 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. Vinod Kumar Loyalka, within and in accordance with or without exceeding the limits prescribed in Schedule XIII to the Companies Act, 1956 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, 1956, provided that in the event of the remuneration payable exceeding the limits laid down in Part II of the Schedule XIII on any account, the approval of the Central Government shall be obtained.

RESOLVED FURTHER THAT the board is hereby authorized to do all such acts, deed 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 a Committee of Directors or to any Directors 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. Vinod Kumar Loyalka, the remuneration as mentioned in the Explanatory Statement shall be paid to him as Minimum Remuneration.”

Registered & Head Office
19, R. N. Mukherjee Road,
First Floor, Kolkata – 700 001
Dated : August 29th, 2011

By Order of the Board
LAWKUSH PRASAD
Company Secretary

**NOTES :**

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT 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 A PROXY SHOULD HOWEVER BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY-EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING.**
2. The relevant explanatory statement pursuant to section 173(2) of the Companies Act, 1956 in respect of the Special Business under item nos. 5 & 6 of the notice set out above is annexed thereto.
3. Printed Copies of Balance Sheet, Profit and Loss Account, the Directors' Report, the Auditors' Report and every other document required by law to be annexed or attached to the Balance Sheet for the financial year ended 31st March, 2011 are enclosed as prescribed by Section 219 of the Companies Act, 1956.
4. Members and Proxies are requested to bring the enclosed filled-in Attendance slip, enclosed, to the meeting.
5. The Register of Beneficial owners, Register of Members and the Transfer Books of the company shall remain closed from 22/09/2011 to 30/09/2011 (both days inclusive).
6. Members desirous of getting any information on the accounts or operations of the company or share related matters are requested to forward their queries to the Company at least seven days prior to the meeting so that the required information can be made available at the meeting.
7. Members holding shares in physical form are requested to inform change of address & email ID, if any, immediately to Registrar and Share Transfer Agents, M/s. C. B. Management Services Private Limited, P-22, Bondel Road, Kolkata-700 019 and in case shares are held in demat form, request for change of address & email ID be made to the Depository Participant's where the demat account is maintained.

The members are also requested to send all correspondence relating to Shares, including transfers and transmissions, to the said Registrar directly for speedy disposal.

8. Members who have not appointed nominee(s) are requested to appoint nominee(s). The prescribed form for appointment of nominee(s) will be made available on request.
9. Pursuant to Section 205A of the Companies Act, 1956, all unclaimed/unpaid dividends upto the financial year ended 31st March, 1995 have been transferred to the General Revenue Account of the Central Government. Shareholders who have not yet encashed the dividend warrants for the said period are requested to claim the amount from the Registrar of Companies, West Bengal, Nizam Palace, IInd MSO Building, 234/4, A. J. C. Bose Road, Kolkata - 700 020.
10. Further, Pursuant to Section 205A(5) of the Companies Act, 1956, as amended, any money transferred to the unpaid dividend account of a company remaining unpaid or unclaimed for a period of 7 years from the date of such transfer shall be transferred to Investors Education and Protection Fund and thereafter no claims shall lie against the Investors Education and Protection Fund or the Company. Kindly note that in terms of Section 205C of the Companies Act, 1956, the unclaimed dividend for the financial year 1995-96 & 1996-97 have been transferred to Investors Education and Protection Fund.
11. The unclaimed dividend that is due for transfer to the Investors Education and Protection Fund is as follows:

Date of Declaration of Dividend	For the Financial Year Ended	Last date for claiming the dividend
30/09/2004	2003-04	29/09/2011

The Members who have not encashed their Dividend Warrant(s) so far for the financial year ended 31st March, 2004 are advised to lodge their claim to the Company at its Registered Office at 19, R. N. Mukherjee Road, 1st Floor, Kolkata - 700 001.

12. Members who hold shares in dematerialised form are requested to bring their Client ID and DP ID numbers for easy identification of attendance at the meeting.
13. Shareholders are requested to bring their copies of Annual Reports to the Meeting.



14. The information pertaining to Directors seeking Re-appointment / Appointment at the Annual General Meeting, in terms of clause 49 of the Listing Agreement with the Stock Exchanges are given below :

Particulars	Mr. K. D. Rungta	Mr. S. K. Loyalka	Mr. V. K. Loyalka
Date of Birth	11.09.1931	18.09.1950	22.09.1949
Appointed on	28.01.2000	27.07.1981	29.08.2011
Qualifications	I. Com.	B. Com. & LL.B.	B.Sc. Engineering (Mech.)
Expertise in specific functional areas	Finance	Exports	Administration
Directorship held in other Companies(excluding foreign companies)	i. Keshav Fiscal Services Pvt. Ltd. ii. S. M. Loyalka Hospital iii. Albright Viniyog & Nirman Pvt. Ltd.	i. SKL Exports Ltd. ii. S. M. Loyalka Hospital	i. Roli Trading Pvt. Ltd. ii. Yatan Pharmaceuticals Pvt. Ltd. iii. Yatan Commercials Pvt. Ltd. iv. S. M. Loyalka Hospital
Membership/ Chairmanship of public limited companies :			
Audit Committee	Zenith Exports Ltd. – Chairman	None	None
Remuneration Committee	Zenith Exports Ltd. – Member	None	None

Registered & Head Office
19, R. N. Mukherjee Road,
First Floor, Kolkata – 700 001
Dated : August 29, 2011

By Order of the Board
LAWKUSH PRASAD
Company Secretary

Important Communication – Support Green Initiative

The Ministry of Corporate Affairs, New Delhi (MCA) has taken a 'Green Initiative' in the Corporate Governance by permitting paperless compliances by companies vide its Circular No. 17/2011 dated 21st April, 2011 and Circular No. 18/2011 dated April 29, 2011 and clarified that the service of documents by a Company can be made through electronic mode instead of sending the physical copy of the document(s) to its shareholders.

Keeping in view the underlying theme and the circular issued by MCA, we propose to send henceforth all communications / documents including the Notice calling the Annual General Meeting, audited financial statements, directors' report, auditors' report etc. via electronic mode at the e-mail address provided by you to us / made available to us by your depositories.

Shareholders holding shares in demat mode, are requested to register their e-mail ID with the concerned Depository Participant. The Shareholders holding shares in physical mode are requested to register their e-mail ID with M/s. C. B. Management Service (P) Limited (Registrar and Share Transfer Agents of the Company) by sending a request letter duly signed by the first / sole shareholder.

We are sure you would appreciate the 'Green Initiative' taken by MCA and actively participate and contribute towards greener environment.

**ANNEXURE TO NOTICE****EXPLANATORY STATEMENT**

As required under section 173(2) of the Companies Act, 1956.

Item No. 5

In terms of proviso of clause 82 of the Articles of Association and in accordance with the section 260 of the Companies Act, 1956, Mr. Vinod Kumar Loyalka was appointed as an additional director of the Company with effect from 29th August, 2011 to hold office till conclusion of this Annual General Meeting.

Notice has been received pursuant to section 257 of the Companies Act, 1956 together with necessary deposit of Rs. 500/- proposing Mr. Vinod Kumar Loyalka as a Director of the Company.

Item No. 6

The members of the remuneration committee of the Board of Directors of the Company have appointed Mr. Vinod Kumar Loyalka as a Whole time Director of the Company for a period of one year.

The broad particulars of remuneration payable to and terms of appointment of Mr. Vinod Kumar Loyalka is as under :

Name & Designation	Salary (Per month)
Mr. Vinod Kumar Loyalka (Wholetime Director)	Rs. 20,000

The Whole time Director of the company shall also be entitled to the following benefits :

- (a) Rent free residential accommodation.
- (b) Perquisites and other benefits as per rules of the company.

The terms and conditions as set out in the letter of appointment issued by the Company are available for inspection at the registered office of the Company on any working days, except Saturday between 11 a.m. and 1.00 p.m. upto the date of the Annual General Meeting.

Your Directors recommend the resolution set out at item no(s) 5 & 6 of the notice for your approval.

Mr. Vinod Kumar Loyalka is interested in the resolution, which pertains to his appointment and/or remuneration payable to him. Further Mr. B. R. Loyalka, Mr. R. K. Loyalka & Mr. S. K. Loyalka being relatives, are also interested in the resolution.

The above explanatory statement sets out an abstract of material terms of the contract with the Executive Directors and hence the same may be treated as an abstract of Memorandum of interest in accordance with Section 302 of the Companies Act, 1956.

Registered & Head Office
19, R. N. Mukherjee Road,
First Floor, Kolkata – 700 001
Dated : August 29, 2011

By Order of the Board
LAWKUSH PRASAD
Company Secretary



DIRECTORS' REPORT

Your Directors have pleasure to present the 29th Annual Report together with Audited Accounts of the Company for the year ended 31st March, 2011.

(Rs. in lacs)

FINANCIAL HIGHLIGHTS

	Current Year ended 31.03.2011	Previous Year ended 31.03.2010
Turnover and other Income	24255.80	21108.23
Profit before Depreciation and Tax	1004.95	380.22
Depreciation	640.02	611.13
Profit before Tax	364.93	(230.91)
Income Tax for earlier years	—	0.80
Fringe Benefit tax for earlier years	—	(0.15)
	364.93	(231.56)
Provision for Tax	127.13	(69.22)
Net Profit After Tax	237.80	(162.34)
Add : Surplus Brought Forward	3560.13	3722.47
Surplus Carried to Balance Sheet	3797.93	3560.13

OPERATIONAL REVIEW AND FUTURE OUTLOOK

The sales have increased to Rs. 224.72 crores against Rs. 193.35 crores in the previous year, an increase of 16.22%. The Company has achieved profit before tax Rs. 3.65 crores as against loss of Rs. 2.31 crores in the previous year. The Net Profit after Tax (including deferred tax) has increased to Rs. 2.38 crores from loss of Rs. 1.62 crores in the previous year.

WEAVING DIVISION

Due to recovery in USA, which has been our main and focus market of silk products. The export has increase substantially. However, sudden increase and high fluctuation in the price of raw silk in the international market during the year under review has seriously effected the bottom lines of the division.

SPINNING DIVISION

High power, labour and infrastructural cost have adversely implemented the profitability of Textile Industry. However due to recovery of economies of USA & Europe the demand of yarn and textile products are picking up gradually. We have installed additional machineries to meet the demand and introduced interchangeability in production.

EXPANSION PROJECT

WEAVING DIVISION

No major expansion project was initiated by the Company at its Weaving division in Nanjangud, Mysore.

SPINNING DIVISION

The Company has installed further 5568 nos. of spindles during the year under review and addition of another 2496 spindles are in the pipeline to cope with the additional demand of yarn from Europe and USA.



DIVIDEND

To conserve the resources of the Company and in the present condition of the Textile industry, the Board of Directors do not recommend any dividend for this year also.

FINANCE

The Company has not taken any term loan during the year. However, installments against the existing two term loans are being paid regularly.

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 the 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, 2011 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

Mr. Vinod Kumar Loyalka was appointed as an Additional Director on the Board of Directors of the Company w.e.f. 29.08.2011. He ceases to be a Director on the date of 29th Annual General Meeting. Notice u/s. 257 of the Companies Act, 1956 has been received in respect of his appointment as a Director on the Board.



The following Directors retire by rotation and being eligible, offer themselves for reappointment :

- a) Mr. K. D. Rungta
- b) Mr. S. K. Loyalka

AUDITORS

The observations made in the Auditors' Report are self-explanatory and therefore, do not call for any further comments under Section 217(3) of the Companies Act, 1956.

Your Directors request you to appoint the existing auditors as statutory auditors for the current year also.

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 materials availability and prices, demand and pricing in the Company's principal markets, changes in Government regulations, tax regimes, industrial relations and economic developments within India and countries with which the Company conducts business and other incidental factors.

APPRECIATION

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

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

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

For and on behalf of the Board of Directors

B. R. LOYALKA

Chairman

Place : Kolkata

Dated : August 29th, 2011



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, 2011.

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 in 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 & FUEL CONSUMPTION

	CURRENT YEAR 2010-2011		PREVIOUS YEAR 2009-2010	
	Spinning	Weaving	Spinning	Weaving
i) ELECTRICITY				
a) Purchased Unit (KWH in lacs)	163.46	21.93	140.44	16.25
Total Amount (Rs. in lacs)	967.37	119.11	848.06	85.56
Rate/Unit (in Rs.)	5.92	5.43	6.04	5.27
b) Own Generation				
I) Through Furnace Oil				
Generated Units (KWH in lacs)	0.81	—	0.61	—
Unit/Litre	2.08	—	2.29	—
Cost/Unit (Rs./Unit)	10.03	—	8.10	—
II) Through Steam Turbine Generator	—	—	—	—
III) Through Diesel Generator				
Generated Units (KWH in lacs)	—	0.35	—	0.49
Unit/Litre of Diesel	—	3.12	—	3.30
Cost/Unit (Rs./Unit)	—	10.07	—	8.55
ii) COAL	NIL	NIL	NIL	NIL
iii) FURNACE / OTHER OIL				
Quantity (in lacs ltrs.)	0.39	2.88	0.27	2.20
Total Amount (Rs. in lacs)	8.10	84.40	4.95	56.30
Average rate per litre (Rs.)	20.81	29.31	18.54	25.60
iv) Other Internal Generation	NIL	NIL	NIL	NIL
B. CONSUMPTION PER UNIT OF PRODUCTION				
Electricity (KWH)	3.36	9.22	3.10	10.37
Furnace Oil (Ltrs.)	0.01	1.16	0.11	1.34
Standard (KWH)	3.50	—	3.50	—

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

Specific areas, in which R & D carried out, benefit derived, future plan of action.

i) Weaving Division

The unit is continuously engaged in enriching the quality of its final products 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 Division**

Continuous upgrading and overhauling of each machine is being carried out to improve their quality and productivity.

Spinning Division

5568 nos. of spindles were successfully installed during the year under review from internal accruals of the company. Continuous upgrading and overhauling of each machine is being carried out to improve their quality and productivity.

We have added 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 & services and export plans
- ii) Export Sales during the year was Rs. 205.24 crore, compared to Rs. 183.24 crores in the preceding year. The Export sales increased by Rs. 22 crores, 12% over the last year, due to recovery of USA and Europe economies. 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 :

(Rs. in Lacs)

	CURRENT YEAR 2010-11	PREVIOUS YEAR 2009-10
Earnings	20153.58	18067.15
Outgo	2062.45	1345.36

For and on behalf of the Board of Directors
B. R. LOYALKA
Chairman

Place : Kolkata
Dated : August 29th, 2011

**REPORT ON CORPORATE GOVERNANCE**

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.

Board of Directors

As at March 31, 2011 the Board consisted of six members. More than 50% of the Board comprised of Non-Executive Directors and 50% are Independent Directors. The Board also met the stipulated requirement of having at least one-third of independent directors, the Chairman being Non-executive.

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

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

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

The Board of Directors met four times during the year on 30.04.10, 14.08.10, 12.11.10 and 11.02.11. The company has held one meeting in every three months and the maximum gap between any two meetings was not more than four months.



Sl. No.	Director	No. of Meetings		AGM held on 29th September, 2010
		Held during the tenure of Directorship	Attended	
1.	Mr. B. R. Loyalka	4	4	Present
2.	Mr. R. K. Loyalka	4	1	Present
3.	Mr. S. K. Loyalka	4	2	Present
4.	Mr. M. M. Bhagat	4	4	Present
5.	Mr. K. D. Rungta	4	4	Present
6.	Mr. M. L. Jain	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.

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 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.

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.

**Audit Committee**

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 & internal auditors and the Board of Directors and oversees the financial reporting processes.

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. B. R. Loyalka	4	4
3.	Mr. M. M. Bhagat	4	4
4.	Mr. M. L. Jain	3	2

Mr. K. D. Rungta is the Chairman of the Audit Committee of the Company and has the requisite knowledge and experience of over 5 decades in financial matters.

All the above Directors are Non-Executive and majority of them including the Chairman are Independent.

Remuneration Committee

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.

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	Nil	N.A.
2.	Mr. B. R. Loyalka	Member	Nil	N.A.
3.	Mr. K. D. Rungta	Member	Nil	N.A.

Mr. M M. Bhagat, is the Chairman of the Committee.

All the above Directors are Non-Executive and majority of them including the Chairman are Independent.

**Details of Remuneration paid to Directors**

The remuneration paid / payable to the Executive Directors and Non-Executive Directors for the year 2010-2011 are as under :-

(Amount in Rs.)

Name of the Director	Salary & Perquisites	Sitting Fees
Executive Directors		
1. Mr. R. K. Loyalka	18,34,236/-	—
2. Mr. S. K. Loyalka	19,40,790/-	—
Non-Executive Directors		
1. Mr. B. R. Loyalka	—	20,000/-
2. Mr. M. M. Bhagat	—	20,000/-
3. Mr. K. D. Rungta	—	28,000/-
4. Mr. M. L. Jain	—	13,000/-

Non-Executive directors are paid sitting fees of Rs 3000/- for every Board Meeting and Rs 2000/- for Audit, Remuneration and Administrative Committee Meetings. However, the sitting fees of the Chairman of Audit and Remuneration committees is Rs.4000/-.

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

Presently the Company does not have any Stock Option Scheme.

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

Name of the Non-Executive Directors	No. of Equity Shares Held
1. Mr. B. R. Loyalka	900
2. Mr. M. M. Bhagat	100
3. Mr. K. D. Rungta	100
4. Mr. M. L. Jain	0

Share Transfer & Investors' Grievance Committee

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

Composition of the Committee

The committee comprised of the following persons namely:-

- (1) Mr. B. R. Loyalka - Chairman
- (2) Mr. K. D. Rungta - Member
- (3) Mr. M. M. Bhagat - Member



Number of shareholders' complaints received during the year.

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

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.

CEO / CFO Certification

The aforesaid certificate duly signed by the CEO and CFO in respect of the financial year ended 31st March, 2011 has been placed before the Board in the meeting held on 25th July, 2011.

Auditors' Certificate on Corporate Governance

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

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, 2008	Saturday, 27th September, 2008	Somnath Hall 16/7/2A, Keyatola Road Kolkata-29	11:00 A.M.
31st March, 2009	Wednesday, 30th September, 2009	Birla Academy of Art & Culture, 108, Southern Avenue, Kolkata-29	11.00 A.M.
31st March, 2010	Wednesday, 29th September, 2010	Birla Academy of Art & Culture, 108, Southern Avenue, Kolkata-29	11.00 A.M.

All Resolutions of Annual General Meeting except of 26th Annual General Meeting held on 27/09/2008, were passed by show of hands by the shareholders present at the meeting. However all Resolutions of 26th Annual General Meeting were passed by ballot.

Disclosures

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, 2011 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.

**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 the Financial results in Financial Express and Arthik Lipi.

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

General Shareholders' Information*** Annual General Meeting**

Day

Friday

Date

September 30th, 2011

Time

10 : 30 A.M.

Venue

Ground Floor, Auditorium of
Birla Academy of Art & Culture

108, Southern Avenue, Kolkata - 700 029

*** Financial Calendar (Tentative)
(April 01, 2011 to March 31, 2012)**

[i] 1st Quarterly result – within 14th August, 2011

[ii] 2nd Quarterly result - within 14th November, 2011

[iii] 3rd Quarterly result - within 14th February, 2012

[iv] 4th Quarterly result - within 15th May, 2012

*** Book Closure Date**

Thursday, 22nd September, 2011 to

Friday 30th September, 2011

(both days inclusive)

*** Dividend Payment Date**

None

*** Listing on Stock Exchange**Bombay Stock Exchange Limited and
National Stock Exchange of India Limited

The Company has paid the Annual Listing fee to each of the Stock Exchanges for the period April, 2011 to March, 2012.

*** 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 Agent**

CB Management and Services Pvt. Ltd.

P-22, Bondel Road, Kolkata - 700 019

Telephone - 4011 6700 / 6711 / 6718 / 6723

Fax : 2287-0263, E-mail - rta@cbmsl.com*** Share Transfer System**

Share Transfer requests received in physical form is registered within an average period of 15 days. A Share Transfer & Investors Grievance Committee comprising members of the Board is constituted to consider the request of transfer of physical shares.

Request for dematerialisation received from Shareholders are effected within an average period of 15 days.

*** Distribution of Shareholding
& Shareholding pattern**

As per Appendix 'B' & 'C'



* Dematerialisation of Shares
as on March 31, 2011

The Company has arrangements with National Securities Depository Ltd., (NSDL) as well as Central Depository Services (India) Ltd. (CDSL) for demat facility.

5312994 (98.46%) Equity Shares as on 31st March, 2011 have been dematerialised with National Securities Depository Limited (NSDL).

43056 (0.80%) Equity Shares as on 31st March, 2011 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

Zenith Spinners, Vill.-Sarandi, Taluka - Dholka,
Dist. - Ahmedabad, Gujarat, PIN – 387810

Zenith Textiles
Nanjungud, Dist. Mysore, Karnataka, PIN– 571302

* 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@viascl01.vsnl.net.in

Non-Mandatory Requirements

i) Remuneration committee :

The Company has a Remuneration Committee comprising of Mr.M. M. Bhagat, Mr. K. D. Rungta and Mr. B. R. Loyalka 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.


APPENDIX ‘A’

The monthly high and low quotation in the year 2010-11 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 (Rs.)		VOLUME (No. of Shares)	Market Price (Rs.)		VOLUME (No. of Shares)
	HIGH	LOW		HIGH	LOW	
April, 2010	68.15	57.30	Information Not Available	68.15	57.30	Information Not Available
May, 2010	65.00	55.50		65.00	55.50	
June, 2010	61.65	53.75		61.65	53.75	
July, 2010	59.50	52.40		59.50	52.40	
August, 2010	73.75	48.15		73.75	48.15	
September, 2010	67.00	56.35		67.00	56.35	
October, 2010	63.25	57.20		63.25	57.20	
November, 2010	67.20	60.10		67.20	60.10	
December, 2010	66.00	52.95		66.00	52.95	
January, 2011	60.45	46.40		60.45	46.40	
February, 2011	49.65	43.40		49.65	43.40	
March, 2011	46.65	41.00		46.65	41.00	

APPENDIX ‘B’

Distribution of Shareholding as on March 31, 2011

RANGE (NO. OF SHARES)	SHARE HOLDERS		SHARES	
	NUMBER	% OF TOTAL	NO.	% OF TOTAL
[1]	[2]	[3]	[4]	[5]
UPTO - 5000	1159	98.22	206794	3.83
5001 - 10000	3	0.26	18500	0.34
10001 - 20000	1	0.08	20000	0.37
20001 - 30000	—	—	—	—
30001 - 40000	—	—	—	—
40001 - 50000	1	0.08	50000	0.93
50001 - 100000	4	0.34	264740	4.91
100001 - AND ABOVE	12	1.02	4836216	89.62
TOTAL	1180	100.00	5396250	100.00

**APPENDIX ‘C’****Shareholding Pattern as on 31st March, 2011**

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. FIs	NIL	NIL
Sub - Total	NIL	NIL
4. Others		
a. Private Corporate Bodies / Trust	2318931	42.97
b. Indian Public	284146	5.27
c. NRIs/OCBs	111	0.00
d. Any other (Clearing Member)	506	0.01
Sub - Total	2603694	48.25
GRAND TOTAL	5396250	100.00

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, 2011, as stipulated in clause 49 of the Listing Agreement of the said Company with the stock exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was 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 the 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.

For **TIWARI & COMPANY**

Chartered Accountants

Firm Reg. No. 309112E

P. TIWARI

Partner

(MN : 16590)

Place : Kolkata**Dated : 25th July, 2011**



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, polyster and blended yarns mainly for exports.
3. Export Division at Kolkata – Exporting Industrial Leather Hand Gloves & Silk Fabrics, 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. High volatility in foreign exchange and price of raw silk in international market are main concern. We are still facing heat while competing with China, who is a leader in export of Silk products at competitive price due to production of high quality silk yarn in the country. The recession worldwide and after effects of Sub prime crisis have impacted this industry very badly.

B. OPPORTUNITIES AND THREATS

The globalization of all markets, economic or political upheavals anywhere in the world affects all the markets and the growing 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. Quality of Indian fabrics and the growth momentum in India, despite rising inflation, may be taken as an opportunity for Indian exports.

C. OUTLOOK

Effect of recession has not yet been over, however, the Company has taken effective control measures to cope with slowdown. The Company is on way to better realisation by way of cost curtailment and expecting better results in the current year. Demand for silk products during the current fiscal has started picking-up and we are expecting the performance of this unit to be better in the coming year.

2. YARN PRODUCING UNIT AT AHMEDABAD

A. INDUSTRY STRUCTURE AND DEVELOPMENT

Textile sector is a core industry having high power consumption, labour and infrastructure cost. Due to worldwide economic slow down over the last couple of years, demand for yarn & fabric has gone down but since last year the larger economies like Europe and USA has shown signs of recovery and gradually the global demand for yarn & textile products are coming back into pipeline.

B. OPPORTUNITIES AND THREATS

In textile, particularly in spinning sector which is highly capital & labour intensive and power consuming, the increasing manpower cost, power cost and other expenses are the biggest threat to the industry. To overcome this situation, we have installed additional machines in the existing factory to increase productivity of the unit, so that the additional burden can be taken care off and additional demand in foreign market can be met as the demand for textile products is increasing due to recovery in the larger economies. This step will certainly bring the unit towards profit. In the coming year 2011-12 we are also planning to increase the production capacity by further 10%. In recent times, there is a wide fluctuation in cost of raw material like cotton, viscose and polyster fibre which is disturbing the total yarn market.

C. OUTLOOK

Spinning industry was in recession since last few years worldwide, but now gradually it is coming out of recession and the future outlook is bright. From our side, we have introduced interchangeability



in production i.e. we can produce Viscose Yarn, Cotton Yarn, Polyester Yarn and PV & PC Blended Yarn on the same machine to take advantage of producing yarn which is profitable.

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

A. INDUSTRY STRUCTURE AND DEVELOPMENT

Due to recovery in USA, 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.

COMMON TO ALL DIVISIONS

A. RISK AND CONCERNS

The Company is exposed to risks from fluctuations of foreign exchange, increase in interest rate due to continuing inflation, competition from new entrants and rising costs of raw materials, manpower, power cost and shortage of skilled workers. Further the rivalry amongst different political parties in India and its effect on the economic and industrial environments on the corporate sector also poses a great risk.

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 systems for business processes across various divisions with regard to efficiency of operations, financial reporting, compliance with applicable laws and regulations, etc. The Company has kept highly skilled technical and administrative people to ensure adequate internal control. 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 Rs. 225.03 crore and net profit of Rs. 2.38 Crore during the year under review.

**D. SEGMENTWISE PERFORMANCE**

(Rs. In lacs)

	2010-11	2009-10
TRADING DIVISION		
Sales	9520.41	8052.83
Net Profit	579.10	(25.32)
WEAVING DIVISION		
Sales	2368.32	1683.24
Net Profit	(387.32)	(204.91)
SPINNING DIVISION		
Sales	10574.90	9588.83
Net Profit	46.02	67.89

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

The company presently has 1026 employees on its rolls (As on 31/03/2011). 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. 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 in "Management's Discussion and Analysis" 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 defer materially from those expressed or implied. Important factors that could make a difference to the Company's operations include global and Indian demand supply 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.

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

To the Members of

ZENITH EXPORTS LIMITED

Declaration by the Managing Directors under Clause 49 of the Listing Agreement.

We, R. K. Loyalka & S. K. Loyalka, Managing Directors of Zenith Exports Limited hereby declare that all the members of the Board of Directors and the Senior Management Personnel have, for the year ended 31st March 2011 affirmed compliance with the Code of Conduct laid down by the Board of Directors in terms of Listing Agreement entered with the Stock Exchanges.

Place : Kolkata

Dated : July 25th 2011

R. K. Loyalka**S. K. Loyalka***Managing Directors*

**AUDITORS' REPORT**

To

The Members of

ZENITH EXPORTS LIMITED

1. We have audited the attached Balance Sheet of Zenith Exports Limited, (the Company) as at 31st March, 2011 and the Profit and Loss Account of the Company for the year ended on that date and also the Cash Flow Statement for the year ended on that date annexed hereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 (as amended by the Companies (Auditors' Report) (Amendment) Order, 2004), issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956 and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanation given to us, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our Comments in the Annexure referred to above, we report that :
 - a. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b. The Auditors' Reports of Manufacturing Units as forwarded by the respective auditors to us have been properly dealt with in this account;
 - c. In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - d. The Balance Sheet and Profit and Loss Account and the Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - e. In our opinion, the Balance Sheet and Profit & Loss Account and the Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
 - f. On the basis of written representation received from the directors, as on 31st March, 2011 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2011 from being appointed as a director in terms of clause (g) of sub section (1) of section 274 of the Companies Act, 1956;
 - g. In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with Schedules and Notes to the Accounts thereon give the information required by Companies Act, 1956, in the manner so required subject to confirmation of material lying with third parties in transit and with weavers / fabricators and sundry debtors and sundry creditors gives a true and fair view in conformity with the Accounting Principles generally accepted in India;
 - i) In the case of Balance Sheet, of the state of affairs of the Company as at 31st March, 2011 and
 - ii) In the case of the Profit and Loss Account, of the Profit for the year ended on that date;
 - iii) In the case of the Cash Flow Statement of the cash flows for the year ended on that date.

For TIWARI & COMPANY
Chartered Accountants
Firm Reg. No. 309112E
P. TIWARI
(Partner) (MN : 16590)

Place : Kolkata
Dated : July 25, 2011

**Annexure to the Auditors' Report**

Referred to in paragraph 3 of our report of even date

- i) (a) The Company has maintained proper records to show full particulars including quantitative details and situation of its fixed assets.
 - (b) The fixed assets of the Company are physically verified by the management at periodical intervals which, in our opinion, is reasonable having regard to the size of the Company and nature of its business. No material discrepancies between the book records and the physical inventory have been noticed as we are informed.
 - (c) During the year, substantial part of the fixed assets has not been disposed off by the Company.
 - ii) (a) The inventory of the Company has been physically verified by the management during the year, except the inventories lying with third parties, in transit and with weavers / fabricators. In our opinion the frequency of verification is reasonable.
 - (b) In our opinion, the procedures of physical verification of the inventory followed by the management including the Units are reasonable and adequate in relation to the size of the Company and nature of its business.
 - (c) On the basis of our examination of inventory records, in our opinion, the Company is maintaining proper records of inventory. The discrepancies between the physical inventory and the book records noticed on such physical verification were not material and duly dealt within the books of account.
 - iii) The Company has neither granted nor taken any loans, secured or unsecured, to/from Companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly, the clauses (iii)(b) to (d), (f) and (g) of paragraph 4 of the Order, are not applicable.
 - iv) In our opinion, there are adequate internal control procedures commensurate with the size of the Company and nature of its business, for the purchase of inventory, fixed assets and for sale of goods. Further, during the course of our audit we have neither come across nor have we been informed of any instance of continuing failure to correct major weaknesses in the aforesaid internal control procedures.
 - v) According to the information and explanations given to us, there was no contract or arrangements referred to in Section 301 of the Companies Act, 1956 during the year that need to have been entered in the register maintained under that section. Accordingly, Clause 4(v) (a) & (b) of the order are not applicable to the Company.
 - vi) The Company has not accepted any deposits from the public within the meaning of section 58A and 58AA of the Act or any other relevant provisions of the Act and rules framed there under.
 - vii) In our opinion, the Company has an internal audit system, which is commensurate with its size and nature of its business.
 - viii) 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.
 - ix) (a) According to the information and explanations given to us and according to the books and records as produced and examined by us, in our opinion, the Company has been regular, in general, in depositing during the year undisputed statutory dues in respect of Provident Fund, Investor Education Protection Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess and other material statutory dues, as applicable, with the appropriate authorities during the year.
-



- (b) According to the information and explanations given to us and the records of the Company examined by us as at 31st March, 2011, there have been no disputed dues in respect of Statutory dues as aforesaid for a period of more than six months from the date they became 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	Income Tax Appellate Tribunal Kolkata	2004-05
2.	Income Tax	2,12,747	Commissioner of Income Tax (Appeal) Kolkata	2006-07
3.	Income Tax	18,27,439	-Do-	2007-08
4.	Income Tax	19,65,122	-Do-	2008-09

- x) The Company has neither accumulated losses as at 31st March 2011, nor has it incurred any cash losses during the financial year ended on that date and in the immediately preceeding financial year.
- xi) According to the records of the Company, it has not defaulted in repayment of its dues to any financial institution or bank during the year.
- xii) The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- xiii) The Company is not a Chit Fund / Nidhi / Mutual Benefit Fund / Society and Clause (xiii) of the order is not applicable.
- xiv) According to the information and explanations given to us, the Company is not a dealer or trader in securities.
- xv) According to the information and explanations given to us, the Company has not given any guarantee for the loans taken by others from banks or financial institutions during the year.
- xvi) According to the information and explanations given to us and based on an overall examination, the term loans have been applied for the purpose for which they are obtained.
- xvii) Based on the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, there are no funds raised on short term basis which have been used for long term investments.
- xviii) 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.
- xix) The Company has not issued any secured debentures.
- xx) The Company has not raised any money by issue of Shares to the public.
- xxi) During the course of our examination of the books of account carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by the Management.

For TIWARI & COMPANY
Chartered Accountants
Firm Reg. No. 309112E
P. TIWARI
Partner
(MN : 16590)

Place : Kolkata
Dated : July 25, 2011

**BALANCE SHEET AS AT MARCH 31, 2011**

		(Rs. in Lacs)	
	Schedule No.	As at 31.3.2011	As at 31.3.2010
I. SOURCES OF FUNDS			
Shareholders' Funds			
a. Share Capital	1	539.63	539.63
b. Reserves & Surplus	2	8942.59	8704.79
		9482.22	9244.42
Loan Funds			
a. Secured Loans	3	2438.55	2705.36
b. Deferred tax Liability (Net)	6	451.48	464.12
Total		12372.25	12413.90
II. APPLICATION OF FUNDS			
Fixed Assets			
a. Gross Block	4	14250.32	13987.82
b. Less : Depreciation		9012.07	8400.22
c. Net Block		5238.25	5587.60
d. Capital Work-in-progress		0.83	23.14
		5239.08	5610.74
Investments	5	1.00	1.00
Current Assets, Loans and Advances			
a. Inventories	7	5801.18	5497.88
b. Sundry Debtors	8	1559.69	1447.74
c. Cash & Bank Balances	9	262.76	329.51
d. Loans & Advances	10	2559.46	2166.82
		10183.09	9441.95
Less : Current Liabilities and Provisions	11	3050.92	2639.79
Net Current Assets		7132.17	6802.16
Total		12372.25	12413.90
SIGNIFICANT ACCOUNTING POLICIES	17		
NOTES TO ACCOUNTS	18		

Schedules referred to above form an integral part of Balance Sheet
As per our report of even date annexed.

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

Place : Kolkata
Date : July 25, 2011

LAWKUSH PRASAD
Company Secretary

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

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

	Schedule No.	(Rs. in Lacs) For the year ended 31.3.2011	For the year ended 31.3.2010
INCOME			
Sales & Operational Income	12	23850.89	20899.81
Less : Excise Duty		2.11	0.79
		23848.78	20899.02
Other Income	13	407.02	209.21
Depreciation for earlier years written back		10.11	—
Increase/(Decrease) in Stocks	14	276.90	(806.70)
Total		24542.81	20301.53
EXPENDITURE			
Manufacturing, Selling, Administrative Expenses & Others	15	23213.49	19629.39
Finance Charges (Net)	16	324.37	291.92
Depreciation		640.02	611.13
Total		24177.88	20532.44
PROFIT / (LOSS) BEFORE TAX		364.93	(230.91)
Less : Taxation			
Income Tax for Earlier Years		—	0.80
FBT for earlier years		—	(0.15)
Current Tax		139.77	—
Deferred Tax		(12.64)	(69.22)
PROFIT / (LOSS) AFTER TAX		237.80	(162.34)
Surplus Brought Forward		3560.13	3722.47
PROFIT AVAILABLE FOR APPROPRIATION		3797.93	3560.13
APPROPRIATIONS			
Surplus Carried to Balance Sheet		3797.93	3560.13
		3797.93	3560.13
EARNING PER SHARE (Face Value Rs. 10/-) (Refer Note 10 - Schedule 18)			
Basic & Diluted		4.41	(3.01)
SIGNIFICANT ACCOUNTING POLICIES	17		
NOTES TO ACCOUNTS	18		
Schedules referred to above form an integral part of Profit & Loss Account As per our report of even date annexed.			

For TIWARI & COMPANY

Chartered Accountants

Firm Reg. No. 309112E

P. TIWARI

Partner (M. No. 16590)

Place : Kolkata

Date : July 25, 2011

LAWKUSH PRASAD

Company Secretary

For and on behalf of the Board of Directors

B. R. LOYALKA

Chairman

R. K. LOYALKA

Managing Director

S. K. LOYALKA

Managing Director

M. M. BHAGAT

Director

K. D. RUNGTA

Director

M. L. JAIN

Director



CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2011

	(Rs. in lacs)	
	2010-11	2009-10
<u>CASH FLOW FROM OPERATING ACTIVITIES</u>		
Net Profit before Tax & extra ordinary items	364.93	(230.91)
Adjustment for :		
Depreciation	640.02	611.13
Interest Income	(34.07)	(29.56)
Interest Expenses	358.44	321.48
Fixed Assets Written off	0.67	—
(Profit) / Loss on Sale of Fixed Assets (Net)	0.16	(1.76)
(Profit) / Loss on Sale of Investment (Net)	—	(3.71)
Profit on Sale of Lease hold Premises	(9.41)	—
Provision (Reversal) of Loss on Forward Contracts	—	(17.78)
Provision for Doubtful debts written back	—	(4.92)
Depreciation for earlier years written back	(10.11)	—
Operating Profit before Working Capital changes	1310.63	643.97
Adjustments for (increase)/decrease in :		
Sundry Debtors	(111.95)	1811.03
Other Receivables	(389.94)	(169.37)
Inventories	(303.30)	(286.60)
Trade & Other Payable	336.45	34.02
Cash generated from operations	841.89	2033.05
Tax Paid (Including FBT)	(64.98)	(17.20)
A. NET CASH FROM OPERATING ACTIVITIES	776.91	2015.85
<u>CASH FLOW FROM INVESTING ACTIVITIES</u>		
Purchase of Fixed Assets including Capital Work-in-Progress	(259.56)	(286.33)
Sale / Disposal of Fixed Assets	9.90	7.48
Sale of Investment	—	48.68
Purchase of Investments	—	(4.00)
Interest Received	31.25	26.75
B. NET CASH FROM INVESTING ACTIVITIES	(218.41)	(207.42)

**CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2011 (contd.)**

	(Rs. in lacs)	
	2010-11	2009-10
CASH FLOW FROM FINANCIAL ACTIVITIES		
Borrowings / (Repayments) of Long Term Borrowings	(260.25)	(149.73)
Borrowings / (Repayments) of Short Term Borrowings	(6.56)	(1319.64)
Interest Paid	(358.44)	(321.48)
C. NET CASH FROM FINANCIAL ACTIVITIES	(625.25)	(1790.85)
NET INCREASE / (DECREASE) IN CASH & CASH EQUIVALENTS [A+B+C]	(66.75)	17.58
CASH & CASH EQUIVALENTS — (OPENING BALANCE)	329.51	311.93
CASH & CASH EQUIVALENTS — (CLOSING BALANCE)	262.76	329.51
	(66.75)	17.58

Notes :

- (i) Figures in Parenthesis represent outflows.
- (ii) Previous year figures have been recasted/restated wherever necessary.

As per our Report of even date Annexed.

For TIWARI & COMPANY

Chartered Accountants

Firm Reg. No. 309112E

P. TIWARI

Partner (M. No. 16590)

Place : Kolkata

Date : July 25, 2011

LAWKUSH PRASAD

Company Secretary

For and on behalf of the Board of Directors

B. R. LOYALKA

Chairman

R. K. LOYALKA

Managing Director

S. K. LOYALKA

Managing Director

M. M. BHAGAT

Director

K. D. RUNGTA

Director

M. L. JAIN

Director

**Schedules forming part of the Balance Sheet as at March 31, 2011**

(Rs. in Lacs)

	As at 31.03.2011	As at 31.03.2010
<u>SCHEDULE - 1</u>		
SHARE CAPITAL		
AUTHORISED		
10000000 Equity Shares of Rs. 10/- each	<u>1000.00</u>	<u>1000.00</u>
ISSUED, SUBSCRIBED & PAID UP		
5396250 Equity Shares of Rs. 10/- each (Out of the above 4800000 Equity Shares of Rs. 10/- each fully paid issued as Bonus Shares by way of Capitalisation of General Reserve)	<u>539.63</u>	<u>539.63</u>
<u>SCHEDULE - 2</u>		
RESERVES & SURPLUS		
CAPITAL RESERVE		
CENVAT CREDIT AVAILED ON CAPITAL GOODS	229.51	229.51
CASH SUBSIDY	25.00	25.00
SECURITY PREMIUM ACCOUNT	277.38	277.38
GENERAL RESERVE	4612.77	4612.77
PROFIT AND LOSS ACCOUNT	3797.93	3560.13
Total	<u>8942.59</u>	<u>8704.79</u>



Schedules forming part of the Balance Sheet as at March 31, 2011

(Rs. in Lacs)

	As at 31.3.2011	As at 31.3.2010
<u>SCHEDULE - 3</u>		
SECURED LOANS		
A) TERM LOANS (See Note No. 1 below)		
From Canara Bank		
TUF Loan	288.02	548.27
Total	288.02	548.27
B) WORKING CAPITAL LOANS		
(See Note No. 2 below)		
i. Packing Credit		
Canara Bank	1338.67	1389.25
State Bank of India	811.86	695.71
ii. Cash Credit		
State Bank of India	—	72.13
	2150.53	2157.09
Total (A+B)	2438.55	2705.36

Notes :

1. Term Loans from Canara Bank are secured by hypothecation and equitable mortgage of entire Fixed Assets of the Company.
2. a. Working Capital Loans from Canara Bank are secured by hypothecation of Stocks & 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.



Schedules forming part of the Balance Sheet as at March 31, 2011

SCHEDULE - 4

FIXED ASSETS

(Rs. in lacs)

CLASSIFICATION OF ASSETS	GROSS BLOCK			DEPRECIATION			NET BLOCK			
	As at 01.04.10	Addition	Sales/ Adjustments	Up to 31.03.11	As at 01.04.10	For the year	Sales/ Adjustments	Upto 31.03.11	As at 31.03.11	As at 31.03.10
Leasehold Property	6.03	—	0.13	5.90	1.42	0.08	0.05	1.45	4.45	4.60
Freehold Property	91.57	—	—	91.57	—	—	—	—	91.57	91.57
Building	372.70	—	—	372.70	164.74	9.25	—	173.99	198.71	207.97
Factory Building	1387.19	—	—	1387.19	548.01	40.58	—	588.59	798.60	839.18
Well, Water works & Pipe Line	24.44	—	—	24.44	6.10	0.43	—	6.53	17.91	18.34
Plant & Machinery	11234.74	262.50	2.47	11494.77	7178.16	529.38	2.07	7705.47	3789.30	4056.58
Electrical Installation	184.52	2.55	—	187.07	113.57	8.69	—	122.26	64.81	70.95
Computer & Accessories	116.29	10.63	9.76	117.16	93.00	9.31	9.28	93.03	24.13	23.29
Office & Other Equipments	110.03	3.28	4.60	108.71	75.20	6.18	14.20	67.18	41.52	34.83
Furniture & Fixture	190.43	2.42	2.43	190.42	110.21	9.52	2.38	117.34	73.08	80.22
Site Development	13.69	—	—	13.69	—	—	—	—	13.69	13.69
Vehicles	256.19	0.51	—	256.70	109.81	26.60	0.19	136.23	120.48	146.38
Total	13987.82	281.89	19.39	14250.32	8400.22	640.02	28.17	9012.07	5238.25	5587.60
Previous year	13574.13	435.59	21.90	13987.82	7805.27	611.13	16.18	8400.22	5587.60	—
Capital Work-in-Progress	23.15	42.88	65.21	0.82	—	—	—	—	0.82	—
Previous Year	172.39	46.88	196.13	23.14	—	—	—	—	—	—



Schedules forming part of the Balance Sheet as at March 31, 2011

SCHEDULE - 5

INVESTMENTS

LONG TERM INVESTMENTS

In units of Mutual Funds

(Rs. in lacs)							
	Nominal Value	As at 01.04.2010		Purchase (Sale)		As at 31.3.2011	
		Units	Value	Units	Cost of Purchase	Units	Value
Unquoted							
Reliance Mutual Fund - Equity Growth Fund	10/-	4775.937	1.00	—	—	4775.937	1.00
Aggregate amount of Unquoted Investments :			1.00				1.00

SCHEDULE - 6

DEFERRED TAX ASSETS / (LIABILITIES)

		(Rs. in lacs)	
		As at 31.03.2011	As at 31.03.2010
A. DEFERRED TAX ASSETS			
Disallowance under Section 43B		70.98	67.44
Unabsorbed Depreciation		—	63.56
	Total [A]	70.98	131.00
B. DEFERRED TAX LIABILITIES			
Difference between Book & Tax Depreciation		522.46	595.12
	Total [B]	522.46	595.12
DEFERRED TAX ASSETS/(LIABILITIES) (NET) [A – B]		(451.48)	(464.12)

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 has been considered on the basis of latest Income Tax return.



Schedules forming part of the Balance Sheet as at March 31, 2011

(Rs. in lacs)

SCHEDULE - 7

INVENTORIES

(As taken, valued and certified by the Management)

	As at 31.3.2011	As at 31.3.2010
Raw Materials	2073.80	1968.10
Dyes & Chemicals	14.30	19.54
Packing Materials	36.96	21.37
Finished Goods	2701.45	2456.71
Semi-Finished Goods	641.18	609.06
Stores & Spares	332.89	422.54
Wastage & Others	0.60	0.56
Total	5801.18	5497.88

SCHEDULE - 8

SUNDRY DEBTORS

[A] Over Six Months

Unsecured Considered Good

Export	393.76	528.23
Domestic	9.19	20.81

Secured Considered Good

Export	—	2.74
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Total [A]	402.95	551.78
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[B] Other Debts

Secured Considered Good

Export	441.50	339.32
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Unsecured Considered Good

Export	630.54	523.87
Domestic	84.70	32.77

Total [B]	1156.74	895.96
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Total [A+B]	1559.69	1447.74
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SCHEDULE - 9

CASH & BANK BALANCES

Cash-in-hand (As certified by the Management)	13.81	7.87
Balances with Scheduled Banks in Current Accounts	32.60	102.66
Balances with Scheduled Banks in Cash Credit Accounts	7.98	—
Fixed Deposit Accounts (Pledged with Banks)*	208.28	218.96
E.E.F.C. Accounts	0.09	0.02
Total	262.76	329.51

* Fixed Deposit includes accrued interest of Rs. 8.50 lacs (Previous year Rs. 6.33 lacs)



Schedules forming part of the Balance Sheet as at March 31, 2011

(Rs. in lacs)

	As at 31.3.2011	As at 31.3.2010
SCHEDULE - 10		
LOANS & ADVANCES		
LOANS		
Unsecured Considered Good	65.56	62.74
ADVANCES		
(Recoverable in cash or in kind or for value to be received)		
For Trade	533.56	265.49
For Expenses & Others	35.56	37.66
For Capital Goods	9.05	81.79
Balance with Central Excise	11.17	7.31
Advance Income Tax (net of provision)	—	16.51
Mat Credit Receivable	107.62	107.62
Prepaid Expenses	42.64	34.28
Deposit	94.67	94.06
Deposit with Govt. Agencies	133.22	117.83
Export Benefit Receivable	411.97	363.51
Interest Subvention Receivable	0.13	—
Income-Tax Refund Receivable	50.27	33.88
Cenvat Service Tax Input Receivable	37.80	9.60
Deferred Cenvat Receivables	15.55	4.31
Other Receivables	85.75	14.44
VAT Credit Receivable	898.78	870.98
FBT Refund Receivable	0.29	0.29
Interest Subsidy on Loan	22.01	40.90
Service Tax Refund Receivable	3.86	3.62
Total	2559.46	2166.82
SCHEDULE - 11		
CURRENT LIABILITIES & PROVISIONS		
[A] CURRENT LIABILITIES		
Creditors for Materials	1608.21	931.70
Creditors for Expenses & Others	810.28	509.94
Deposits	1.89	1.91
Creditors for Capital Goods	7.52	7.75
Bank Balance (Book Overdraft)*	370.99	1017.54
Vehicle Loan**	—	3.04
Interest Accrued but not due on Term Loan	3.01	4.76
Investors Education & Protection Fund#		
Unclaimed Dividend	0.15	0.15
Total [A]	2802.05	2476.79
[B] PROVISIONS		
Provision for Gratuity	144.76	123.16
Provision for Income Tax (Net of Advance)	74.68	—
Provision for Leave Encashment	29.43	39.84
Provision for Excise Duty on Stock of FG	—	—
Total [B]	248.87	163.00
Total [A+B]	3050.92	2639.79

* Book overdraft includes Rs. 18.20 lacs (Previous Year Rs. 39.77 lacs) Overdraft with Banks against Pledge of Fixed Deposits.

** Against Hypothecation of Vehicle under Hire Purchase.

There is no amount due and outstanding to be credited to Investors Education & Protection Fund.


Schedules forming part of the Profit & Loss A/C for the year ending March 31, 2011

(Rs. in lacs)

SCHEDULE - 12
SALES & OPERATIONAL INCOME :

	Year ended 31.3.2011	Year ended 31.3.2010
Export	20523.67	18323.96
Indigeneous	1948.38	1011.50
Total Sales	22472.05	19335.46
Job Charges-Export	—	0.74
Job Charges - Indigeneous	31.41	39.50
(TDS Rs. 0.58 lacs, Previous year Rs. 0.80 lacs)		
Export Incentives	1347.43	1524.11
Total	23850.89	20899.81

SCHEDULE - 13
OTHER INCOME

Profit on Sale of Fixed Assets	0.01	2.28
Miscellaneous Receipts	0.28	0.27
Profit on Sale of Investment	—	3.71
Profit on Sale of Lease hold Premises	9.41	—
Insurance Claim Received	3.59	—
Excess Provision Written back	43.39	157.25
Sundry Balances written back	14.33	7.81
Sampling Charges (Net)	1.09	2.19
Rent Received	15.73	13.00
(TDS Rs. 1.71 lacs, Previous year Rs. 1.62 lacs)		
Commission Received	2.54	—
(TDS Rs. 0.25 lacs, Previous year Rs. Nil)		
Service Tax on Export Services	2.65	—
Exchange Fluctuation	314.00	—
Provision of Loss on Forward Conts. W/Back	—	17.78
Provison of Doubtful debt Written Back	—	4.92
Total	407.02	209.21

SCHEDULE - 14
INCREASE/(DECREASE) OF STOCKS
OPENING STOCK

Finished Goods	2456.71	3331.45
Semi-Finished Goods	609.06	541.21
Waste & Others	0.56	0.37
Total	3066.33	3873.03

CLOSING STOCK

Finished Goods	2701.45	2456.71
Semi-Finished Goods	641.18	609.06
Waste & Others	0.60	0.56
Total	3343.23	3066.33

Increase / (Decrease) of Stocks
276.90 (806.70)



Schedules forming part of the Profit & Loss A/C for the year ending March 31, 2011

(Rs. in lacs)		
	Year ended 31.3.2011	Year ended 31.3.2010
SCHEDULE - 15		
MANUFACTURING, ADMINISTRATIVE, SELLING EXPENSES & OTHERS		
A) MANUFACTURING EXPENSES		
Raw Materials Consumed	12991.45	9325.61
Dyes, Chemicals & Consumables Consumed	39.83	34.64
Stores & Spares	669.09	416.75
Purchases	3564.48	4629.36
Material Processed/Wages	1434.30	1136.97
Power, Fuel, Water & Others	1200.51	1006.85
Designing & Sampling Exp.	42.64	102.36
Carriage	55.39	43.49
Service Tax on Transport	0.56	0.76
Vat Input W/Off	0.04	9.40
Factory Wages	180.49	129.64
Total [A]	20178.78	16835.83
B) ADMINISTRATIVE, SELLING EXPENSES & OTHERS		
Salaries, Bonus, Gratuity & Other Allowances	846.07	714.46
Contribution to Provident & Other Funds	91.06	77.86
Freight Forwarding, Packing & Insurance	698.05	583.25
Export/Sales Promotion	13.23	16.17
Rent & Electricity	27.18	23.25
Rates & Taxes	18.65	23.40
Commission & Discount	543.96	631.86
Worker & Staff Welfare	48.50	41.69
Repairs & Maintenance		
— Building	52.50	13.51
— Machinery	47.18	41.78
— Others	50.76	33.27
Insurance	30.48	31.31
Legal & Professional Charges	42.15	28.16
Postage, Telephone & Telex	45.24	50.28
Printing & Stationery	62.18	54.18
Office Maintenance	8.59	6.22
Travelling & Conveyance	29.63	29.09
Motor Car Upkeep	29.97	26.73
Bank Charges, ECGC Premium & Certificate	93.84	92.52
Directors' Fees	0.81	0.98
Directors' Remuneration	30.00	30.00
Auditors' Remuneration	4.07	4.05
Miscellaneous Expenses	47.29	41.08
Quality Control & Inspection	51.02	45.12
Exchange Difference (Net)	—	15.23
Loss on Sale of Fixed Assets	0.17	0.52
Donation	3.36	3.57
Export Incentive Receivable written off	0.06	0.01
Foreign Travels	70.32	86.20
Testing Charges	16.69	12.25
Export Documentation Charges	8.14	8.67
Adjustment relating to prior year (Net)	4.16	1.93
Participation in Trade Fair	13.37	19.79
Security Transaction Tax	—	0.01
Bad Debts	6.03	5.16
Total [B]	3034.71	2793.56
Total [A + B]	23213.49	19629.39



Schedules forming part of the Profit & Loss A/C for the year ending March 31, 2011

		(Rs. in lacs)	
		Year ended 31.3.2011	Year ended 31.3.2010
SCHEDULE - 16			
FINANCE CHARGES			
INTEREST PAID			
On Term Loan		18.34	44.87
On Working Capital		340.06	275.56
On Others		0.04	1.05
	Total	358.44	321.48
LESS : INTEREST RECEIVED			
On Fixed Deposit with Banks (T.D.S. Rs. 1.47 lacs Previous Year Rs. 2.07 lacs)		14.27	17.23
On Others (T.D.S. Rs. 0.95 lacs Previous Year Rs. 0.39 lacs)		19.80	12.33
		34.07	29.56
	Total	324.37	291.92

SCHEDULE - 17

SIGNIFICANT ACCOUNTING POLICIES

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.

i) Basis of Accounting

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

ii) Fixed Assets

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

iii) Depreciation

- 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.
- Leasehold land are being amortised over the period of lease.
- Assets costing upto Rs. 0.05 lacs are depreciated fully in the year of purchase/capitalisation.
- Depreciation is being provided prospectively over the residual life of the assets revolarised due to foreign exchange fluctuation wherever applicable.

**iv) 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.

v) 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 |

vi) 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 in terms of 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 at 15 days for employees. The Leave over and above 15 days for employees is encashed and 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 & Loss Account.

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

**vii) 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 on Custom Rate and at the end of the year on Prevailing Bank Rate in respect of outstanding debtors. Difference between actual realisation of 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.

viii) 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.

ix) 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.

x) 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.

xi) 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.

xii) 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.


xiii) 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.

xiv) 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 counterparty 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.

SCHEDULE - 18
NOTES TO ACCOUNTS

		(Rs. in lacs)	
		As at 31.3.2011	As at 31.3.2010
1. Contingent Liabilities (Not Provided For)			
a. Foreign Bills discounted through Banks		2879.51	2163.03
b. Letter of Credit issued by Bankers (net of Margin)		116.68	—
c. <u>Claims against the company not acknowledged as debts</u>			
i) Litigation with vendor is pending disposal by Mumbai High Court		7.51	7.51
ii) Employees dispute for reinstatement is pending disposal by Labour Court		27.18	27.18
d. Guarantee given by bank on behalf of the Company		—	2.45
e. Income Tax demand under CIT (Appeal) / I.T. Appellate Tribunal		58.85	20.40
2. Estimated amount of contract remaining to be executed on capital account net of advances not provided for Rs. 71.80 lacs (Previous year Rs. 73.63 lacs).			
3. The Company has not received information from vendors regarding the status of the suppliers as defined under the “Micro, Small and Medium Enterprises Development Act, 2006” (The Act) and accordingly disclosure relating to unpaid amounts at the close of the year together with interest paid/ payable has not been given			
4. Balance confirmation from some of the Sundry Debtors, Sundry Creditors, Loan Parties and Advances given to the parties are still awaited.			
5. Sample receipts amounting to Rs. 1.84 lacs (Previous Year Rs. 2.19 lacs) for sample sent to overseas buyer has been shown net after adjusting the sample making charges of Rs. 0.74 lacs (Previous Year Rs. 0.15 lacs).			
6. Expenses relating to earlier years amounting to Rs. 6.49 lacs (Previous Year Rs. 1.93 lacs) has been shown as net after adjusting Rs. 2.34 lacs (Previous Year Rs. 0.46 lacs) for Income relating to earlier years.			
7. 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

(Rs. in lacs)

2010-11 2009-10

Contribution to Recognised Provident Fund

67.29 59.23

Defined Benefits Plans

Gratuity Benefits are as follows

Description	2010-11		2009-10	
	Gratuity		Gratuity	
	Funded (Rs. in lacs)	Unfunded (Rs. in lacs)	Funded (Rs. in lacs)	Unfunded (Rs. in lacs)
1. Reconciliation of opening and closing balance of obligation				
a. Present value of the beginning of the year	36.92	96.42	32.94	84.49
b. Current service cost	2.28	24.24	2.18	14.65
c. Interest cost	2.95	7.66	2.69	6.76
d. Actuarial (gain)/loss	2.33	1.45	0.01	(3.07)
e. Benefits paid	(0.73)	(7.11)	(0.09)	(6.41)
f. Present value of the end of the year	43.75	122.66	36.92	96.42
2. Change in fair value of plan assets				
a. Fair value of plan assets as at beginning of the year	10.18	—	—	—
b. Expected return on plan assets	1.74	—	0.70	—
c. Actuarial gain / (loss)	—	—	—	—
d. Contributions / refunds made by / to the Company	10.47	—	10.38	—
e. Benefits paid	(0.73)	—	(0.90)	—
f. Fair value of plan assets as at end of the year	21.66	—	10.18	—
3. Reconciliation of fair value of plan assets and obligations				
a. Fair value of plan assets as at year end	21.66	—	10.18	—
b. Present value of obligation as at year end	(43.75)	(122.66)	(36.92)	(96.42)
c. Amount recognized in the balance sheet	(22.09)	(122.66)	(26.74)	(96.42)
4. Expenses recognised during the year				
a. Current service cost	2.28	24.24	2.18	14.65
b. Interest cost	2.95	7.66	2.69	6.76
c. Expected return on plan assets	(1.74)	—	(0.70)	—
d. Actuarial (gains) / loss	2.33	1.45	0.01	(3.07)
e. Expenses recognised during the year	5.82	33.35	4.18	18.34
5. Investment details				
Others (fund with Life Insurance Corpn. of India)	21.66	—	10.18	—
6. Assumptions				
a. Discount rate (per annum)	8.00%	8.00%	8.00%	8.00%
b. Estimated rate of return on plan assets (per annum)	9.00%	—	9.00%	—
c. Rate of escalation in salary	5.00%	5.00%	5.00%	5.00%

Notes :

- 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 build up the final obligation.



8. **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 segment and Weaving Silk Fabrics segment.

(i) Business Segments

(Rs. in lacs)

	Silk Fabrics & Made-ups 2010-11	Industrial Leather Hand Gloves Made-ups 2010-11	Yarns 2010-11	Weaving Silk Fabrics (100% EOU) 2010-11	Unallocable 2010-11	Total 2010-11
(a) Revenue						
External	3416.10	7356.93	11066.11	2426.76	—	24265.90
(Previous year)	3301.36	5776.45	10335.31	1695.12	—	21108.23
(b) Results						
Segment Result before interest & tax	485.97	551.97	99.43	(334.08)	—	803.29
(Previous year)	(128.83)	343.73	121.85	(148.49)	—	188.26
Unallocated Expenses net of						
Unallocated Income	—	—	—	—	(124.09)	(124.09)
(Previous year)	—	—	—	—	(127.24)	(127.24)
Interest Expenses	—	—	—	—	—	(358.45)
(Previous year)	—	—	—	—	—	(321.48)
Interest Income	—	—	—	—	—	34.08
(Previous year)	—	—	—	—	—	29.56
Depreciation for Earlier year W/back	—	—	—	—	—	10.11
(Previous Year)	—	—	—	—	—	—
Profit / (Loss) before Tax	—	—	—	—	—	364.93
(Previous year)	—	—	—	—	—	(230.90)
Income Tax for Earlier years (including FBT)	—	—	—	—	—	—
(Previous year)	—	—	—	—	—	0.65
Provision for current tax	—	—	—	—	—	139.77
(Previous year)	—	—	—	—	—	—
Provision for deferred tax	—	—	—	—	—	(12.64)
(Previous year)	—	—	—	—	—	(69.22)
Net Profit / (Loss) after tax	—	—	—	—	—	237.80
(Previous year)	—	—	—	—	—	(162.34)
Other Information						
(c) Segment assets	2452.39	3133.13	5506.92	3900.38	430.32	15423.14
(Previous year)	2547.46	2974.62	4780.77	4278.91	471.90	15053.66
(d) Segment liabilities	1536.28	1716.63	1751.27	828.15	108.61	5940.94
(Previous year)	1906.60	1862.96	1089.89	928.82	20.99	5809.27
(e) Capital Expenditure	—	—	239.20	12.53	7.84	259.57
(Previous year)	—	—	216.30	43.38	26.64	286.33
(f) Depreciation	—	—	292.71	313.28	34.02	640.02
(Previous year)	—	—	280.10	293.58	37.45	611.13
(g) Non-cash expenses other than depreciation	—	—	8.35	—	—	8.35
(Previous year)	5.16	—	—	—	—	5.16



(ii) Geographical Segments

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

(Rs. in Lacs)

Sales	2010-11	2009-10
India	1948.38	1011.50
Outside India	20523.67	18323.96
Total	22472.05	19335.46

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 cannot be allocated between the segments are shown as a part of unallocated corporate assets and liabilities respectively.

9. Related Party Disclosures

(Rs. in lacs)

2010-11 **2009-10**

Sl. No.	Nature of the related party & nature of relationship	Nature of Transactions	Transaction Value	Outstanding Amounts carried in the Balance Sheet	Transaction Value	Outstanding Amounts carried in the Balance Sheet
A	Key Management personnel					
1.	Mr. B. R. Loyalka (Chairman)	Sitting Fees	0.20	—	0.27	—
2.	Mr. R. K. Loyalka (Mg. Director)	Remuneration	18.34	3.11	18.34	3.15
3.	Mr. S. K. Loyalka (Mg. Director)	Remuneration	19.41	3.05	19.41	3.30
B	Relatives / Associates of Key Management Personnel					
1.	B. R. Loyalka (HUF)	Rent paid	0.48	—	0.48	—
2.	Kiran Loyalka	Salary	1.16	0.13	1.16	0.13
3.	Ruchi Ajitsaria	Salary	1.16	0.13	1.16	0.13
C	Associates Body Corporates					
1.	SKL Exports Limited	Job charges Sale Rent received	{ 365.40 136.19 —	{ 83.78	{ 190.37 27.74 0.15	{ 74.63 — 0.01
2.	Zenith Koplavitch Exports Ltd.	Sale	—	84.41	—	84.41
3.	Capital Limited	Providing Manpower charges	7.84	0.01	7.84	0.75
4.	Zenith Yarns Pvt. Ltd.	Sale	—	—	27.32	—



10. Earning Per Share (EPS)

	2010-11	2009-10
(a) Total number of Equity Share Outstanding at the end of the year	5396250	5396250
(b) Net Profit after tax available to Equity Shareholders (Rs. in lacs)	237.80	(162.34)
(c) Nominal value per Equity Share (Rs.)	10	10
(d) Basic/Diluted Earnings per Share (Rs.)	4.41	(3.01)

11. The Closing Stock includes

(Rs. in lacs)

	As at 31.3.2011	As at 31.3.2010
i) Raw Materials		
a. In Transit	14.79	—
b. With Parties	280.87	410.34
	295.66	410.34
ii) Finished Goods		
a. With Parties	35.89	36.33
b. In Transit	1.80	103.42
c. At Port	17.11	97.25
	54.80	237.00

12. ADDITIONAL INFORMATION PURSUANT TO PARAGRAPHS 3 & 4 OF PART-II OF SCHEDULE VI OF THE COMPANIES ACT, 1956.

[A] Particulars in respect of goods manufactured

i) Installed capacity			
2010-2011		2009-10	
(a)	31 Single width Dornier Looms 11 Velvet Looms 2 Double width Looms at Weaving Division-Mysore	31 Single width Dornier looms 11 Velvet Looms 2 Double width Looms at Weaving Division - Mysore	
(b)	29776 Spindles at Spinning Division - Ahmedabad	24208 Spindles at Spinning Division - Ahmedabad	
ii) Actual production			
		2010-2011	2009-2010
Items	UOM	Qty.	Qty.
Industrial leather hand gloves	Pairs	9879701	8546452
Aprons & Others	Pcs.	158262	140048
Silk / Cotton / Viscose Fabrics#	Mtrs.	342211.236	257337.501
Silk Madeups	Pcs.	65573	52926
Polyster / Viscose / Cotton Yarn	Kgs.	4924855	4523272

Note : # Production of Zenith Textiles includes stock of Fabrics at inspection stage 298.850 mts. Value Rs. 607841/- (Previous year 2013.71 mts. value Rs. 2729229/-).



[B] Turnover		2010-11		2009-10	
Items	UOM	Quantity	Rs. in lacs	Quantity	Rs. in lacs
Industrial Leather	Pairs	10036277	} 6372.97	8667410	} 5117.25
Hand Gloves / Aprons & Others	Pcs.	153623		139180	
Silk / Cotton / Viscose Fabrics	Mtrs.	850280.026 (a)	} 5415.61	967310.936 (a)	} 4616.70
Silk made-ups	Pcs.	107156		291405	
Yarn	Kgs.		} 96.13		
Polyster / Viscose / Other Yarn	Kgs.	5942987		7141960	9503.61
Others			162.27		97.90
			22472.05		19335.46

Note :

- (a) Quantity includes 2073.24 Mtrs. Silk Fabrics and 4906 pcs of Silk Made-ups (Previous year 4458.94 Mtrs. of Silk Fabrics and 9798 pcs of Silk Made-ups) as sample sent to buyers.



C) Purchase & Stock of Finished & Semi-Finished Goods (Rs. in lacs)

Class of Goods	Unit of measure	2010-11				2009-10			
		Opening Stock Qty.	Opening Stock Value	Purchase Qty.	Purchase Value	Closing Stock Qty.	Closing Stock Value	Opening Stock Qty.	Opening Stock Value
[A] SEMI FINISHED GOODS Industrial Leather Hand Gloves/Aprons & Others	Pair	440148	203.11	—	—	553019	295.49	265555	166.52
	Pcs.	561		—	—	5680		26	
	Kgs.		174.01	—	—		131.19		185.23
	Mtrs.		231.94	—	—		214.50		189.46
	Total [A]		609.06	—	—		641.18		541.21
[B] FINISHED GOODS Industrial Leather Hand Gloves/Aprons & Others	Pair	507192	352.88	—	—	350616	339.89	628150	500.19
	Pcs	8214		—	—	12853		7346	
	Mtrs. (a)	599928.94	1775.63	729976.72	1434.56	535347.05	1836.52	916645.78	2372.51
	Kgs.	154880.00	240.38	1100314.00	1913.30	237062.00	408.90	226181.00	289.05
	Pcs.	44566	87.83	43435	120.29	46418	116.14	214287.00	168.50
Polyester/Viscose/Cotton Yarn		—	—	6065.924	96.33	—	—	—	—
Silk Made-ups		—	—	—	—	—	—	30798	1.20
Yarn		—	—	—	—	—	—	512	—
Leather Bags, Purses		—	—	—	—	—	—	—	—
Wallets etc.		—	—	—	—	—	—	—	—
Total [B]			2456.71		3564.48		2701.45		3331.45
Total [A+B]			3065.77		3564.48		3342.63		3872.66

Notes :-

- Quantity includes 1943.57 mtrs. (Previous year 1241.50 mtrs.) as process gain and 311135.48 mtrs. (Previous year 333870.28 mtrs.) of fabrics used for internal consumption.
- Closing Stock Quantity of Zenith Textile is arrived after adjusting -22930.800 mtrs., (Previous year 3567.355 mtrs.) of defectives & Trial Fabrics during the year (Cumulative 93775.430 Mtrs. Till 31.03.2011, and 116706.23 Mtrs. Till 31.03.2010)



D) Consumption of Raw Materials & Chemicals

(Rs. in lacs)

Class of Goods	Unit	2010-11		2009-10	
		Quantity	Value	Quantity	Value
Raw Leather	Sq. ft.	29178941.50	5310.66	24173462.50	3973.66
Clothes	Mtrs.	261502.75	158.75	269430.85	112.66
	Kgs.	21762.20		12251.00	
Silk Yarn	Kgs.	129226.838	1517.47	93693.039	845.59
Polyester/Viscose Fibre	Kgs.	5672244	6004.57	4971074	4393.70
Dyes & Chemicals		—	39.83	—	34.64
			13031.28		9360.25
		%	value	%	value
Imported		10.54	1372.95	8.24	771.57
Indigenous		89.46	11658.33	91.76	8588.68
		100.00	13031.28	100.00	9360.25

E) Consumption of Stores & Spares

Thread		28.33	22.62
Rubb, Cuff, Back & Components		36.82	38.42
Stores & Spares parts		603.94	355.71
		669.09	416.75
	%	Value	Value
Imported	8.44	56.48	35.80
Indigenous	91.56	612.62	380.95
	100.00	669.09	416.75

(Rs. in Lacs)

F. Remuneration to Managing / Whole Time Directors

a) Salary & Allowances	30.00	30.00
b) Perquisites	4.15	4.15
c) Contribution to Provident & Other Funds	3.60	3.60
	37.75	37.75

Notes :

- (a) The remuneration paid / payable to Managing / Whole-time Directors is in accordance with part-II of Schedule XIII of the Companies Act, 1956. Remuneration paid during the year is treated as "Minimum Remuneration".
- (b) Contribution to Provident Fund in respect of Directors has not been considered in above figures as separate actuarial valuations are not available.

G. Auditors Remuneration

For Statutory Audit	1.90	1.90
For Tax Audit	0.70	0.69
For Others	1.19	1.16
For Service Tax	0.28	0.29
	4.07	4.05



(Rs. in Lacs)

	2010-11	2009-10
H. Value of Imports on CIF Basis		
Finished Goods	0.89	0.24
Raw Materials	1565.82	939.90
Stores, Spares & Components	43.54	49.59
Capital Goods Purchased (Including advance to vendor)	—	1.19
Others	9.02	—
I. Expenditure in Foreign Currencies		
Foreign Travel & Participation in Exhibitions and Trade Fair	59.68	69.40
Commission	304.22	238.27
Interest on foreign Currency Loan	0.71	7.15
Royalty, Design & Development Charges	35.63	24.41
Others	42.94	15.21
J. Earnings in Foreign Currencies		
Exports of Goods on F.O.B. Basis	20148.54	18064.06
FOB value of Job Charges / Samples	5.04	3.09

13. Derivative instruments outstanding :

a. Forward Exchange Contracts :-

Currency	2010-2011		2009-2010	
	No. of Contracts	Amount in Foreign Currency	No of Contracts	Amount in Foreign Currency
EURO	41	1949799	10	738313
USD	33	3540580	41	4736433

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

Category	Currency	2010-2011 Amount in Foreign Currency	2009-2010 Amount in Foreign Currency
Exports	EURO	212920	323735
Exports	USD	2621688	2280125
Exports	GBP	125609	62572
Others	EURO	215352	184517
Others	USD	195428	231208
Others	GBP	1720	615

14. Comparative figures of the previous year have been regrouped, rearranged and recast wherever found necessary.

As per our report of even date annexed

For TIWARI & COMPANY

Chartered Accountants

Firm Reg. No. 309112E

P. TIWARI

Partner (M. No. 16590)

Place : Kolkata

Date : July 25, 2011

LAWKUSH PRASAD

Company Secretary

For and on behalf of the Board of Directors

B. R. LOYALKA

Chairman

R. K. LOYALKA

Managing Director

S. K. LOYALKA

Managing Director

M. M. BHAGAT

Director

K. D. RUNGTA

Director

M. L. JAIN

Director

**BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE****1. Registration Details**

Registration No.

3	3	9	0	2
---	---	---	---	---

 State Code

2	1
---	---

Balance Sheet Date

3	1	0	3	1	1
---	---	---	---	---	---

2. Capital Raised during the year (Amount in Rs. Thousands)

Public Issue

N	I	L
---	---	---

 Rights Issue

N	I	L
---	---	---

Bonus Issue

N	I	L
---	---	---

 Private Placement

N	I	L
---	---	---

3. Position of Mobilisation and Deployment of Funds (Amount in Rs. Thousands)

Total Liabilities

1	2	3	7	2	2	3
---	---	---	---	---	---	---

 Total Assets

1	2	3	7	2	2	3
---	---	---	---	---	---	---

Source of Funds

Paid-up Capital

5	3	9	6	2
---	---	---	---	---

 Unsecured Loans

N	I	L
---	---	---

Reserves & Surplus

8	9	4	2	5	8
---	---	---	---	---	---

 Secured Loans

2	4	3	8	5	4
---	---	---	---	---	---

Deferred Tax Liabilities

4	5	1	4	9
---	---	---	---	---

Application of Funds

Net Fixed Assets

5	2	3	9	0	6
---	---	---	---	---	---

 Investments

	1	0	0
--	---	---	---

Net Current Assets

7	1	3	2	1	7
---	---	---	---	---	---

4. Performance of the Company (Amount in Rs. Thousands)

Turnover including Export Incentives & Other Income

2	4	5	4	2	8	1
---	---	---	---	---	---	---

 Total Expenditure

2	4	1	7	7	8	8
---	---	---	---	---	---	---

Profit / (Loss) Before Tax

3	6	4	9	3
---	---	---	---	---

 Profit / (Loss) After Tax

2	3	7	8	0
---	---	---	---	---

Earning per share in (Rs.)

4	.	4	1
---	---	---	---

 Dividend Rate (%)

N	I	L
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5. Generic Names of Three Principal Products / Services of the Company (As per Monetary Terms)

Item Code No. : **420400**

Product Description : **Leather Gloves for use in Industry**

Item Code No. : **500720**

Product Description : **Silk Fabrics**

Item Code No. : **550950**

Product Description : **Polyster Viscose Spun Yarn**

ZENITH EXPORTS LIMITED

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

Attendance
Slip

TWENTY-NINTH ANNUAL GENERAL MEETING — FRIDAY, 30TH SEPTEMBER, 2011, AT 10:30 A.M.

DP.ID*	NAME AND ADDRESS OF THE REGISTERED SHAREHOLDERS/PROXY
CLIENT ID*	
FOLIO NO.	
NO. OF SHARES HELD	

* Applicable if Shares are held in electronic form.

I certify that I am a registered Shareholder/Proxy for the Registered Shareholder of the Company.

I hereby record my presence at the Twenty-ninth Annual General Meeting of the Company held **at Auditorium of Birla Academy of Art & Culture, 108, Southern Avenue, Kolkata-700 029 on Friday, 30th September, 2011.**

Member's / Proxy's Signature

Note : Please fill this attendance slip and hand it over at the **ENTRANCE OF THE MEETING HALL.**

----- TEAR HERE -----

ZENITH EXPORTS LIMITED

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

Form of
Proxy

I/We..... of in the district
of being a member / members of **ZENITH EXPORTS LIMITED**
hereby appoint of in the district of
..... or failing him
of in the district of
as my / our proxy to attend and vote for me / us on my / our behalf at the **TWENTY-NINTH ANNUAL GENERAL MEETING** of the Company to be held on **Friday, 30th September, 2011, at 10:30 A.M.** and
at any adjournment thereof.

Signed this day 2011.

DP.ID*
CLIENT ID*
FOLIO NO.
NO. OF SHARES HELD

Signature

Affix
Revenue
Stamp

* Applicable if Shares are held in electronic form.

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