



THE YASH BIRLA GROUP

ZENITH BIRLA (INDIA) LIMITED



Annual Report 2013 - 2014

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CORPORATE INFORMATION

- Board of Directors**

Shri Ashish Mahendrakar	(Non Executive & Non-Independent Director) appointed as additional Director w.e.f. 14.08.2014
Shri Satish Jadhav	(Independent Director) appointed as additional director w.e.f. 14.08.2014
Shri Ameya Jagushte	(Independent Director) appointed as additional director w.e.f. 14.08.2014
Shri Yashovardhan Birla	(Chairman) resigned w.e.f. 14.08.2014
Shri Augustine P. Kurias	(Independent Director) resigned w.e.f. 28.11.2013
Shri Pushkar M. Natu	(Executive & Non-Independent Director) resigned w.e.f. 14.08.2014
Shri Jignesh Bipin Mehta	(Independent Director) resigned w.e.f. 14.08.2014
Shri P.V.R. Murthy	(Non Executive & Non-Independent Director) resigned w.e.f. 14.08.2013
Shri Rubin Malkani	(Independent Director) resigned w.e.f. 14.08.2014

- Company Secretary & Compliance Officer**

Mr. Vimal Prakash Dubey- Appointed w.e.f. 18.06.2013

- Auditor**

M/s Thakur, Vaidyanath Aiyer & Co., Chartered Accountants

- Bankers**

State Bank of India
Punjab National Bank
Bank of Baroda
Oriental Bank of Commerce
Bank of India
Axis Bank
Shamrao Vittal Co-operative Bank
NKGSB Co-operative Bank
Bank of Maharashtra
The Federal Bank Ltd.

- Works**

Khopoli Unit

Tal. Khopoli,
Dist Raigad,
Maharashtra 410203

Murbad Unit

Survey (Gut) No. 440/441
Village Nhave,
Taluka Murbad,
Dist. Thane, Maharashtra

Tarapur Unit

G-38/39, Tarapur Industrial Area,
Village Saravali,
Taluka Palgar,
Dist. Thane, Maharashtra

- Kanchi Puram Unit**

Survey no. 99-3A to3J,
Padalam Sugar Mill Road,
Village: Kolambakkam, Taluka: Madhuranthagam,
Dist: Kanchipuram-603 308, Tamil Nadu

Trichy Unit

SH No. 71, Survey No. 782,
Village: Kalugar Thogainmalai,
Taluka: Kulithalai,
Dist: Karur-639 120, Tamil Nadu

- Registered Office**

Dalamal House, 1st Floor, 206, J. B. Marg,
Nariman Point, Mumbai - 400 021
Tel: 022-66168400, Fax: 022-22047835
Email: share@zenithsteelpipes.com

Corporate Office

159, Industry House,
5th Floor, Churchgate Reclamation,
Mumbai - 400 020,
Tel: 022-22026340, Fax: 022-22047385

Registrars & Share Transfer Agents

Bigshare Services Pvt. Ltd
E/2, Ansa Industrial Estate,
Saki Vihar Road, Saki Naka,
Andheri (E), Mumbai 400 072
Tel: 022-28470652/ 40430200
Fax: 022-28475207
Email: investor@bigshareonline.com

NOTICE

ZENITH BIRLA (INDIA) LIMITED
DALAMAL HOUSE
1st Floor, 206, J.B.Marg,
Nariman Point, Mumbai – 400 021.
CIN : L29220MH1960PLC011773
E-mail: zenith@zenithsteelpipes.com
Website : www.zenithsteelpipes.com
Tel : 022-66168400, Fax : 022-22047835

Notice is hereby given that the Fifty Second Annual General Meeting of the members of **ZENITH BIRLA (INDIA) LIMITED** will be held on, Saturday, the 27th September, 2014 at 3.30 p.m. at Gopi Birla Memorial School 68, Walkeshwar Road, Walkeshwar, Malabar Hill, Mumbai – 400 006, to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at March 31, 2014, Profit and Loss Account for the year ended on that date and the reports of the Board of Directors and Auditors thereon.

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

“RESOLVED THAT M/s. Thakur Vaidyanath Aiyar & Co, Chartered Accountants, Mumbai (Firm Registration Number: 000038N) be and are hereby appointed as the Statutory Auditors of the Company to hold office from the conclusion of the 52nd Annual General Meeting till the conclusion of the 57th Annual General Meeting, subject to ratification of their appointment by the members at every Annual General Meeting held after this Annual General Meeting on such remuneration as may be determined by the Board of Directors of the Company.”

SPECIAL BUSINESS:

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

Appointment of Mr. Ashish Mahendrakar as Director.

“RESOLVED THAT pursuant to Sections 149, 150, 152, 161 and other applicable provisions of Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with schedule iv to the Companies Act, 2013 Mr. Ashish Mahendrakar (DIN : 03584695) who was appointed as an Additional Director of the Company w.e.f. 14.08.2014 and who vacates his office at this Annual General Meeting and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of the Director, be and is hereby appointed as Director of the Company.”

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

Appointment of Mr. Satish Vasant Jadhav as an Independent Director.

“RESOLVED THAT pursuant to Sections 149, 150, 152, 161 and other applicable provisions of Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with schedule iv to the Companies Act, 2013 Mr. Satish Vasant Jadhav (DIN:06941520) who was appointed as an Additional Director of the Company w.e.f. 14.08.2014 and who vacates his office at this Annual General Meeting and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of the Independent Director, be and is hereby appointed as Independent Director of the Company to hold the office for five consecutive years up to 26.09.2019.”

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

Appointment of Mr. Ameya Subhash Jagushte as an Independent Director.

“RESOLVED THAT pursuant to Sections 149, 150, 152, 161 and other applicable provisions of Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with schedule iv to the Companies Act, 2013 Mr. Ameya Subhash Jagushte (DIN:06947645) who was appointed as



an Additional Director of the Company w.e.f. 14.08.2014 and who vacates his office at this Annual General Meeting and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of the independent Director, be and is hereby appointed as Independent Director of the Company to hold the office for five consecutive years up to 26.09.2019.”

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

To reconfirm authority to Board of Directors for borrowings upto ₹ 600 Crores.

“**RESOLVED THAT** in supersession of resolution passed in this regards at the Annual General Meeting of the Company held at 20th September, 2011 and pursuant to the provisions of Section 180(1)(c) of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof (the Act) and the Articles of Association of the Company, the consent of the Company be and is hereby accorded to the Board of Directors (hereinafter referred as Board which term shall include a committee thereof authorized for the purpose) of the Company, to borrow from time to time any sum or sums of money (including non fund based facilities) as may be required for the purpose of the business of the Company, from one or more banks, Financial Institutions and other persons, firms, bodies corporate, whether in India or abroad, notwithstanding that the monies so borrowed together with the monies so borrowed together with the monies already borrowed (apart from temporary loans obtained from the company’s bankers in the ordinary course of business) may at any time exceed the aggregate of the paid up capital of the company and its free reserves (reserved not apart for any specific purpose) provided that the total amount that may be borrowed by the board and outstanding at any point of time, shall not exceed the sum of ₹ 600 Crores (Rupees Six Hundred Crores only).”

“**RESOLVED FURTHER THAT**, the Board of Directors of the company be and is hereby authorised to do all acts, deeds, and things necessary and expedient to give effect to this resolution.”

7. To consider and if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:

To approve creation of charge / security over the assets / undertaking of the company, in respect of borrowings

“**RESOLVED THAT** in supersession of resolution passed in this regards at the Annual General Meeting of the Company held at 20th September, 2011 and pursuant to the provisions of Section 180(1)(a) of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof (the Act) and the Articles of Association of the Company, the consent of the Company be and is hereby accorded to the Board of Directors (hereinafter referred as Board which term shall include a committee thereof authorized for the purpose) of the company to mortgage, hypothecate, pledge, and/ or charge, in addition to the mortgage hypothecate, pledge and / or charge already created in such form, manner and ranking and on such terms as the board deems fit in the interest of the company, on all or any of the movables and / or immovable properties of the company, both present and future and or any other assets or properties, either tangible or intangible, of the company and / or the whole part of any of the undertaking of the company together with or without the power to take over the management of the business or any undertakings of the company in case of certain events of defaults, in favour of the lender(s), agent(s), and Trustee(s) for securing the borrowing availed or to be availed by the company, by way of loans, debentures or any other securities or otherwise, in foreign currency or in Indian Rupees, from time to time, up to the limits approved or as may be approved or as may be approved by the shareholders under section 180 (1)(c) of the Act, along with interest, additional interest, accumulated interest, liquidated charges, commitment charges or cost expenses and all other monies payable by the company including any increase as a result of devaluation / revaluation / fluctuation in the rate of exchange.”

RESOLVED Further That, the Board of Directors of the company be and is hereby authorised to do all acts, deeds, and things necessary and expedient to give effect to this resolution.

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

Ratification of Cost Auditors’ remuneration

“ **RESOLVED THAT** pursuant to Section 148 and other applicable provisions, if any, of the companies Act, 2013 (“Act”) and the rules made thereunder, as amended from time to time, the company hereby ratifies the remuneration of ₹ 1,00,000.00 to M/s. Y. R. Doshi & Co. Who are appointed as Cost Auditors of the company to conduct Cost Audit



relating to such business of the company as may be ordered by the Central Government under the Act and the rules thereunder, for the year ended 31st March, 2015.”

Notes:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND, AND TO VOTE ON A POLL INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT APPOINTING PROXY SHOULD, HOWEVER BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY-EIGHT HOURS BEFORE COMMENCEMENT OF THE MEETING.
2. A person can act as a proxy on behalf of the members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the company carrying voting rights. A member holding more than ten percent of the total share capital of the company carrying voting rights may appoint single person as a proxy, provided such person shall not act as a proxy for any other person or shareholder.
3. The relative Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 relating to Special Business under Item Nos. 3 to 8 above are annexed hereto.
4. Corporate members intending to send their authorized representatives to attend the meeting are requested to send a certified copy of the Board Resolution authorizing their representative to attend and vote in their behalf at the meeting.
5. Pursuant to Clause 49 of the Listing Agreement the details of the Directors seeking appointment / re-appointment at the ensuing Annual General Meeting is provided in the Corporate Governance Report.
6. In case of joint holders, attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.
7. The Register of Members and Share Transfer Books of the Company will remain close from 24th September, 2014 (Wednesday) to, 27th September, 2014 (Saturday) (both days inclusive).
8. All documents referred to in the notice are open for inspection at the registered office of the company between 11.00 am and 1.00 pm on any working day except on Sunday and holidays up to the date of Annual General Meeting.
9. All the work related to share Registry in terms of both Physical and Electronic – are being conducted by Company’s R & T Agents – Big Share Services Pvt. Ltd. E/2, Ansa Industrial Estate Saki Vihar Road, Saki Naka, Andheri (E), Mumbai – 400 072 Tel : 022-28470652 / 40430200 /Fax- 022-28475207.
10. Members who hold shares in physical form in multiple folios in identical names or joint accounts in the same order of names are requested to send the share certificates to the Company’s Registrars and Transfer Agents, M/s. Big share Services Pvt. Ltd. for consolidation into single folio.
11. Members are requested to promptly notify immediately any change in their addresses and/or the Bank Mandate details to the Company’s Registrars and Share Transfer Agents for shares held in physical form and to their respective Depository Participants for shares held in electronic form.
12. **Members are requested to:**
 - a. Bring their copies of the Annual Report at the time of attending the Annual General Meeting.
 - b. Complete the attendance slip and deliver the same at the entrance of the meeting hall.
 - c. Send their questions at-least 10 days in advance before the Annual General Meeting about any further information on accounts so as to enable the Company to answer their question satisfactorily.

Important communication – Support Green Initiative

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 April 21, 2011 and Circular No.18/2011 dated April 29, 2011** 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 circulars issued by MCA, we propose to send henceforth all communications /documents including the Notice calling the General Meeting/ Notice of Postal Ballot, audited financial statements, directors' report, auditors' report etc. via electronic mode on the Email ID registered by shareholders with their Depository Participant (DP) or with the Company's Registrar & Transfer Agent (RTA).

Members who have not registered their e-mail addresses, so far, are requested to register their e-mail addresses, in respect of electronic holdings with the Depository through their concerned Depository Participants. Members who hold shares in physical form are requested to register their e-mail address with Bigshare Services Private Limited, Registrar and Transfer Agents of the Company on which they desire to receive all future communications/ documents as specified above.

We are sure you would appreciate the "Green Initiative" taken by MCA and your Company's desire to participate in such initiatives.

13. Voting through Electronic Means :

In Compliance with provisions of Section 108, of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014 the company is pleased to provide members facility to exercise their right to vote at the 52nd Annual General Meeting (AGM) by electronic means and the business may be transacted through e-voting services provided by Central Depository Services Ltd. (CDSL):

A Step – by – Step procedure and instructions for casting your vote electronically as under :

Step-1 : Open your web browser during the voting period and log on to the e-voting website www.evotingindia.com.

Step – 2 : Now click on Shareholders to cast your votes.

Step – 3 : Now select the Electronic Voting Sequence Number - " EVSN" along with "Zenith Birla (India) Limited" from the Drop down menu and click on "Submit".

Step – 4 : Now fill up the following details in appropriate boxes :

EVSN	140902048
User –ID	For the members holding shares in demat form:- a) For CDSL :- 16 Digits beneficiary ID b) For NSDL :- 8 Character DP ID Followed by 8 Digit Client ID For Members holding Shares In Physical Form :- Folio Number registered with the Company.
PAN*	Enter your 10 Digit alpha numeric *PAN issued by Income Tax Department when Prompted by the system while e-voting (applicable for both demat shareholders as well as Physical Shareholders)
DOB	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details #	Enter the dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.

Members who have not updated their PAN with the company / Depository participant are requested to use default number in the PAN field.

Please enter any one of the details in order to login.

Step-5 : After entering these details appropriately, Click on the Submit Tab .

Step-6 : Members holding shares in physical form will then reach directly the EVSN selection Screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily change their login password in the new password field. The new password has to be minimum eight character consisting at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character (@ # \$ % & *). Kindly,



note that this password is also to be used by the demat holders for voting for resolutions of the company or of any other company on which they are eligible to vote, provided that the company opts for e-vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

Step-7 : Click on the relevant EVSN on which you choose to vote.

Step 8 : On the voting page you will see description and against the same the option “(yes/No)”for voting. Select the option yes or no as desired. The option yes implies that you assent to the resolution and Option no implies that you dissent to the resolution.

Step 9 : Click on the “ Resolution File Link” if you wish to view the entire resolution.

Step-10 : After Selecting the resolution you have decided to vote on, click on ‘Submit’. A confirmation box will be displayed. If you wish to confirm your vote click OK, else to change your vote, click on “Cancel” and accordingly modify your vote.

Step 11 : Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

B. Other Instructions for E-Voting:

1. The voting period begins on 21/09/2014 (9.00 am) and ends on 23/09/2014 (6.00 pm). During this period shareholders of the company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 22.08.2014, may cast their vote electronically. The voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.
2. The voting rights of the shareholders shall be in proportion to their shares of the paid up equity share capital of the company as on 22.08.2014
3. M/s Ragini Chokshi & Associates, Practising Company Secretaries will act as scrutinizer to scrutinize the e-voting process.
4. If you are voting shares in Demat Form and had lodged on to www.evotingindia.co.in and cast your vote earlier for any company, then your existing login id and password to be used.
5. For members holding shares in physical form, the folio number and PAN / default number can be used only for any e-voting on the resolutions given in the notice.
6. Institutional Shareholders (i.e other than individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in/> and register themselves, link their account which they wish to vote on and then cast their vote. They should upload a scanned copy of the board resolution in PDF format in the system for scrutinizer to verify the vote.
7. In Case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Question (“FAQs”) and e-voting manual available at www.evotingindia.co.in help section or write an email to helpdesk.evoting@cdslindia.com.

Registered Office

Dalamal House, 1st Floor, 206, J.B. Marg,
Nariman Point, Mumbai - 400 021
Tel: 022-66168400, Fax: 022-22047835
Email: share@zenithsteelpipes.com

**By Order of the Board
For Zenith Birla (India) Limited**

**Vimal Prakash Dubey
Company Secretary**

EXPLANATORY STATEMENT AS REQUIRED UNDER SECTION 102 OF THE COMPANIES ACT, 2013.

Item No: 3

Mr. Ashish Mahendrakar (DIN :03584695) was appointed as an additional Director of the Company on As per the provisions of section 161 of the Companies Act, 2013 he holds directorship up to ensuing Annual General Meeting. The Company has received a notice under Section 160, of the Companies Act, 2013 together with the deposit of ₹ 1,00,000.00/-, from a member proposing his candidature as a director of the company.



A brief profile of Mr. Ashish Mahendrakar together with the other details as required under Clause 49 of the Listing Agreement is provided in Corporate Governance Report.

In the Opinion of the Board Mr. Ashish Mahendrakar fulfills the conditions specified in the Companies Act, 2013 and rules made thereunder for his appointment as director of the company.

The board considers that his continued association would be of immense benefit to the company and it is desirable to continue to avail services of Mr. Ashish Mahendrakar as Director. Accordingly the board recommends the resolution in relation to appointment of Mr. Ashish Mahendrakar as Director, for the approval by the Shareholders of the Company.

Item No: 4

Mr. Satish Vasant Jadhav (DIN:06941520) was appointed as an additional Director of the Company on 14.08.2014. As per the provisions of section 161 of the Companies Act, 2013 he holds directorship up to ensuing Annual General Meeting. The Company has received a notice under Section 160, of the Companies Act, 2013 together with the deposit of ₹ 1,00,000/- from a member proposing his candidature as a Non-Executive Independent Director of the company.

As per requirements of provisions of the Companies Act, 2013 and rules made thereunder, the independent directors are not liable to retire by rotations. Therefore, it is proposed to appoint Mr. Satish Vasant Jadhav as a Non-Executive Independent Director for a term of five consecutive years from the date of ensuing general meeting.

A brief profile of Mr. Satish Vasant Jadhav together with the other details as required under Clause 49 of the Listing Agreement is provided in Corporate Governance Report.

In the Opinion of the Board Mr. Satish Vasant Jadhav Fulfills the conditions specified in the Companies Act, 2013 and rules made thereunder for his appointment as an independent director of the company and is independent of the management.

The board considers that his continued association would be of immense benefit to the company and it is desirable to continue to avail services of Mr. Satish Vasant Jadhav as an Independent Director. Accordingly the board recommends the resolution in relation to appointment of Mr. Satish Vasant Jadhav as an independent Director, for the approval by the Shareholders of the Company.

None of the Directors, Key Managerial Personnel or their relatives, except Mr. Satish Vasant Jadhav, has any concern or interest, financial or otherwise, in the resolution set out at item no. 4.

Item No: 5

Mr. Ameya Subhash Jagushte (DIN:06947645) was appointed as an additional Director of the Company on 14.08.2014. As per the provisions of section 161 of the Companies Act, 2013 he holds directorship up to ensuing Annual General Meeting. The Company has received a notice under Section 160, of the Companies Act, 2013 together with the deposit of ₹ 1,00,000/- from a member proposing his candidature as a Non-Executive Independent Director of the company.

As per requirements of provisions of the Companies Act, 2013 and rules made thereunder, the independent directors are not liable to retire by rotations. Therefore, it is proposed to appoint Mr. Ameya Subhash Jagushte as a Non-Executive Independent Director for a term consecutive years from the date of ensuing general meeting.

A brief profile of Mr. Ameya Subhash Jagushte together with the other details as required under Clause 49 of the Listing Agreement is provided in Corporate Governance Report.

In the Opinion of the Board Mr. Ameya Subhash Jagushte Fulfills the conditions specified in the Companies Act, 2013 and rules made thereunder for his appointment as an independent director of the company and is independent of the management.

The board considers that his continued association would be of immense benefit to the company and it is desirable to continue to avail services of Mr. Ameya Subhash Jagushte as an Independent Director. Accordingly the board recommends the resolution in relation to appointment of Mr. Ameya Subhash Jagushte as an independent Director, for the approval by the Shareholders of the Company.

Non of the Directors, Key Managerial Personnel or their relatives, except Mr. Ameya Subhash Jagushte, has any concern or interest, financial or otherwise, in the resolution set out at item no. 5.

**Item No. 6 & 7**

In terms of the provisions of Section 180(1)(a) and 180(1)(c) of the Companies Act, 2013, the Board of Directors of the Company cannot, except with the consent of the Company by a Special Resolution, borrow moneys, apart from temporary loans, in excess of aggregate of the paid up capital and its free reserves 180(1)(C) nor the board can create security or create mortgages, charges, and hypothecation over the assets of the company which would be required to secure aforesaid borrowings section 180(1)(a).

The above Section 180 of the Companies Act, 2013 corresponds to section 293 of the Companies Act, 1956 under which the consent of the company was required by ordinary Resolutions.

Accordingly, the shareholders of the company had accorded their consent by way of ordinary Resolutions to the Board of Directors for borrowing money not exceeding 600 crores (Rupees Six Hundred Crores only) at any point of time and to create mortgages, charges, and hypothecations over the assets of the company to secure such borrowings from time to time .

However, the Ministry of Corporate Affairs, New Delhi wide its General Circular No. 4/2014 dated 25th March, 2014 has stated that such ordinary resolutions passed under old Companies Act, 1956 borrowing money in excess of limits to create security of the Company, shall remain valid up to one year from the commencement of the Companies Act, 2013 i.e. up to 11th September, 2014.

Therefore, it is proposed to reconfirm the limit of such borrowing power of ₹ 600/- Crores .

None of the directors, key managerial Personnel or their relatives has any concern or Interest, financial or otherwise, in the resolutions.

The Board Recommends the Special resolutions set out in item No. 6 & 7 for the approval of the approval of members.

Item No. 8

The company is Directed, under Section 148 of the Companies Act, 2013 Act to have the audit of its Cost records conducted by a Cost Accountant in practice. The Board of your, Company has, on the recommendation of the Audit Committee, approved the appointment of M/s. Y. R. Doshi & Co. as the cost Auditors of the Company to conduct cost audits relating to such businesses of the Company as may be ordered by Central Government under the Act and the rules thereunder for the year ending 31st March, 2015 at a remuneration of ₹ 1,00,000/-

M/s. Y. R. Doshi & Co. have furnished a certificate regarding their eligibility for appointment as Cost Auditors of the Company. They have vast experience in the field of cost audit and have conducted the audit of the Cost Records of the Company for the past several years under the provisions of the erstwhile Companies Act, 1956. The Board has approved the remuneration of ₹ 1,00,000.00 to M/s. Y. R. Doshi & Co. as the Cost Auditors and the ratification of the shareholders is sought for the same by an Ordinary Resolution at Item No.

The Resolution at Item No. 8 is Commended for approval by the members.

None of the directors and key managerial personnel of the Company or their respective relatives are concerned or interested in Resolution mentioned at item No. 8 of the notice.

**By Order of the Board
For Zenith Birla (India) Limited**

**Place : Mumbai
Date : 14.08.2014**

**Vimal Prakash Dubey
Company Secretary**



DIRECTORS' REPORT

To the Members,

Your Directors have pleasure in presenting the Fifty Second Annual Report together with the Audited Statements of Accounts of your Company for the year ended 31st March, 2014.

I. FINANCIAL RESULTS

(₹ in lacs)

PARTICULARS	Year ended 31.03.2014	Year ended 31.03.2013
Gross Income	17196.58	31606.55
Less : Excise Duty	1251.28	2346.63
Net Income	15945.30	29259.92
Profit/(Loss) before Interest, Depreciation and Taxation	-11652.80	- 412.18
Interest and Finance Expenses	-2071.01	-3504.57
Profit/(Loss) before Depreciation and Taxation	-13723.81	-3916.75
Depreciation	-651.60	-548.83
Profit/(Loss) for the Year before Taxation	-14375.41	-4465.58
Less: Provision for Taxation :		
Current Tax	-	-
Deferred Tax	-	-
Wealth Tax	1.17	0.68
Tax in respect of earlier years	-	2.88
	1.17	3.56
Profit for the year (PAT)	-14376.57	-4469.14
Exceptional Item (Advanced related to discontinued project written off)	5602.88	-
Profit transferred to Reserves & Surplus	-19979.45	-4469.14

2. FINANCIAL HIGHLIGHTS

During the year under review, the net income of the Company has reduced to ₹ 15945.30 lacs as compared to ₹ 29259.92 lacs of previous year due to decline in sales. Loss after Tax for the financial year stood at ₹ 19979.45 lacs as against the Loss of ₹ 4469.14 lacs of previous year.

3. DIVIDEND

Your Directors have not recommended dividend for the year ended March 31, 2014 considering the fund requirement for future business expansion.

4. EXPORT PERFORMANCE

Exports turnover has increased to ₹ 5,333.14 lacs for the year ended 31st March, 2014 as compared to ₹ 3,591.93 lacs of previous year.

5. LOCK-OUT AT KHOPOLI UNIT

On account of heavy losses incurred by way of loss of business due to global show down and anti dumping investigation and financial crunch, the management has declared lockout at its Khopoli unit in November, 2013.



6. NOTICE UNDER SECURITISATION & RECONSTRUCTION OF FINANCIAL ASSETS AND ENFORCEMENT OF SECURITY INTEREST ACT, 2002 (SARFAESI)

Consortium of banks led by State Bank of India has taken action under Securitisation & Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 in February 2014 and called upon the company to repay the amount of ₹ 193.19 crores towards the dues. Thereafter, the consortium of banks have taken symbolic possession on 29.05.2014 of the immovable assets at the Khopoli unit.

7. SUBSIDIARY COMPANY

During the year M/s Zenith Middle East FZE, wholly owned Subsidiary has been closed. A new wholly owned subsidiary, namely Zenith Middle East LLC has been incorporated on 27.11.2013 in Fujairah, UAE

The Accounts of the wholly owned subsidiary companies, M/s. Zenith (USA) Inc., and M/s. Zenith Middle East LLC have been received by the Company and a statement pursuant to Section 212 of the Companies Act, 1956, forms part of this Annual Report.

PARTICULARS UNDER SECTION 212 OF THE COMPANIES ACT, 1956

The Ministry of Corporate Affairs, Government of India, vide General Circular No. 2/2011 dated February 8, 2011, has granted a general exemption from compliance with section 212 of the Companies Act, 1956, subject to fulfillment of conditions stipulated in the circular. The Company has satisfied the conditions stipulated in the circular and hence is entitled to the exemption. The financial data of the subsidiaries have been furnished under 'Annexure I to the Consolidated notes' forming part of the Annual Report. Consolidated Financial Statements of the Company and its subsidiaries for the year ended March 31, 2014, together with reports of Auditors thereon and the statement pursuant to Section 212 of the Companies Act, 1956, form part of the Annual Report. The Annual Accounts and the related detailed information of subsidiary companies will be made available to the Members of the Company and subsidiary companies seeking such information at any point of time. The Annual Accounts of the subsidiary companies will also be available for inspection by any member at the registered/head office of the Company and that of the subsidiary concerned.

8. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

In terms of clause 49 of the Listing Agreement with the Stock Exchanges, the Management Discussion and Analysis Report is appended to this report.

9. CORPORATE GOVERNANCE

Your Company will continue to strive to incorporate best of standards for good corporate governance. As a listed Company, all required measures are taken to comply with the agreement entered with the Stock Exchanges. A separate report on Corporate Governance along with a Certificate of Compliance from the Auditors forms part of this report.

10. DIRECTORS RESPONSIBILITY STATEMENT

Pursuant to the requirement under Section 217 (2AA) of the Companies Act, 1956 with respect to the Directors' Responsibility Statement, the Directors, based on the representations received from the statutory auditors of the Company, confirm that:

1. In the preparation of annual accounts, applicable Accounting Standards have been followed along with proper explanation relating to material departures.
2. They have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of financial year and of the profit or loss of the Company for that period.
3. They have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provision of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud & other irregularities.
4. They have prepared the Annual Accounts on a 'going concern' basis.



II. AUDITOR'S REMARK

The Board of Directors' explanation to auditor's remark is as follows:

Sr. No.	Auditor's Remark	Directors' explanation
1.	With reference to Note No. 45 regarding the non provision by the Company of the interest amounting to ₹ 2,551.72 lacs on its working capital facilities from Banks during the year. Had this amount been provided for, the loss would have been higher by ₹ 2,551.72 lacs and Secured Loans would have been higher by an amount of ₹ 2551.72 lacs.	As the Accounts have been categorised as "NPA" by the Banks, the bank does not accrue for interest for the period post NPA. Accordingly, the Company has followed the same principle and hence, it has not provided for interest for the period post NPA. However, the interest for the period post NPA has been shown as contingent liability.
2.	The Company has not complied with the provisions of sections 58A, 58AA or other relevant provisions of the Act and the Companies (Acceptance of Deposits) Rules 1975 with regard to non-repayment of deposits and interest on due date, maintenance of liquid assets to the extent required as well as not intimating the appropriate authorities of such defaults.	The Company suffered heavy losses resulting in major financial crunch. Hence, the Company could not meet its commitment on due date. The Company has sought for extension/ re-schedulement of repayments of deposits along with interest. However, the Company is exploring ways and means to comply with the requirements.
3.	With reference to Note No. 42-regarding the Company not having the balance confirmations for its party balances and hence our inability to state whether these balances are recoverable/payable to the extent stated.	The Company is taking steps to obtain balance confirmation from its parties. However, it will not have any material impact on the state of affairs of the Company.
4.	The Company has appointed a firm of Chartered Accountants for carrying out the internal audit functions. The internal audit coverage has been done only at Tarapur unit and not at any of the other locations. In our opinion, the scope and coverage of the audit require enhancement to make it commensurate with the size of the Company and nature of its business.	The Company has appointed the firm in the fag end of the year. Hence, the coverage was for only one location. However, the Company is taking steps to increase the coverage in the forth coming year.
5.	According to the information and explanation given to us and the records of the Company examined by us, in our opinion except for dues in respect of Dividend Distribution Tax, Tax Deducted at Source, Profession Tax, Tax Collected at Source, Service Tax, and Provident Fund, the Company is generally regular in depositing the undisputed statutory dues including Wealth Tax, Excise Duty, Custom Duty, Cess and other material statutory dues as applicable with the appropriate authorities. The following balances remain in arrears as at the last day of the financial year for a period exceeding six months from the date they became payable: Tax Deducted at Source - ₹ 3,36,740 Profession Tax - ₹ 22,775 Tax Collected at Source - ₹ 10,140 Service Tax - ₹ 192 Provident Fund - ₹ 2,27,930 Dividend Distribution Tax - ₹ 3,59,08,091 Interest on Dividend Distribution Tax - ₹ 1,18,49,670	The Company has complied with the deposits of taxes now except the Dividend Distribution Tax and interest on Dividend distribution tax.

12. DIRECTORS

Appointment:

During the financial year 2013-14 following Directors were appointed:

Mr. Pushkar Natu w.e.f 24.07.2013, Mr Jignesh Mehta w.e.f. 14.08.2013 and Mr. Rubin Malkani w.e.f 28.11.2013

The Board has also appointed

- (i) Mr. Ashish Mahendrakar as an Additional Director w.e.f. 14.08.2014 .He holds office of the Additional Director up to the ensuing Annual General Meeting of the Company. The Company has received notice from a shareholder of the company proposing the Candidature of Mr. Ashish Mahendrakar for the office of the Director.
- (ii) Mr. Satish Vasant Jadhav as an Additional Director w.e.f. 14.08.2014. He holds office of the Additional Director upto the ensuing Annual General Meeting of the Company. The Company has received notice u/s 160 of the Companies Act, 2013 from a shareholder of the company proposing the Candidature of Mr. Satish Vasant Jadhav for the office of the Independent Director. As per the provisions of the Companies Act, 2013, the independent directors are required to be appointed by shareholders and for a term upto five consecutive years and he shall not be liable to retire by rotation. Accordingly it is proposed to appoint him as Independent Director for a term of five consecutive years from the ensuing Annual general Meeting.
- (iii) Mr. Ameya Subhash Jagushte as an Additional Director w.e.f. 14.08.2014. He holds office of the Additional Director upto the ensuing Annual General Meeting of the Company. The Company has received notice u/s 160 of the companies Act, 2013 from a shareholder of the company proposing the Candidature of Mr. Ameya Subhash Jagushte for the office of the Independent Director. As per the provisions of the Companies Act, 2013, the independent directors are required to be appointed by shareholders and for a term upto five consecutive years and he shall not be liable to retire by rotation. Accordingly it is proposed to appoint him as Independent Director for a term of five consecutive years from the ensuing Annual general Meeting.

**Resignations:**

Mr. Yashovardhan Birla, Mr. Pushkar Natu, Mr. Jignesh Mehta and Mr. Rubin Malkani have resigned on 14.08.2014.

13. KEY MANAGERIAL PERSONNEL

Mr. B. Girvanesh has been appointed as Chief Financial Officer w.e.f. 14.02.2014

Mr. Pushkar Natu has been appointed as Chief Executive Officer w.e.f. 14.08.2014

14. FIXED DEPOSITS

During the year under review, the Company has not invited fresh Fixed Deposits from its shareholders and general public. As on 31st March, 2014, the Company has fixed deposit of ₹ 3018.15 lacs.

The total number of depositors of the Company whose deposits have not been paid by the Company after the date on which the deposit became due for repayment : 4470.

The total amount due to depositors and remaining unpaid: ₹ 2237.19 lacs.

15. AUDITORS**a) Statutory Auditors:**

The present tenure of **M/s. Thakur Vaidyanath Aiyar & Co.**, Chartered Accountants, the Statutory Auditors of the Company is expiring at the conclusion of the ensuing Annual General Meeting. They are proposed to be re-appointed as Statutory Auditors of the Company from the Conclusion of the ensuing 52nd Annual General Meeting till the conclusion of the 57th Annual General Meeting of the Company, subject to the ratification of the appointment by the shareholders at every AGM held after the ensuing AGM in accordance with the provisions of section 139(2) of the Companies Act, 2013 and rules made there under.

As per the provisions of Section 139 of the Companies Act, 2013, the Company has obtained a written consent from **M/s. Thakur Vaidyanath Aiyar & Co.**, to such appointment and also a certificate to the effect that their appointment, if made, would be in accordance with Section 139(1) of the Companies Act, 2013 and the rules made there under and they satisfy the criteria as stipulated under the provisions of Section 141 of the Companies Act, 2013.

The Audit Committee and Board have reviewed their eligibility criteria, as laid down under Section 141 of the Companies Act, 2013 and recommended their appointment as Statutory Auditors for the aforesaid period.

b) Internal Auditors:

The Company has appointed M/s. Samria & Co. Chartered Accountants as its Internal Auditors to carry out the Internal Audit of various operational Areas of the company.

c) Cost Auditors:

The Board of Directors at their Meeting held on 14th August, 2014, appointed M/s. Y. R. Doshi & Co. Cost Accountants as the Cost Auditor of the Company to conduct the audit of the Cost accounts maintained by the Company for the financial year 2014-15.

d) Secretarial Auditors :

As per provisions of Section 204 of the Companies Act, 2013 and rules made thereunder, the Company is required to appoint Secretarial Auditor to carry out Secretarial Audit of the Company. The Company has appointed M/s. Ragini Chokshi & Associates, Practising Company Secretaries as Secretarial Auditors of the Company for the F. Y 2014-15.

16. PARTICULARS OF EMPLOYEES

As required under Section 217 (2A) of the Companies Act 1956 read with Companies (Particulars of Employees) Rules, 1975, the names and other particulars of employees receiving remuneration above the prescribed limit are set out in the annexure appended to this report.

17. PERSONNEL

Your Directors place on record their appreciation to the contribution made by the employees at all levels who, through their competence, diligence, solidarity, co-operation and support, have enabled the Company to achieve the desired results during the year.

18. ACKNOWLEDGEMENTS

During the financial year under review Industrial Relations continued to remain cordial except lockout. Your Directors wish to place on record their sincere thanks to the continuing commitment and dedication of employees at all levels. The Board of Directors would also like to express their gratitude for the continued support of all the stakeholders such as Banks, Financial Institutions, various State and Central Governmental Authorities, Customers, Vendors and last but not least our valued Shareholders, who have been supporting the management for all these years.

For and on behalf of the Board

Place : Mumbai
Date : 14.08.2014

Ashish Mahendrakar
Director

Satish Jadhav
Director



ANNEXURE TO DIRECTORS` REPORT

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

A. CONSERVATION OF ENERGY:

a) Energy Conservation Measures Taken:

The Company has taken following measures for energy conservation at the factories, namely:

- 1) Insulation updated for steam lines & vessels & arrangements improved for condensate collection and transfer to Boiler feed water tank.
- 2) Company has achieved power factor improvement up to units (1000) by installing additional capacitor tanks, thus getting maximum power factor rebate in energy bill.

b) Additional investment and proposal being implemented for reduction of energy.

- 1) Further R & D work is being carried on for reduction of time cycle of the Process.

c) Impact of measures of (a) and (b) above for reduction of energy consumption and consequent impact on the cost of production of goods.

- 1) The above measures have resulted in energy saving and consequent decrease in the cost of production.

d) Total Energy Consumption and Energy Consumption per unit of production is given hereunder in Form A.

FORM – A

FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY			
		CURRENT YEAR 2013-14	PREVIOUS YEAR 2012-13
A. POWER AND FUEL CONSUMPTION			
1	Electricity		
	a) Purchases Unit	1476361	5280120
	Total Amount (₹)	10766648	39473936
	Rate / Unit (₹)	7.29	7.48
	b) Own Generation		
	i) Through coal based thermal Power plant unit	0	0
	Unit per kg. of Coal	0	0
	Cost/Unit	0	0
	ii) Through furnace oil generator unit	0	0
	Units per kg. of Furnace oil	0	0
	Cost/Unit	0	0
	iii) Through furnace oil generator unit	0	0
	Units per kg. of Diesel oil	11.17	0
	Cost/Unit		0
2	Coal Quantity (MT)	0	
	Total Cost (₹)	0	
	Average rate/MT (₹)	0	
3	Lignite Quantity (MT)	0	0
	Total Cost (₹)	0	
	Average rate/MT (₹)	0	



FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY			
		CURRENT YEAR 2013-14	PREVIOUS YEAR 2012-13
4	LPG Qunatity (MT)	0	0
	Total Cost (₹)	0	
	Average rate/MT (₹)	0	
		0	
5	Furnace oil Quantity (KL)	426.88	766.14
	Total Cost (₹)	16972350.66	32569987
	Average rate/KL (₹)	39759	42512
6	Diesel Quantity (Ltrs)	10072.30	216587.7
	Total Cost (₹)	2582070	10816062
	Average rate/Litre (₹)	256.36	49.94
7	Other/Internal Generation	0	0
B Electricity Consumption per unit of Production			
	Pipe Production (MT)	23024	37479.6
	Total Consumption Unit	1476361	5323114
	Consumption Unit/Kg	0.064	0.14

B. TECHNOLOGY ABSORPTION:

Efforts made in Technology Absorption as per Form B.

FORM "B"

Research and Development (R & D)

1. Specific areas in which R & D carried out by the Company.

- R & D Work is going on to give more yields and to reduce time cycle of process for optimizing the raw material consumption and utilities norms.
- Development of new value added products.

2. Future Plan of Action

To develop further new value added products.

3. Expenditure on R & D

The expenditure on in-house R & D is shown under respective heads and no separate account is maintained.

4. Technology Absorption, Adaptation and Innovation: NIL**C) FOREIGN EXCHANGE EARNINGS AND OUTGO:**

- Activities relating to Export** – Exports are vital part of Zenith's overall business. Export accounts for substantial portion of Zenith sales/ revenue. Activities include customer visits and correspondence, participation in exhibitions, B to B marketing, coordination with Plant for execution of orders, arrange shipments, follow up of payment receipts, coordination with government for exports related documentation.
- Initiatives taken to increase exports** – focus on new markets emphasize on downstream market.



3. **Development of new export markets for products and services** – visit new territories to explore opportunities in Africa, Middle East, Europe
4. **Export plans** – to continue to maintain our strength in exports.
5. **Total Foreign Exchange used and earned** – as under:

(₹ In lacs)

	2013-14	2012-13
Total Foreign Exchange Earnings (earned)	5333.14	3591.93
Total Foreign Exchange Outgo (used)	12.35	376.65

D) PARTICULARS OF EMPLOYEES:

Information as per Section 217 (2A) of the Companies Act, 1956 read with companies (particulars of employees) Rules, 1975 forms part of the Directors Report for the year ended 31st March 2014:

Employed part of the year :(upto 24.07.2013)

Sr. No.	Name	Qualification	Age	Designation	Experience (Years)	Date of Commencement of Employment	Gross Remuneration (₹ in Lacs)	Last Employment held
I	Mr. M. S. Arora	B.E. (Mech)	52	Managing Director	27	15.03.2007	45.99	Man Industries Ltd

MANAGEMENT'S DISCUSSION AND ANALYSIS REPORT

GLOBAL ECONOMY

The Global economic environment continues to deteriorate in the second half of 2013 with concerns over fiscal sustainability in Europe & US Market. Overall global economy grew sluggish last year. Hardening credit constraints and risk aversion have transferred financial sector difficulties to the real economy for developing countries in general, with higher funding costs, sharply weakened capital flows. Global economic conditions still showing some uncertainty as to how markets will evolve over the medium term.

INDIAN ECONOMY

2012-13 was a difficult year for the Indian industry. Unfortunately, 2013-14 (FY2014) also continued to be poor in the backdrop of sub-5% real GDP growth for the second year in succession which has been the worst economic performance of this country in a long time. The slowdown is partly caused by structural problems (major infrastructural projects facing delays due to the lack of political stability, slowdown of inflow of foreign capital, delay in taking decision on coal and gas issues, mining and the telecom sectors), tighter macroeconomic policies, slow growth in the core OECD (Organization for Economic Co-operation & Development) countries.

INDUSTRY STRUCTURE

The pipe industry is an important part of manufacturing sector and is a major consumer of steel. The industry has benefited from economic growth and the increasing emphasis on infrastructure. The key economic driver for the industry includes water, infrastructure, oil & gas exploration, transportation and power industry.

Today, pipes are the most preferred mode of transport for liquids and gases globally as they are safe and economical. In comparison to rail & roads, they have lower operating cost per unit and also higher capacity.

India has become the global pipe manufacturing hub primarily due to its lower cost, high quality and geographical advantages. Additionally, Indian companies have acquired global accreditations and certifications which make them preferred suppliers to most of the world's top oil and gas companies in the Middle East, North America and Europe.

OPPORTUNITIES & THREATS

Opportunities:

The exploration activities in the Country are bound to grow on account of depletion of oil reserves, thereby resulting in an increase in the demand for pipes. The domestic gas availability is poised to increase two-fold over the next four years. The planned investments and ongoing projects will triple the gas transmission infrastructure, with the eventual development of a national gas grid. The government is also planning to build national gas highways. All this indicates that the demand for pipes for oil & gas drilling will remain robust.

Irrigation remains a key focus area for the Government and more so for the state governments due to the politically sensitive nature of the investments. Combined with water supply and the sanitation segment, which is essentially driven by the Government plan for Jawaharlal Nehru National Urban Renewal Mission projects, this segment is the second-most important focus for the government after the power sector as per the 11th & 12th five-year plan.

As the Union Government has been laying a lot of stress on building infrastructure in the recent past, the steel tubes and pipe segment has been seeing a steady demand. The situation is improving further with the private sector players' increasing participation in infrastructure projects.

Threats/risks:

1. The unavailability of steel plates/coils (the primary component in pipe manufacturing) is the biggest risk factor for the pipe-manufacturing industry, because majority of them are imported into India. Long gestation supplies of these materials or any subsequent delay in delivery could affect the production cycle of the business.
2. Sharp unexpected increase in the cost of raw materials i.e steel plates/coils may affect the profitability of the Company as the raw materials comprise 70-75% of the total cost structure.



3. A sharp and unprecedented increase in the cost of freight may lead to pressure on margins. Presently, the cost of freight is calculated prior to the execution of the order. However, if this cost were to rise sharply and suddenly, the pipe-manufacturing companies could be at risk if charter rates were not tied up well in advance.
4. Global competition could pose problems for Indian Pipe Manufacturers in the medium to long term.
5. Competition from PEC Pipes manufactures in the medium to long term.
6. The Indian pipe manufacturers are subject to foreign exchange risk due to high imports and exports.
7. Any adverse change in government policies can affect the industry.
8. Though the order of International Trade Commission(ITC) rejecting the Anti Dumping Duty and countervailing duty levied by US Department of Commerce on the company was in our favour, but one of the petitioners has filed against the order of ITC for final determination and asked for civil action against the decision of ITC. Hence, this could be a threat to the business of our company.

OUTLOOK:

Considering the business model the Company had pursued in the past for exports and domestic, the future model is being adjusted to overcome the threat of Anti-dumping and CVD imposed by the USA and the loss of business due to the same in USA.

More aggressive approach in domestic market supported by good domestic economic growth, backed by well established brand image, global reach and focused approach, the Company is hopeful that the demand for the Companies steel pipes will continue to grow in future.

Company is also aggressively pursuing the plan to move up in the value chain by diversifying/expanding into locations and additional product range. The Company is also in the process of further improvising its performance by achieving organic & inorganic growth.

INTERNAL CONTROL SYSTEMS:

The Company has an intricate system of internal control procedure commensurate to its size and nature of the business. This internal control system ensures optimal use of the Company's resource and protection thereof. This internal control system provides for well administered policies, guidelines, authorization and approval procedures.

The Company has appointed internal auditor who carries out audit of accounts, internal control systems & procedures on regular basis. They are well guided by the Audit Committee of the Board of Directors, who approve their audit plans, reviews their report and also make necessary suggestions for its further improvements.

FINANCIAL PERFORMANCE:

During the year under review, the net income of the Company has reduced to ₹ 15945.30 lacs as compared to ₹ 29259.92 lacs of previous year due to decline in sales on account of the various factors enumerated above and heavy constraint of working capital as the banks have withdrawn the support of extending credit facilities. The Company is working on the ways and means to regularize the overdraft with the co-operation and consensus of the bankers. Loss after Tax for the financial year stood at ₹ 19979.45 lacs as against loss of ₹ 4469.14 lacs of previous year.

HUMAN RESOURCES:

The Company has focused on building the organization for developing human resources. More attempts are now being given to develop a better structure in this important area with a long term future in mind.

The Company has taken various initiatives towards recruitment and retention of the best talent within and outside the industry. It encourages employees to take part in various internal and external training programs. This along-with the rewards & recognition gives opportunity to talented employees to take higher responsibilities in the organization.

As in the past, the industrial relation continues to remain generally cordial at all locations of the Company.



HEALTH & SAFETY:

The Company continuously focuses on the health & safety of all its workers & staff. Adequate safety measures have been taken at all the plants for the prevention of accidents or other untoward incident.

The necessary medical facilities are available for the workers, staff and their family members to enable them to maintain good health.

Cautionary Statement:

Some of the statements contained within this report may be forward looking in nature and may involve risks and uncertainties. Actual Results, and Outcomes in future may vary materially from those discussed herein. Factors that may cause such variances include, but are not limited to management of growth, market acceptance of Company's product and services, risk associated with new product version, dependence on third party relationship and the activities of competitors.



REPORT ON CORPORATE GOVERNANCE

Company's Philosophy on Corporate Governance:

Corporate governance is about promoting corporate fairness, transparency and accountability and commitment. Zenith Birla (India) Limited is committed to sound principles of corporate governance. The Board of Directors believes that adherence to sound corporate governance policies and practices is important in ensuring that Zenith is governed and managed with the highest standards of responsibility, ethics and integrity and in the best interests of its stockholders.

Your Company will continue to constantly upgrade management practices to conform to the norms of ideal corporate governance in the years to come.

Board of Directors

a) Composition of Board:

As on 31st March, 2014, the Board of Directors has 4 (four) members, out of which 2 (two) are an Independent Director, 1 (one) is Non-Executive, Non-Independent Directors and 1(one) is Executive, Non-Independent Director. The composition of the Board was in conformity with Clause 49 of the Listing Agreements.

None of the Directors on the Board is a member on more than 10 Committees and Chairman of more than 5 Committees (as specified in Clause 49), across all the Companies in which they are Director. The necessary disclosures regarding Committee positions have been made by the Directors.

The names and categories of the Directors on the Board, their attendance at Board Meetings during the year under review and at the last Annual General Meeting, as also the number of Directorships and Committee positions held by them in other companies and number of shares held by them are provided in below table:

Name of Directors	Category of Directorship	No. of shares held as on 31.03.2014	*No. of other directorships as on 31.3.2014	# No. of other Committee positions		No. of Board Meetings attended during the year	Attendance at the 51 st Annual General Meeting held on 24.09.2013
				Chairman	Member		
Shri Yashovardhan Birla, Chairman (resigned w.e.f. 14.08.2014)	Non-Executive Non-Independent	1,05,984	13	1	-	2	Yes
Shri M. S. Arora, Managing Director (resigned w.e.f. 24.07.2013)	Executive, Non- Independent	Nil	N.A.	-	1	2	No
Dr. D. V. Kapur (resigned w.e.f. 24.07.2013)	Non-Executive, Independent	Nil	N.A.	4	1	1	No
Shri Augustine P. Kurias (resigned w.e.f. 28.11.2013)	Non-Executive, Independent	Nil	N.A.	2	-	4	Yes
Shri P.V.R. Murthy (resigned w.e.f. 14.08.2013)	Non-Executive, Non-Independent	Nil	N.A.	-	-	-	No
Shri Anoj Menon (resigned w.e.f. 27.05.2013)	Non-Executive, Independent	Nil	N.A.	3	2	Nil	No
Shri Pushkar Natu (resigned w.e.f. 14.08.2014)	Executive, Non-Independent	Nil	2	-	2	5	Yes
Shri Jignesh Mehta (resigned w.e.f. 14.08.2014)	Non-Executive, Independent	Nil	4	-	2	4	Yes
Shri Rubin Malkani (resigned. w.e.f. 14.08.2014)	Non-Executive, Independent	Nil	4	2	1	2	No

* Excludes Alternate Directorships and directorships in private companies, foreign companies and section 25 companies.

Represents Memberships / Chairmanships of Audit Committee and Shareholders'/Investors' Grievance Committee.

None of the Directors of the Company are related to each other.



Five meetings were held during the year and the gap between two meetings did not exceed four months. The dates on which the said meetings were held are as follows:

27th May, 2013, 24th July, 2013, 14th August 2013, 24th September 2013, 28th November, 2013 and 14th February 2014.

The information, as required under Annexure IA to clause 49 of the Listing Agreements are made available to the Board.

b) Non – Executive Directors’ Compensation and disclosures:

Apart from sitting fees that are paid to the Non- Executive and Independent Directors for attending Board/Committee meetings, no other fees/commission were paid during the year. During the period under review, there was no pecuniary relationship or business transaction by the Company with any Non-Executive Directors. The details of sitting fees paid to the Directors are given separately in this report.

c) Details of the Directors seeking appointment at the forthcoming Annual General Meeting (In pursuance of Clause 49 of the Listing Agreement):

Name of the Director	Mr. Ashish Mahendrakar	Mr. Satish Jadhav	Mr Ameya Jagushte
Date of Birth	20.06.1971	12.01.1989	09.06.1983
Date of Appointment	14.08.2014	14.08.2014	14.08.2014
Qualification	B.Com, D.B.M., M.M.S.	B.A.	B. Com
Expertise in specific functional area	Mr. Ashish Mahendrakar aged 43 years is B.Com, D.B.M., M.M.S.having 22 years of experience in the field of accounts, banking and finance	Mr Satish Jadhav aged 25 years is B. A. He is having experience in thd field of liaisoning with several departments in Central Government and State Government.	Mr Ameya Jagushte aged 31 years is B. Com. having experience in the accounts and finance.
Directorship held in other companies	NIL	NIL	NIL
Committee positions held in other companies (C = Chairman; M = Member)	NIL	NIL	NIL
No. of Shares held in the Company	NIL	NIL	NIL

Note :

1. Only two committees namely, Audit Committee and Shareholders’/Investors’ Grievance Committee have been considered.
2. Alternate Directorships and directorships in private companies, foreign companies and section 25 companies are not considered.

d) Other Provisions as to Board and Committee:

The Board meets at least once a quarter to review the quarterly performance and the financial results. Meetings are generally scheduled well in advance and the notice of each Board Meeting is given in writing to each Director. All the items in the agenda are accompanied by notes giving comprehensive information on the related subject and in certain matters such as financial/business plans, financial results, detailed presentations are made. The agenda and the relevant notes are sent in advance separately to each Director and only in exceptional cases, the same is tabled at the meeting. The Board is also free to recommend the inclusion of any matter for discussion in consultation with the Chairman.

To enable the Board to discharge its responsibilities effectively, the members of the Board are briefed at every Board Meeting, on the overall performance of the Company, with presentations by functional heads. Senior management is invited to attend the Board Meetings so as to provide additional inputs to the items being discussed by the Board.



The Board's role, functions, responsibility and accountability are clearly defined, in addition to matters statutorily requiring Board's approval, all major decisions involving policy formulation, strategy and business plans, annual operating and capital expenditure budgets, new investments, compliance with statutory/regulatory requirements, major accounting provisions and write-offs are considered by the Board.

The minutes of the Board Meeting are circulated in advance to all Directors and confirmed at subsequent Meeting.

The Board also reviews the declarations made by the Chief Financial Officer / Managing Director and the Company Secretary of the Company regarding compliance of all applicable laws on quarterly basis.

e) Code of Business Conducts and Ethics:

The Board of Directors have adopted and put in place the Code of Business Conduct & Ethics for Board of Directors and Senior Management. The Code lays down in detail, the standards of business conducts, ethics and best corporate practice. The fundamental principle of the code is:

"The purpose of the code is to deter wrongdoing and promote ethical conduct, maintain the trust and confidence of the public, the good reputation of the Company and the unquestioned integrity of all personnel involved in the Company. The matters covered in this code are utmost importance to the Company, our shareholders and our business partners."

A copy of the code has been put on the Company's website www.zenithsteelpipes.com

All Directors and Senior Management personnel of the Company have affirmed compliance with the provisions of the Zenith Code of Business Conduct & Ethics for the financial year ended 31st March 2014.

A declaration signed by the Chief Executive Officer (CEO) of the Company is given below:

Pursuant to Clause 49 of the Listing Agreement with Stock Exchanges, I hereby certify that the Company has obtained from all the members of the Board and Senior Management Personnel, affirmation that they have complied with the Code of Business Conduct and Ethics for year ended 31st March 2014.

Sd/-
PUSHKAR NATU
Chief Executive Officer

Place: Mumbai

Date : 14.08.2014

Audit Committee

a) Composition, Meetings and attendance during the year:

The Audit Committee consists of three members, all being Independent, Non-Executive Directors. All the members of the Audit Committee have adequate accounting and financial knowledge.

Shri A. P. Kurias, Chairman of the Committee is a Non-Executive Independent Director.

During the year ended 31st March, 2014, the Committee met 4 times on 27th May 2013, 14th August 2013, 28th November 2013 and 14th February 2014.

The composition of the Audit Committee and the attendance of members during the accounting period are as under:

Name of the Member	Category	No. of Meetings Attended
Shri Rubin Malkani (Chairman) w.e.f. 28.11.2013	Independent Non-Executive	2
Shri Jignesh Mehta	Independent Non-Executive	3
Shri Pushkar Natu	Executive & Non-Independent	3
Shri A. P. Kurias (chairman) resigned w.e.f. 28.11.2013	Independent Non-Executive	2
Dr. D. V. Kapur (resigned w.e.f. 24.07.2013)	Independent Non-Executive	1
Shri Anoj Menon(resigned w.e.f. 27.05.2013)	Independent Non-Executive	Nil



The Audit Committee invites such of the executives, as it considers appropriate (and particularly the head of the finance function) to be present at its meetings. The Managing Director/ Whole-time Director and Chief Financial Officer of the Company attend the meetings. The Statutory Auditors and Internal Auditors attend the meetings on invitation from the Company. The Company Secretary acts as the Secretary to the Audit Committee.

b) Terms of Reference, Role and Scope:

The terms of reference, role and scope of the Audit Committee cover the matters specified under Clause 49 of the Listing Agreement read with Section 292A of the Companies Act, 1956 such as overseeing of the Company's financial reporting process, recommending the appointment/re-appointment of Statutory Auditors, recommending and approving the remuneration to be paid to Statutory Auditors, reviewing with the Management, quarterly and annual financial statements, internal audit reports and controls of the Company.

The Audit Committee's functions include reviewing the adequacy of the internal audit functions, its structure, reporting process, audit coverage and frequency of internal audits. The responsibility of the Committee is to also review the findings of any internal investigation by the internal auditors in matters relating to suspected fraud or irregularity or failure of internal control systems of material nature and report the same to the Board.

Shareholders/Investors Grievance Committee:

The Investor Grievance Committee is empowered to oversee (a) Transfers of shares, (b) issue of duplicate/new/sub-divided and consolidated Share Certificates and (c) Shareholders/Investors Grievance and its redressal. The Committee has met 48 times in the accounting period.

The composition of the Shareholders/Investors Grievance Committee and the attendance of members during the accounting period are as under:

Name of the Member	Category	Position in Committee	No. of Meetings attended
Shri A. P. Kurias (resigned w.e.f. 28.11.2013)	Independent Non-Executive Director	Chairman	22
Shri M.S. Arora (resigned w.e.f. 24.07.2013)	Executive Director	Member	14
Shri Pushkar Natu (w.e.f. 24.07.2013)	Whole-time Director	Member	13
Shri Rubin Malkani (w.e.f. 28.11.2013)	Independent Non-Executive Director	Chairman	5

The Company Secretary acts as the Secretary to the Shareholders' Grievance Committee.

The total number of complaints received and resolved to the satisfaction of investors during the year under review and their break-up is provided as under-

Type of Complaints	No. of Complaints		
	Received	Resolved	Pending
Non receipt of Certificates after transfer / after exchange	13	13	-
Non receipt of Dividend Warrants	9	9	-
Non receipt of Annual Report	12	12	-
Non receipt of Bonus Shares	1	1	-
Non receipt of Demat Credit	1	1	-
Non receipt of Duplicate Share Certificate	1	1	-
SEBI	1	1	-
BSE	1	1	-
Total	39	39	-



Remuneration and Selection Committee

The remuneration and Selection Committee has been constituted to decide the company's policy on specific remuneration packages for Executive and Non-Executive Directors including pension rights and compensation payment, granting of Employee Stock Option to the working directors and employees of the Company. The terms and reference of the said Committee is broad based so as to include also to decide, review and recommend to the Board of Directors of the Company about the recruitment, selection, appointment and remuneration of relative of director or of key managerial personnel of the Company and to decide the increase/ modification in the terms of appointment and/or remuneration of any such person.

The composition of Remuneration and Selection Committee during the year was as under:

Name of Members & Designation in Committee	Category in the Board	No. of Meeting held	No. of Meetings attended during the F. Y. 2013-14
Shri A.P. Kurias, Chairman	Independent, non Executive Director	1	1
Shri Yashovardhan Birla	Non Independent, non Executive Director	1	-
Shri Anoj Menon	Independent, non Executive Director	1	1
Shri D. V. Kapur	Independent, non Executive Director	1	-
Shri Rubin Malkani	Independent, non Executive Director	1	-
Shri Jignesh Mehta	Independent, non Executive Director	1	1

The Committee while deciding the remuneration package of the Managing director/ Executive Directors/Whole-time Directors and recruitment, selection, appointment and remuneration of relative of director or of key managerial personnel of the Company, takes into consideration the following:

- Contribution of Managing Director/ Executive Directors/Whole-time Directors in the growth of the Company,
- Remuneration package of the Industry,
- Knowledge and experience of relative of Director or key Managerial personnel and
- Remuneration package offered to other employees at the same level in the organization and in the industry.

There are no stock options issued by the Company.

One meeting of the Committee was held during year 2013-14 on 14th August, 2013 and was attended by Mr. Augustine Kurias Mr. Jignesh Mehta, members of the Remuneration Committee.

Remuneration Policy

Non Executive Directors

The Company does not pay any remuneration to its Non-executive Directors, except for sitting fees for attending Board & Audit Committee Meetings.

No sitting fees are paid for attending any other committee meetings. With the approval of the Board of Director's on 24th June 2010, sitting fees to be paid to all Non Executive Directors has been revised to ₹ 20,000/- for attending each meeting of the Board of Directors and ₹ 10,000/- for attending each meeting of the Audit Committee.



Detail of the sitting fees paid to all Non Executive Directors for financial year 2013-14 is as follows:

Name of Director	Sitting Fees paid during 1 st April, 2013 to 31 st March, 2014 (₹ In Lakhs)
Shri Yashovardhan Birla	0.40
Dr. D. V. Kapur	0.30
Shri Augustine P. Kurias	1.00
Shri Jignesh Mehta	0.80
Shri Rubin Malkani	0.60

Executive Directors

The Company pays remuneration by way of salary, perquisites, allowances and commission to the Managing Director. The remuneration package for Managing Director is recommended by the Remuneration Committee and is approved by the Board. Commission is calculated with reference to the net profits of the Company in a particular year calculated under section 349 and 350 of the Companies Act, 1956. In framing the remuneration policy, the committee takes into consideration the remuneration practices of Companies of similar size and statute, the Industry Standards and competitive circumstances of each business so as to attract and retain quality talent and leverage performance significantly.

Detail of the remuneration paid to Managing Director for financial year 2013-14 is as follows:

Name of Director	Salary (₹ In Lacs)	Perquisites and Allowances (₹ In Lacs)	Commission (₹ In Lacs)	Retirement Benefits (₹ In Lacs)	Period of contract	Notice period
Shri M. S. Arora – Managing Director (resigned w.e.f. 24.07.2013)	38.66	2.14	-	5.19	9 th July 2012 to 24 th July 2013	3 months notice from either side

There is no separate provision for payment of severance fees.

Subsidiary Company

The Company has two subsidiary companies. However, the Company does not have any material non-listed Indian subsidiary whose turnover or net worth (i.e. paid-up capital and free reserves) exceed 20% of the consolidated turnover or net worth respectively, of the listed holding company and its subsidiaries in the immediately preceding year.

Brief of the Company's subsidiary companies as on March 31, 2014 are as under:

Sr. No.	Name of the Subsidiary	Date of Incorporation	Country in which incorporated
1.	Zenith (USA) Inc.	June 18, 1970	USA
2.	Zenith Middle East FZ LLC	November 27, 2013	Dubai - UAE

Financial Statements of Subsidiary Companies are reviewed by the Audit Committee of the Company.

General Body Meetings

(a) Location and time where the AGM were held in last 3 years:-

Year	AGM	Location	Day, Date & Time
2012-2013	51 st	Hall of Culture, Discovery of India Building, Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai – 400 018	Monday, 24.09.2013 at 3.30 p.m.
2011-2012	50 th	Hall of Culture, Discovery of India Building, Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai – 400 018	Monday, 17.09.2012 at 3.30 p.m.
2010-2011	49 th	Hall of Culture, Discovery of India Building, Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai – 400 018	Tuesday, 20.09.2011 at 3.30 p.m.



(b) Details of Special Resolutions passed in the previous three AGMs:

Date of AGM	Particulars of Special Resolutions passed
2012-2013	Issue of warrants to the Promoters & Promoter Group on preferential allotment basis
2011-2012	Reappointment of Shri M. S. Arora, Managing Director of the Company for another term of 3 years.
2010-2011	<ol style="list-style-type: none"> 1. Raising of Funds through Further Issue of Securities for amount not exceeding ₹ 150 crores. 2. Waiver of recovery of excess remuneration of ₹ 10.58 Lacs paid to Shri M. S. Arora, Managing Director during year 2010-11. 3. Increase in remuneration of Shri M.S. Arora, Managing Director not exceeding ₹ 1.25 Crores and Commission at the rate not exceeding 5% of net profit w.e.f. 1st April 2011 till expiry of term i.e 9th July 2012.

(c) Whether the Special Resolution were put through postal ballot during year 2013-14 – No

(d) Are Special Resolutions proposed to be put through postal ballot this year – No.

None of the businesses proposed to be transacted in the ensuing Annual General Meeting require passing a special resolution through Postal Ballot.

Disclosures

- 1) There were no materially significant related party transactions i.e. transactions of the Company of material nature, with its Promoters, Directors or the Management, their Subsidiaries, or relatives etc. during the year, that may have potential conflict with the interest of the Company at large.
- 2) There is no pecuniary relationship or transactions of non-executive directors vis-a-vis the Company which has potential conflict with the interests of the Company at large.
- 3) No penalties or strictures have been imposed on the Company by the Stock Exchange, or SEBI, or any Statutory Authority on any matter related to capital markets during the last financial year.
- 4) All mandatory requirements as per clause 49 of the listing agreement have been complied with by the company.
- 5) The Company has placed before the Audit Committee the statement of utilization of funds raised through public issues on quarterly/ annual basis.
- 6) Company follows the Accounting Standards issued by the Institute of Chartered Accountants of India and Company (Accounting Standards) Rules, 2006. The company has not adopted a treatment different from that prescribed in any Accounting Standard, in the preparation of financial statements.
- 7) The company has laid down procedures to inform Board members about the risk assessment and minimization procedures, which are periodically reviewed.
- 8) In terms of clause 49(V) of the Listing Agreements, the Managing Director and the Chief Financial Officer of the Company has made a certification to the Board of Directors in the prescribed format for the year under review, which has been reviewed, noted and taken on record by the Board.
- 9) Presently the Company does not have a Whistle Blower Policy. However all employees of the Company are free to approach any Management Member/ Audit Committee member for any Grievance.

Means of Communication:

- a. **Stock Exchange Intimation:** The unaudited quarterly financial statements are announced within forty-five days of the end of each quarter and the audited annual results are announced within sixty days from the end of the last quarter. The aforesaid financial statements after being taken on record by the Audit Committee and Board of Directors are communicated to the Stock Exchanges where the shares of the Company are listed.
- b. **Newspapers:** Quarterly and Annual Results are published in newspapers viz The Free Press Journal and Navshakti in the format prescribed under Clause 41 of the Listing agreement with the stock exchanges where the shares of the Company are listed.

Website: The financial results are also posted on the Company's Website www.zenithsteelpipes.com The Company's

website provides information about its business and the Section on “Investor’s Information” serves to inform and service the Shareholders allowing them to access information at their convenience.

- c. **Annual Report:** Annual Report is circulated to all the members within the required time frame.

Investor Email ID of the Registrar & Share Transfer Agents: All the share related requests/ queries/correspondence, if any, are to be forwarded by the investors to the Registrar and Transfer Agents of the Company **Bigshare Services Private Limited** and/ or email them to investor@bigshareonline.com

Designated Email ID for Complaints/ Redressal: In compliance of clause 47(f) of the Listing Agreement entered with the Stock Exchanges, the Company has designated an email ID share@zenithsteelpipes.com exclusively for the purpose of registering complaints/ grievances by investors. Investors whose requests/ queries/correspondence remain unresolved can send their complaints/ grievances to the above referred e-mail ID and the same would be attended to promptly by the Company.

General Shareholder’s Information:

The Company is registered in the State of Maharashtra, India. The Corporate Identification Number (CIN) allotted to the Company by the Ministry of Corporate Affairs (MCA) is L29220MH1960PLC011773

1	Annual General Meeting proposed to be held	
	Day, Date & Time	: Saturday, 27 th September, 2014 at 3.30 p.m.
	Venue	Gopi Birla Memorial School, 68, Walkeshwar Road, Walkeshwar Malabar Hill, Mumbai-400 006
2	Financial Calendar for the year 2014-15 (Proposed)	
	Accounting Year	: April 1, 2014 to March 31, 2015
	First Quarter Results	: Second week of August, 2014
	Second Quarter Results	: Second week of November, 2014
	Third Quarter Results	: Second week of February, 2015
	Fourth Quarter and Annual Results	: Last week of May, 2015
	Mailing of Annual Report	: July/August, 2015
	Annual General Meeting	: On or before 30 th September, 2015
3	Book Closure Date	: From Wednesday, 24 th September 2014 to Saturday, 27 th September, 2014 (both days inclusive).
4	Registered Office	: Dalamal House, 1 st Floor, 206, J. B. Marg, Nariman Point, Mumbai – 400 021.
5	Listing of Equity Shares on the Stock Exchange	: 1. Bombay Stock Exchange Ltd. P. J. Towers, Dalal Street, Mumbai 400 023. 2. National Stock Exchange of India Ltd. Exchange Plaza, Bandra-Kurla Complex, Bandra (East), Mumbai 400 051.
	Note: Listing Fees for the year 2014-15 has not been paid to Bombay Stock Exchange Limited and the National Stock Exchange of India Limited.	
6	i. Stock Exchange	: Bombay Stock Exchange Ltd. P. J. Towers, Dalal Street, Mumbai 400 023
	Stock Code	: 531845



ii. Stock Exchange	National Stock Exchange of India Ltd. Exchange Plaza, Bandra-Kurla Complex, Bandra(East), Mumbai 400 051
Stock Code	ZENITHBIR
iii. ISIN No. for the Company's	: INE318D01020
Equity Shares in Demat form	
iv. Depositories connectivity	: NSDL and CDSL

7. Stock Price Data :

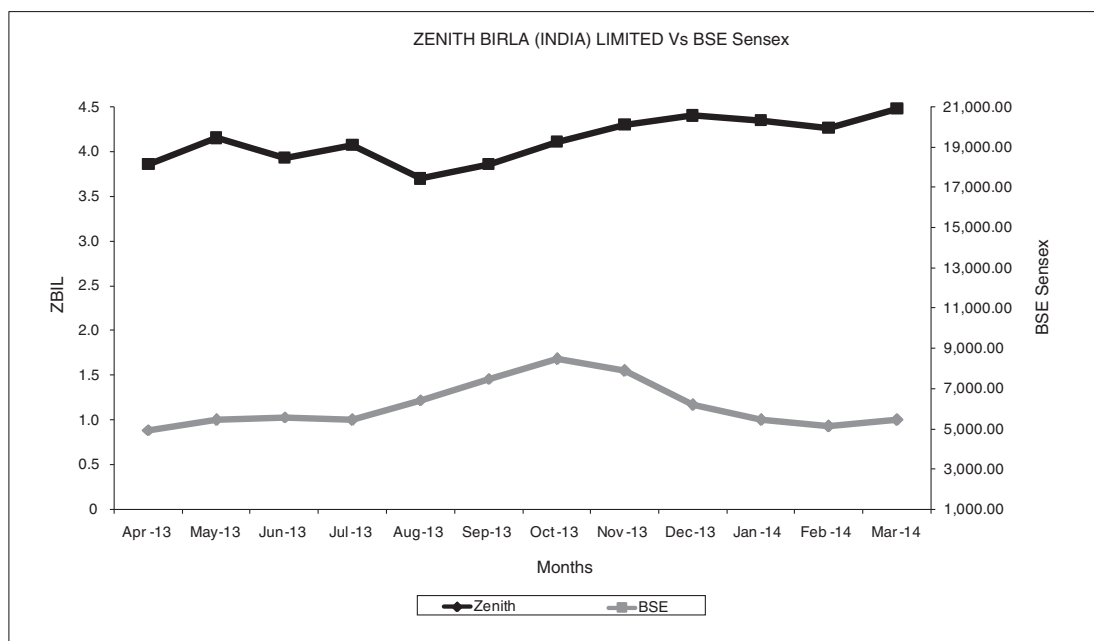
Market Price Data: High, Low during each month in the financial year.

Monthly High/ Low of market price of the Company's shares traded on the Bombay Stock Exchange Ltd. (BSE) and National Stock Exchange of India Limited (NSE) during the financial year ended 31st March, 2014 is furnished below:

Months	NSE		BSE		Months	NSE		BSE	
	High (₹)	Low (₹)	High (₹)	Low (₹)		High (₹)	Low (₹)	High (₹)	Low (₹)
April, 2013	1.05	0.75	1.10	0.79	October, 2013	2.15	1.45	2.18	1.41
May, 2013	1.05	0.75	1.04	0.82	November, 2013	1.75	1.35	1.83	1.38
June, 2013	1.10	0.95	1.10	0.96	December, 2013	1.60	1.15	1.60	1.17
July, 2013	1.15	1.00	1.18	0.99	January, 2014	1.25	0.85	1.23	0.82
August, 2013	1.25	1.00	1.25	1.00	February, 2014	1.10	0.90	1.15	0.90
September, 2013	1.50	1.15	1.55	1.16	March, 2014	1.10	0.90	1.20	0.90

Source: www.bseindia.com, www.nseindia.com

Monthly closing market price of the Company's shares traded on Bombay Stock Exchange Limited verses Sensex closing at Bombay Stock Exchange Limited is shown in below graph.



**8. Registrar & Share Transfer Agents**

For Electronic & Physical Mode

: Bigshare Services Pvt. Ltd.
E/2, Ansa Industrial Estate, Saki Naka,
Saki Vihar Road, Andheri (East)
Mumbai 400072
Tel. Nos. 28470652 / 40430200
Fax No. 28475207
e.mail: investor@bigshareonline.com

Shareholders can login in to www.bigshareonline.com, the website of our Registrar and Share Transfer Agents, M/s. Bigshare Services Private Limited for assistance.

9. Share Transfer System

The Board has delegated the authority for approving transfer, transmission etc. of Company's securities to the Shareholders / Investors Grievance Committee, who in turn has authorized the Company Secretary and officials of the Secretarial Department to carry this work. The share transfer formalities are completed on a weekly basis. The Shares sent for transfer in physical form are sent to Registrars and Share Transfer Agents, and returned between 15 to 30 days from the date of receipt, if Documents are in order in all respects. Shares under objections are returned within 2 weeks.

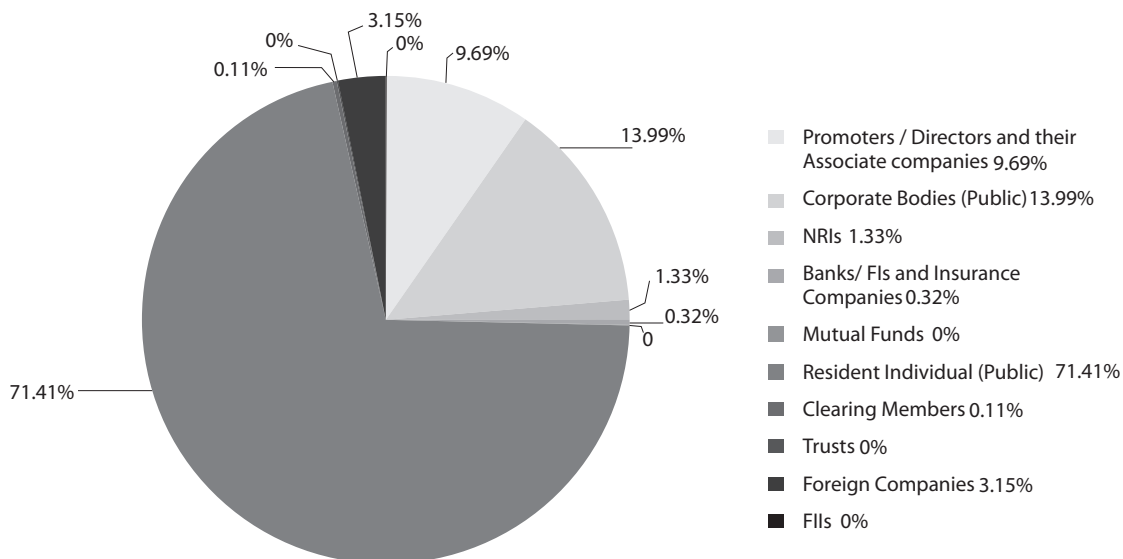
In compliance with Clause 47(c) of the Listing Agreement, the Company obtains a certificate from practicing Company Secretary on a half-yearly basis confirming that all certificates have been issued within one month from the date of lodgments for transfer, sub-division, consolidation etc.

10. Distribution of Shareholding as on 31st March, 2014

No. of Equity Shares held	Total No. of Shareholders	No. of Shares held	Percentage Shareholding
1 to 500	65804	4618887	3.52
501 to 1000	4204	3343729	2.55
1001 to 2000	2827	4269547	3.25
2001 to 3000	1174	3022228	2.30
3001 to 4000	577	2100529	1.60
4001 to 5000	534	2560622	1.95
5001 to 10000	1024	7609323	5.79
10001 and above	1086	103755583	79.04
Total	77230	131280448	100.00

11. Categories of Shareholding as on 31st March, 2014

Categories	No. of Shareholders	No. of shares held	Percentage Shareholding
Promoters / Directors and their Associate companies	14	12718273	9.69
Corporate Bodies (Public)	572	18373068	13.99
NRIs	325	1757381	1.33
Banks/ FIs and Insurance Companies	48	426367	0.32
Mutual Funds	6	3665	0.00
Resident Individual (Public)	76219	93740298	71.41
Clearing Members	37	134055	0.11
Trusts	8	1429	0.00
Foreign Companies	1	4125912	3.15
FIs	-	-	-
Total	77230	131280448	100.00



12. Dematerialization of shares and liquidity:

98.86% of the total Equity Capital is held in dematerialized form with NSDL and CDSL as on 31.03.2014. Trading in Equity Shares of the Company is permitted only in dematerialized form as per notification issued by Securities and Exchange Board Of India (SEBI).

13. Plant Location

- a) Khopoli Unit
Tal Khopoli
Dist. Raigad,
Maharashtra - 410203
- b) Tarapur Unit
G-38/39, M.I.D.C.
Tarapur -401506
Dist. Thane
Maharashtra - 401506
- c) Murbad Unit
Survey (Gut) No. 440/441,
Nhave, Kakadpada,
Murbad District, Thane,
Maharashtra
- d) Kancheepuram Unit
Padalam Sugar Mill road, S.No. 99/3A-3J, 4,5,6, & 103/4/5/6, Kolambakkam
Village, Madhuranthakam Taluk, Kancheepuram Dist-603308
- e) Trichy Mobile Unit
SH No. 71, Survey No. 782, Village: Kalugar Thogainmala, Taluka:
Kulithalai, Dist: Karur - 639 120, Tamil Nadu

**14. Address for Correspondence**

- i) Investor Correspondence
Shri Ansar Shaikh
Secretarial Assistant
159, Industry House, 5th Floor,
Churchgate Reclamation, Mumbai - 400 020
Tel No. 022-22026340
Fax No. 022-22047835
e.mail: share@zenithsteelpipes.com
- ii) For Compliance related query
Mr. Vimal Prakash Dubey
Company Secretary & Compliance Officer
159, Industry House, 5th Floor,
Churchgate Reclamation, Mumbai-400 020
Tel No. 022-22026340
Fax No. 022-22047835
e.mail: vimald@zenithsteelpipes.com

15. Transfer of unclaimed dividend to Investor Education and Protection Fund

Pursuant to provisions of sections 205A and 205C of the Companies Act, 1956, the dividend which remains unclaimed/unpaid for a period of seven years from the date of transfer to the unpaid dividend account is required to be transferred to the investor education and protection fund (IEPF) established by the Central Government.

The due dates for transfer to IEPF of the dividend remaining unclaimed since 2005-06 are provided hereunder:

Date of dividend declaration	For the year ended	Due for transfer to Investor Education and Protection Fund
14.09.2007	2006-07	20.10.2014
28.01.2008 (Interim)	2007-08	04.03.2015
15.09.2008 (final)	2007-08	21.10.2015
24.09.2009	2008-09	30.10.2016
02.08.2010	2009-10	07.09.2017

Members who have not encashed their dividend warrants pertaining to the aforesaid years may approach the Company/ its Registrar for obtaining payments thereof at least 20 days before they are due for transfer to the said fund.

Compliance with non mandatory requirements**Remuneration Committee**

The Company has constituted Remuneration Committee to recommend / review remuneration of the Managing Director / Whole Time Directors based on their performance and defined assessment criteria.

**Certificate by the Chief Executive Officer (CEO) and Chief Financial Officer (CFO) pursuant to Clause 49 of the Listing Agreement on the Audited Financial Statement for the year 2013-14**

We, Pushkar Natu – CEO and B. Girvanesh – CFO of the Company hereby certify that:-

- a) We have reviewed the Financial Statements and Cash Flow Statement for the year ended on 31st March, 2014 and that to the best of our knowledge and belief:
 - I. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - II. these statements together present a true & fair view of the Company's affairs and are in compliance with existing Accounting Standards, applicable Laws and Regulations.
- b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year, which are fraudulent, illegal or violative of the Company's Code of Conduct.
- c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and they have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps they have taken or propose to take to rectify these deficiencies.
- d) We have indicated to the Statutory Auditors, Internal Auditors and Audit Committee:
 - I. significant changes in internal control over financial reporting during the year;
 - II. significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - III. instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system.

For Zenith Birla (India) Limited

Place: Mumbai
Date: 14.08.2014

Pushkar Natu
Chief Executive Officer

B. Girvanesh
Chief Financial Officer

AUDITORS' CERTIFICATE REGARDING COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

To the Members of Zenith Birla (India) Limited

We have examined the compliance of conditions of Corporate Governance by Zenith Birla (India) Limited, for the year ended 31st March 2014 as stipulated in Clause 49 of the Listing Agreement(s) of the said Company with the Stock Exchanges in India. The compliance of conditions of Corporate Governance is the responsibility of the Company's management. Our examination was carried out in accordance with the guidance note on certification of Corporate Governance (as stipulated in clause 49 of the Listing Agreement) issued by the Institute of Chartered Accountants of India and was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of conditions of corporate governance. 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 and based on the representations made by the Management, we certify that the Company has complied with the conditions of corporate governance as mentioned in the above-mentioned Listing Agreement(s) except that in case of the Composition of Board the strength of Independent Director was short by One Director from 24.07.2013 to 13.08.2013. Further, in the case of Audit Committee the strength of Audit committee members was short by one member during the period 27.05.2013 to 13.08.2013 and the Strength of independent director in the Audit committee was short by one director from 24.07.2013 to 13.08.2013.

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

For Thakur, Vaidyanath Aiyer & Co.
Chartered Accountants
Firm Registration Number: 000038N

Place : Mumbai,
Date : 14.08.2014

C. V. Parmeswar
Partner
M. No. 11541



INDEPENDENT AUDITORS REPORTS

To the Members of
ZENITH BIRLA(INDIA) LIMITED

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Basis for Qualified Opinion

1. *With reference to Note No. 45 regarding the non provision by the Company of the interest amounting to ₹ 2,551.72 lacs on its working capital facilities from Banks during the year Had this amount been provided for, the loss would have been higher by ₹ 2,551.72 lacs and Secured Loans would have been higher by an amount of ₹ 2,551.72 lacs.*
2. *The Company has not complied with the provisions of sections 58A, 58AA or other relevant provisions of the Act and the Companies (Acceptance of Deposits) Rules, 1975 with regard to non-repayment of deposits and interest on due date, maintenance of liquid assets to the extent required as well as not intimating the appropriate authorities of such defaults.*
3. *With reference to Note No. 42-regarding the Company not having the balance confirmations for its party balances and hence our inability to state whether these balances are recoverable/payable to the extent stated.*

Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, subject to the effects of the matters described in the basis for Qualified opinion paragraph the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

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



Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
 - a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.;
 - c) The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.;
 - d) In our opinion, the Balance Sheet, Statement of Profit and loss and Cash Flow Statement comply with the General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013.
 - e) On the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

For **THAKUR, VAIDYANATH AIYAR & CO.**

Chartered Accountants

Firm Reg. No. 000038N

C V Parameswar

Partner

Mem. No. 11541

Place: Mumbai

Date: 14th August, 2014



ANNEXURE TO INDEPENDENT AUDITORS' REPORT

Referred to in paragraph I under the heading of “report on other legal and regulatory requirements “of our report of even date.

1. (a) The Company has maintained records showing full particulars, including quantitative details and situation of fixed assets as at 31st March, 2013. These details are however yet to be updated for the year. The Company has however started the process of updating these.
- (b) The fixed assets are physically verified by the Management according to a phased programme designed to cover all the items over a period of three years, which in our opinion, is reasonable having regard to the size of the Company and nature of its assets. However during the year the Company has not adhered to the programme of physical verification
- (c) In our opinion and according to the information and explanations given to us, a substantial part of fixed assets has not been disposed off by the Company during the year.
2. (a) The inventory has been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable.
- (b) In our opinion, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the 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. As informed to us no material discrepancies were noticed on physical verification.
3. (a) The Company has granted unsecured loans to two companies covered in the register maintained under Section 301 of the Act. The maximum amount involved during the year was ₹ 679.53 lacs and year-end balance was ₹ 679.53 lacs.
- (b) In our opinion and according to the information and explanations given to us, the rate of interest and other terms and conditions of such loans are not prima facie prejudicial to the interest of the Company.
- (c) As explained to us no amount of principal and interest has become due during the year.
- (d) In view of our comment in (c) above, para 4(iii)(d) of the Order is not applicable to the Company.
- (e) The Company has taken unsecured interest free loan from one company covered in the register maintained under Section 301 of the Act. The maximum amount outstanding anytime during the year was ₹ 45 lacs and the year-end balance was Rs,45 lacs.
- (f) In our opinion and according to the information and explanation given to us the terms and conditions of such loan are not prima facie prejudicial to the interest of the Company
- (g) In respect of the aforesaid loan, as explained to us no amount of principle has become due during the year.
4. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory, fixed assets and for the sale of goods and services. Further, on the basis of our examination of the books and records of the Company, and according to the information and explanations given to us, we have neither come across nor have been informed of any continuing failure to correct major weaknesses in the aforesaid internal control system.
5. (a) According to the information and explanations given to us, there were no contracts or arrangements referred to in Section 301 of the Act that required to be entered in the register maintained under the section.
- (b) Since there were no contracts or arrangements with any parties referred to in Section 301 of the Act, the provisions of this clause are not applicable.
6. In our opinion and according to the information and explanations given to us, in respect of compliance by the Company with the provisions of Section 58A and 58AA or any other relevant provisions of the Act and the Companies (Acceptance of Deposits) Rules, 1975, with regard to the deposits accepted from the public, we have to state that these have not been



complied with in respect to non repayment of deposits and interest on due date, maintenance of liquid assets to the extent required as per Rule 3A of the Companies (Acceptance of Deposit) Rules, 1975, accepting fresh deposits after the default, as well as not intimating the appropriate authorities of such defaults.

7. The Company has appointed a firm of Chartered Accountants for carrying out the internal audit functions. The internal audit coverage has been done only at Tarapur unit and not at any of the other locations. In our opinion, the scope and coverage of the audit require enhancement to make it commensurate with the size of the Company and nature of its business.
8. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Accounting Records) Rules, 2011 prescribed by the Central Government under section 209 (1) (d) of the Companies Act, 1956 and are of the opinion that prima facie the prescribed cost records have been maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
9. (a) According to the information and explanation given to us and the records of the Company examined by us, in our opinion except for dues in respect of Dividend Distribution Tax, Tax Deducted at Source, Profession Tax, Tax Collected at Source, Service Tax, and Provident Fund, the Company is generally regular in depositing the undisputed statutory dues including Wealth Tax, Excise Duty, Custom Duty, Cess and other material statutory dues, as applicable, with the appropriate authorities. The following balances remain in arrears as at the last day of the financial year for a period exceeding six months from the date they became payable:

Nature of Dues	Amount Outstanding (in ₹)
Tax Deducted at Source	3,36,740
Profession Tax	22,775
Tax Collected at Source	10,140
Service Tax	192
Provident Fund	2,27,930
Dividend Distribution Tax	3,59,08,091
Interest on Dividend Distribution Tax	1,18,49,670

- (b) According to the information and explanation given to us and the records of the Company examined by us, there were no disputed dues in respect of Income Tax, Wealth Tax, Service Tax and Cess. The particulars of dues of customs duty, excise duty and sales tax as at March 31, 2014, which have not been deposited on account of disputes, are as follows:

Name of Statute	Amount (₹ in lacs)	Period to which amount relates	Forum where dispute is pending
Customs Act, 1962	82.00	1998-1999	Tribunal
	3.45	1985-1986	High Court
Central Excise Act, 1959	129.78	1995-1996	Commissioner Appeals
Central Sales Tax Act and Local Sales Tax	78.88	1995-1996	Tribunal

10. The Company's accumulated loss as at March 31, 2014 exceeded fifty percent of its net worth. The Company has incurred cash losses in the current financial year as well as in the immediately preceding financial year.
11. According to the records of the Company examined by us and the information and explanations given to us, there has been default in payments to the banks since August, 2012 and the Company's outstanding as at 31st March, 2014, as per the notice received from the banks, is ₹ 21,583.43 lacs plus interest of ₹ 523.15 lacs for the period February and March, 2014.
12. The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. In our opinion, the Company is not a chit fund or a nidhi/mutual benefit fund/society. Therefore clause 4(xiii) of the Companies (Auditor's report) Order, 2003 is not applicable to the Company.



14. In respect of shares, securities, debentures and other investments dealt or traded by the Company, proper records have been maintained in respect of the transactions and contracts and timely entries have been made therein. All the investments are held by the Company in its own name.
15. In our opinion and according to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks and financial institutions.
16. The Company has raised new term loan during the year. The term loans outstanding at the beginning of the year and those raised during the year have been applied for the purposes for which they were raised.
17. On the basis of an overall examination of the balance sheet of the Company, in our opinion and according to the information and explanations given to us, there are no funds raised on short term basis which have been used for long-term investment during the year.
18. The Company has not made any preferential allotment of shares to parties and Companies covered in the register maintained under Section 301 of the Act, during the year.
19. The Company has not issued any debentures during the year, and does not have any debentures outstanding at the year end.
20. The Company has not raised any money by way of public issue during the year.
21. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by the Management.

For **THAKUR, VAIDYANATH AIYAR & CO.**

Chartered Accountants
Firm Reg. No. 000038N

C V Parameswar
Partner
Mem. No. 11541

Place: Mumbai

Date: 14th August, 2014



BALANCE SHEET AS AT 31ST MARCH, 2014

Particulars	Note No.	As at 31 March, 2014	As at 31 March, 2013
(₹ in Lacs)			
I. EQUITY AND LIABILITIES			
1. Shareholders' Funds			
(a) Share Capital	1	13,128.04	13,128.04
(b) Reserves and Surplus	2	(7,054.49)	12,429.04
(c) Money received against Share Warrants		-	494.88
		6,073.56	26,051.96
2. Non-Current Liabilities			
(a) Long-Term borrowings	3	2,727.79	2,839.42
(b) Deferred Tax Liabilities (Net)	4	504.86	504.86
(c) Other Long-Term Liabilities	5	792.92	912.73
(d) Long-Term Provisions	6	1,375.42	961.26
		5,400.99	5,218.27
3. Current Liabilities			
(a) Short Term Borrowings	7	21,026.27	17,594.20
(b) Trade Payables	8	6,788.01	14,767.16
(c) Other Current Liabilities	9	7,766.78	6,557.26
(d) Short-Term Provisions	10	1,411.44	3,827.11
		36,992.50	42,745.73
TOTAL		48,467.05	74,015.96
II. ASSETS			
Non-Current Assets			
1. (a) Fixed Assets			
(i) Tangible Assets	11	10,347.40	10,828.17
(ii) Intangible Assets		12.93	12.93
(iii) Capital work-in-progress		2,213.53	2,015.60
(b) Non-Current Investments	12	260.59	264.49
(c) Long-Term Loans and Advances	13	852.48	4,403.86
		13,686.93	17,525.05
2. Current Assets			
(a) Inventories	14	1,296.10	10,963.35
(b) Trade receivables	15	2,790.60	5,854.16
(c) Cash and Cash Equivalents	16	349.00	9,122.08
(d) Short-Term Loans and Advances	17	30,344.42	30,551.32
		34,780.12	56,490.91
TOTAL		48,467.05	74,015.96
Significant Accounting Policies		-	-
Notes on Financial Statements	I to 50		

As per our attached report of even date

FOR THAKUR, VAIDYANATH AIYAR & CO.
Chartered Accountants
Firm Registration No.: 000038N

C.V. Parameswar
Partner
Membership No: 11541

Mumbai, 14th August, 2014

By Order of the Board

Mr. Ashish Mahendrakar Mr. Satish Jadhav
Director Director

Mr. B. Girvanesh Mr. Vimal Prakash Dubey
Chief Financial Officer Company Secretary

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2014**

Particulars	Note No.	(₹ in Lacs)	
		For the year ended 31 March, 2014	For the year ended 31 March 2013
I. INCOME			
Revenue From Operations (gross)	19	15,626.10	29,662.39
Less : Excise Duty		1,251.28	2,346.63
		<u>14,374.82</u>	<u>27,315.76</u>
II. Other Income	20	1,570.48	1,944.16
III. Total Revenue (I + II)		<u>15,945.30</u>	<u>29,259.92</u>
IV. EXPENSES			
Cost of Materials consumed	21	9,144.80	15,149.88
Purchase of Stock in Trade	22	3,234.75	8,968.59
Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	23	7,195.64	794.40
Employee Benefits expenses	24	1,422.10	1,598.95
Finance Costs	25	2,071.01	3,504.57
Depreciation and Amortization Expenses		651.60	548.83
Other Expenses	26	6,600.81	3,160.28
Total Expenses		<u>30,320.71</u>	<u>33,725.54</u>
V. PROFIT BEFORE TAX		<u>(14,375.41)</u>	<u>(4,465.58)</u>
VI. Tax Expenses			
(a) Current Tax		-	-
(b) Deferred Tax		-	-
(c) Wealth Tax		1.17	0.68
(d) Tax in respect of earlier years		-	2.88
		<u>1.17</u>	<u>3.56</u>
VII. PROFIT FOR THE YEAR (V - VI)		<u>(14,376.57)</u>	<u>(4,469.14)</u>
VII Exceptional Items (Advances related to Discontinued Project Written off)		5,602.88	
VII Profits Transferred to Reserves and Surplus		<u>(19,979.45)</u>	
Earning per Equity Share of face value of ₹ 10 each			
Basic and Diluted (in ₹)		(15.20)	(3.40)
Significant Accounting Policies			
Notes on Financial Statements	I to 50		

As per our attached report of even date

FOR **THAKUR, VAIDYANATH AIYAR & CO.**
Chartered Accountants
Firm Registration No.: 000038N

C.V. Parameswar
Partner
Membership No: 11541

Mumbai, 14th August, 2014**By Order of the Board**

Mr. Ashish Mahendrakar Mr. Satish Jadhav
Director Director

Mr. B. Girvanesh Mr. Vimal Prakash Dubey
Chief Financial Officer Company Secretary



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

(₹ in Lacs)

	For the year ended 31 March, 2014	For the year ended 31 March, 2013
A. CASH FLOW FROM OPERATING ACTIVITIES :		
Net Profit before Tax as per Profit and Loss Account	(14,375.41)	(4,465.62)
Add/(Deduct):		
a) Depreciation and Amortisation expense	651.60	548.83
b) (Profit)/ Loss on Sale / Discard of Assets (Net)	(130.34)	(3.49)
c) Finance Cost	2,071.01	3,504.57
d) Interest Income	(469.85)	(1,237.36)
e) Dividend Income	-	(0.06)
	(2,122.42)	(2,812.49)
Operating Cash Profit before Working Capital Changes	(12,252.99)	(1,653.13)
Add/(Deduct):		
a) Trade and other Receivables	3,436.37	(2,581.55)
b) Inventories	9,667.26	2,228.31
c) Trade and other Payables	(8,871.12)	(167.39)
	4,232.51	(520.63)
CASH GENERATED FROM OPERATIONS	(8,020.48)	(2,173.76)
Add: Tax Payments	50.97	(46.26)
NET CASH FLOW FROM OPERATING ACTIVITIES	(7,969.51)	(2,220.02)
B. CASH FLOW FROM INVESTING ACTIVITIES :		
Inflow		
a) Sale of Fixed Assets	210.23	415.37
b) Sale of Current Investments (Net)	3.90	-
c) Dividend from Current Investments	-	0.06
d) Inter Corporate Deposits and Loans (Including Interest) (Net)	4,708.17	(174.48)
	4,922.30	240.95
Outflow		
a) Acquisition of Fixed Assets	401.31	1,431.22
	401.31	1,431.22
NET CASH FLOW FROM INVESTING ACTIVITIES	4,520.99	(1,190.27)

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

(₹ in Lacs)

For the year ended 31 March, 2014	For the year ended 31 March, 2013
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C. CASH FLOW FROM FINANCING ACTIVITIES :**Inflow**

a) Borrowings (Net of repayments)	3,277.18	7,137.57
	<u>3277.18</u>	<u>7137.57</u>

Outflow

a) Finance Charges (Net)	2,068.54	3,651.53
	<u>2,068.54</u>	<u>3,651.53</u>

NET CASH FLOW FROM FINANCING ACTIVITIES	1,208.64	3,486.04
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D. Exceptional Items (Advances related to Discontinued Project Written off)	(5,602.88)	
NET INCREASE/ (DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C+D)	(7,842.76)	75.75
CASH AND CASH EQUIVALENTS AS AT THE BEGINNING OF THE YEAR	8,029.02	7,953.27
CASH AND CASH EQUIVALENTS AS AT YEAR END	<u>186.26</u>	<u>8,029.02</u>
<u>Reconciliation of Cash and Cash Equivalents as at year end:-</u>	-	
Cash and Cash Equivalents as per Note No. 16	349.00	9,122.08
Less: Balance in Fixed Deposit accounts kept as margin money with the bankers	(162.74)	(1,093.06)
	<u>186.26</u>	<u>8,029.02</u>

As per our attached report of even date

FOR THAKUR, VAIDYANATH AIYAR & CO.
Chartered Accountants
Firm Registration No.: 000038N

C.V. Parameswar
Partner
Membership No: 11541

Mumbai, 14th August, 2014**By Order of the Board**

Mr. Ashish Mahendrakar Mr. Satish Jadhav
Director Director

Mr. B. Girvanesh Mr. Vimal Prakash Dubey
Chief Financial Officer Company Secretary



NOTES TO THE FINANCIAL STATEMENTS

	(₹ in Lacs)	
	As at 31 March, 2014	As at 31 March, 2013
I. SHARE CAPITAL		
AUTHORISED:		
15,55,00,000 Equity Share of ₹ 10/- each (15,55,00,000)	15,550.00	15,550.00
ISSUED, SUBSCRIBED & FULLY PAID UP		
13,12,80,448 Equity Share of ₹ 10/- each (13,12,80,448)	13,128.04	13,128.04
TOTAL	13,128.04	13,128.04
1.1 The reconciliation of the number of shares outstanding is set out below:	No. of Shares	No. of Shares
Shares outstanding at the beginning of the year	131,280,448	131,280,448
Shares outstanding at the end of the year	131,280,448	131,280,448
1.2 The details of Shareholders holding more than 5% share	No. of Share % held	No. of Share % held
Bank of New York Mellon	4125912 3.14	10382472 7.91
Focus Shares & Securities Pvt Ltd.	- -	7500000 5.71
Shearson Investment Trading Company Pvt.Ltd.	- -	2481193 1.89
Godavari Corporation Pvt.Ltd.	- -	1354632 1.03
1.3 2,16,20,529 Equity Shares out of the Issued, Subscribed and Paid up Share (2,16,20,529) capital were allotted as Bonus Share in the last five years by capitalisation of Securities Premium and Reserves.		
1.4 1,36,70,315 Equity Shares out of the Issued, Subscribed and Paid up Share (1,36,70,315) capital were allotted during the last five years pursuant to a scheme of amalgamation without payment being received in cash.		
1.5 5,59,17,060 Equity Shares out of the Issued, Subscribed and Paid up Share (5,59,17,060) capital were allotted in the last five years on conversion/ exercise of warrants and against Global Depository Receipts.		
1.6 On 10-01-2011 the Company issued 1,08,10,000 Convertible Equity Share Warrants which were convertible into 1 Equity Share of ₹ 10 each at a price calculated in accordance with SEBI regulation. 25% of the issue price was payable at the time of allotment of warrants and the balance 75% at the time of allotment of Equity Shares. On 25- 03-2011, 15,60,000 warrants were converted into Equity Shares. The remaining 92,50,000 warrants were converttible into Equity Share before 09-07-2012. The Company has forfeited the amount of ₹ 494.88 lacs received against share warrants as the subscribers did not exercise the option by the due date.		
2. RESERVES AND SURPLUS		
1. Securities Premium Reserve		
Balance as per last account	14,308.30	14,308.30
2. General Reserve:	-	
Forfeiture of money received against share warrants	494.88	
Balance as per last account	91.29	91.29
3. Surplus in Statement of Profit and Loss		
Balance as per last account	(1,969.56)	2,499.59
Add: Net Profit for the current year	(19,979.40)	(4,469.14)
Closing Balance	(21,948.96)	(1,969.55)
TOTAL	(7,054.49)	12,429.04



NOTES TO THE FINANCIAL STATEMENTS

(₹ in Lacs)

As at
31 March, 2014

As at
31 March, 2013

3. LONG TERM BORROWINGS

Secured (Refer Note)

(a) Term Loans

From Banks	1,393.79	181.61
From Others	486.57	1,432.25

(b) Long term maturities of finance lease obligations	40.75	27.46
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SUB TOTAL A

	1,921.11	1,641.32
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Note: Terms of Borrowing									
	Nature of Security	Original amt of Borrowing ₹/Lacs	Tenor of Inception (in years)	Terms of Repayment	Month in which last instalment is due	Repayment schedule Instalments ₹/Lacs	Balance as on 31 st March 2014 ₹/Lacs	Balance as on 31 st March 2013 ₹/Lacs	Prevailing Interest Per Annum
	Secured								
1	Term Loan from Bank is secured by mortgage of Thane office building against which the loan has been taken	300	10	Monthly	Dec-14	1.15	162.16	199.01	15%
2	Loan from others is secured by First charge (hypothecation) of all movable assets, including Specific Plant and Machinery purchased out of this term loan with a second charge over these assets to existing working capital bankers, and second charge (hypothecation) on overall existing movable and immovable assets including Plant and Machinery.	5625	8.5	Quarterly	Jul-15	153	2289.55	2302.48	3 Month Libor + 3.25%
3	The Term loan shall be secured by First pari-passu charge on all assets funded under the proposed capex plan and second charge on all existing movable and immovable assets of the company (excluding all movable assets charged to FMO on exclusive basis.)	1125	8.5	Quarterly	Feb-19	51.13	1231.64	0	16.25%
4	Long Term Maturities of Finance Lease obligations are secured by hypothecation of specific vehicles against which the loan has been taken.	33.76	3-4	Monthly	Jun-16	0.97	40.75	32.25	12.25%
	Sub-Total						3724.10	2533.74	
	Less: Current Maturities of Long term Debt {Refer Note 9(a)}						1802.99	892.43	
	Total						1921.11	1641.31	

Unsecured

(a) Deferred payment Liabilities	150.00	150.00
(b) Deposits	481.68	1,048.11
(c) Loans and Advances from related parties (Refer Note No. 35)	175.00	-

SUB TOTAL B

	806.68	1,198.11
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TOTAL A+B

	2727.79	2,839.43
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NOTES TO THE FINANCIAL STATEMENTS

	(₹ in Lacs)	
	As at 31 March, 2014	As at 31 March, 2013
4. DEFERRED TAX LIABILITY (NET)		
Deferred Tax Liability		
On account of Depreciation	671.85	671.85
Deferred Tax Assets		
Disallowance under the Income Tax Act, 1961	166.99	166.99
TOTAL	504.86	504.86
5. OTHER LONG TERM LIABILITIES		
(a) Others	792.92	912.73
TOTAL	792.92	912.73
6. LONG TERM PROVISIONS		
(a) Provision for Employee Benefits (Refer Note No. 34)		
Gratuity	815.41	400.86
Leave Encashment	81.51	81.90
(b) Provision for Contingencies	478.50	478.50
TOTAL	1,375.42	961.26
7. SHORT TERM BORROWINGS		
Secured		
Loans repayable on demand		
(a) From Banks	21,026.27	16,345.51
(b) From Others		
Foreign Currency Loans - Buyers Credit	-	1,246.43
7.1 Loans repayable on demand from Banks are secured by hypothecation of inventories and /or book debts and export incentives recoverable etc. and collaterally secured by way of first charge on the fixed assets.		
7.2 Foreign Currency Loan- Buyers Credit is secured by first charge on the assets purchased from the loan.		
Unsecured		
Loans and Advances from related parties. (Refer Note No. 35)	-	2.26
TOTAL	21,026.27	17,594.20
8. TRADE PAYABLES		
(a) Micro, Small and Medium Enterprises (*)	-	-
(b) Others (including ₹ 1640.07 lacs due to related parties)	6,788.01	14,767.16
TOTAL	6,788.01	14,767.16

(*) There are no Micro and Small enterprises to whom the Company owes amounts which are outstanding as at 31st March 2014. This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 (MSME) has been determined on the basis of and to the extent information is available with the Company. No interest is paid / payable during the year to any enterprise registered under the MSME.

**NOTES TO THE FINANCIAL STATEMENTS**

(₹ in Lacs)

	As at 31 March, 2014	As at 31 March, 2013
9. OTHER CURRENT LIABILITIES		
Current Maturities of Long Term Debts	1,802.99	892.41
Current Maturities of Deposit	2,536.47	2,292.02
Interest accrued but not due on borrowings	20.11	17.64
Unclaimed Dividends	36.61	40.18
Advance from Customers	0.58	674.02
Interest payable on Fixed Deposit	740.29	336.17
Other payables (Including ₹ 1,460 Lacs advances against sale of Land)	2,629.72	2,304.82
TOTAL	7,766.77	6,557.26

There is no amount due and outstanding as on 31st March, 2014, to be credited to Investors Education and Protection Fund.

10. SHORT TERM PROVISIONS

Provision for Employee Benefits (Refer Note No. 34)		
Gratuity	10.70	8.26
Leave Encashment	3.18	1.59
Salary & Reimbursements	-	47.34
Contribution to Provident Fund	0.44	1.73
Provision for Wealth Tax	2.48	2.48
Dividend Tax on Dividend	359.08	359.08
Provision for Excise Duty	-	355.63
Creditors for Services	505.43	501.93
Provision for outstanding expenses	341.23	2,403.77
Provision Others *	188.89	145.30
TOTAL	1,411.43	3,827.11

* includes ₹ 118.50 lacs provision for interest on dividend tax



NOTES TO THE FINANCIAL STATEMENTS

11 FIXED ASSETS

DESCRIPTION	GROSS BLOCK			ACCUMULATED DEPRECIATION			NET BLOCK			
	As at 01 April 2013	Additions/ Adjustment	Deductions/ Adjustment	Balance as at 31 March 2014	Balance as at 01 April 2013	Adjustment / Deductions	For the year	Upto 31 March 2014	Balance as at 31 March 2014	Balance as at 31 March 2013
TANGIBLE ASSETS										
OWN ASSETS:										
1. Freehold Land	1,824.42	-	-	1,824.42	-	-	-	-	1,824.42	1,824.42
2. Leasehold Land	199.23	-	-	199.23	24.12	-	2.28	26.40	172.83	175.11
3. Buildings	5,014.29	-	23.06	4,991.23	1,048.53	2.59	416.88	1,462.82	3,528.41	3,965.76
4. Plant and Equipment	6,989.25	234.80	5.84	7,218.21	2,566.50	-	213.46	2,779.96	4,438.25	4,422.74
5. Furniture, Fixtures	389.83	11.47	-	401.30	154.93	-	1.02	155.95	245.35	234.90
6. Vehicles	213.10	-	-	213.10	94.81	-	11.46	106.27	106.83	118.29
7. Office Equipments	24.38	0.15	-	24.53	6.96	-	2.08	9.04	15.48	17.42
8. Computer	193.69	-	-	193.69	177.75	-	0.10	177.85	15.84	15.94
Sub Total	14,848.19	246.42	28.90	15,065.71	4,073.60	2.59	647.29	4,718.30	10,347.41	10,774.57
LEASED ASSETS:										
Improvement on Lease hold Premises	89.30	-	89.30	(0.00)	35.72	35.72	-	(0.00)	-	53.58
Sub Total	89.30	-	89.30	(0.00)	35.72	35.72	-	(0.00)	-	53.58
Total (A)	14,937.49	246.42	118.20	15,065.71	4,109.32	38.31	647.29	4,718.30	10,347.41	10,828.17
INTANGIBLE ASSETS										
Computer Software	21.55	-	-	21.55	4.31	-	4.31	8.62	12.93	12.93
Total (B)	21.55	-	-	21.55	4.31	-	4.31	8.62	12.93	12.93
Total (A + B)	14,959.04	246.42	118.20	15,087.26	4,113.63	38.31	651.60	4,726.92	10,360.33	10841.10
Previous Year	12,664.62	2,709.70	415.28	14,959.04	3,572.53	3.40	548.83	4,117.96	10,841.10	9,092.08
Capital Work-in-Progress									2,213.53	2,015.60

+ Buildings include (a) Ownership Flats, Roads, Drains and Pipelines and cost of shares in cooperative housing societies.

(b) ₹ 0.91 lac (previous year ₹ 0.91 lacs) being the cost of two flats on 30 years lease for which the Society is yet to be formed.

(c) Refer Note No. 33 is regard to pending transfer of title.

**NOTES TO THE FINANCIAL STATEMENTS**

	(₹ in Lacs)	
	As at 31 March, 2014	As at 31 March, 2013
12. NON CURRENT INVESTMENTS		
TRADE INVESTMENT		
In Equity Shares - Quoted, fully paid up		
4,35,350 Birla Transasia Carpets Limited of ₹. 10/-each	63.70	63.69
(4,35,350) Less: Provision for diminution in value	63.70	63.69
	-	-
In Equity Shares of Subsidiary Company		
Unquoted fully paid up		
1,000 Zenith (USA), Inc. New York, a wholly owned Subsidiary Company (1,000) (Nominal value of Shares in US \$ 30,000)	2.28	2.28
2 UAE Dirham 2 Million of Zenith Middle East FZE, a wholly owned Subsidiary (2) of the Company, Further UAE Dirham 0.22 Million is pending allotment.	257.31	257.31
In Equity Shares of Associate Company		
Unquoted fully paid up		
39,000 Birla Energy Infra Limited of ₹ 10/- each (39000)	-	3.90
OTHER INVESTMENT - Unquoted fully paid up		
236 US \$ 1,000 each of P.T. Horizon Syntex, Indonesia, continue to be held in the (236) name of erstwhile The India Tool Manufacturers Limited and the same are still in process of being transferred in the name of the Company pending receipt of the necessary approval from Reserve Bank of India	19.31	19.31
Less: Provision for diminution in value	19.31	19.31
	-	-
2,000 TIMA CETP Co-Op Society Ltd. of ₹ 10/- each (2000)	0.20	0.20
2,000 The Shamrao Vithal Co-op Bank Ltd. of ₹ 25/- each (2000)	0.50	0.50
In Government Securities - Unquoted		
National Savings Certificates	0.30	0.30
TOTAL	260.59	264.49
Aggregate amount of Quoted Investments	63.70	63.69
Market Value of Quoted Investments	305.18	220.72
Aggregate amount of Unquoted Investments	196.89	196.80
Aggregate provision for diminution in value of Investments	83.00	83.00



NOTES TO THE FINANCIAL STATEMENTS

	(₹ in Lacs)	
	As at 31 March, 2014	As at 31 March, 2013
13. LONG TERM LOANS AND ADVANCES		
(Unsecured, Considered good)		
Capital Advances	-	3,819.38
Security Deposits	61.64	338.35
Advance Income Tax (Net of Provision)	197.15	205.62
Other Loans and Advances (includes deposits received and advances recoverable)	593.70	40.51
	<u>852.49</u>	<u>4,403.86</u>
Other Loans and Advances Considered Doubtful	160.48	160.48
Less: Provision for doubtful advances	160.48	160.48
	<u>-</u>	<u>-</u>
TOTAL	<u>852.49</u>	<u>4,403.86</u>
14. INVENTORIES		
(At lower of Cost and Net Realisable value)		
Raw Materials	208.37	672.24
Raw Materials-in-process	-	654.59
Raw Material in Transit	-	396.31
Semi-Finished Goods	-	2,777.06
Finished Goods	306.61	2,693.66
Stock-in-Trade	621.46	1,319.60
Stores and Spare Parts	79.38	639.35
Others (Scrap)	80.27	1,810.54
	<u>1,296.09</u>	<u>10,963.35</u>
TOTAL	<u>1,296.09</u>	<u>10,963.35</u>
15. TRADE RECEIVABLES		
Outstanding for a period exceeding six months from the date they become due for payment (unsecured)		
(a) Considered good	1,640.73	2,323.25
(b) Considered doubtful	150.00	150.00
Less: Provision for doubtful debts	150.00	150.00
	<u>-</u>	<u>-</u>
Other Receivables (unsecured)		
Considered good	1,149.87	3,530.91
	<u>2,790.60*</u>	<u>5,854.16</u>
TOTAL	<u>2,790.60*</u>	<u>5,854.16</u>

(*Including ₹ 1,640.73 due from Related Parties)

**NOTES TO THE FINANCIAL STATEMENTS**

(₹ in Lacs)

	As at 31 March, 2014	As at 31 March, 2013
16. CASH AND CASH EQUIVALENTS		
Balances with Banks	174.67	7,977.80
Cash on hand	11.59	11.03
Unclaimed Dividend	-	40.19
Margin Money	162.74	1,093.06
TOTAL	349.00	9,122.08
17. SHORT TERM LOANS AND ADVANCES (Unsecured, Considered good)		
Loans and Advances to related parties (Refer Note No. 35)	15,599.70	7,114.99
Less: Provision for doubtful advances	1,211.00	-
Loans and Advances to related parties (Net up provision)	14388.70	7,114.99
Balance with Port Trust, Customs and Excise	398.06	611.38
Advance to Suppliers	6,189.80	6,082.69
Advance to Employees	36.90	68.41
Inter Corporate Deposit	6,371.53	7,872.98
Export Incentive Receivable	-	145.23
VAT recoverable	-	1,844.66
Advances Others*	2,959.42	6,810.48
TOTAL	30,344.41	30,550.82
* Includes ₹ 2,141.50 lacs assignment of debts		
18. Contingent Liabilities and Commitments (to the extend not provided for)		
Guarantees given by the Bank on behalf of the Company	-	2,720.17
Estimated amount of Contracts remaining to be executed on Capital Account and not provided for (net of advances)	-	3,372.23
Non Provision of interest post NPA	2,551.72	-
TOTAL	2,551.72	6,092.40
		(₹ in Lacs)
	For the year ended 31 March, 2014	For the year ended 31 March, 2013
19. REVENUE FROM OPERATIONS		
Sale of Products	15,137.70	28,645.22
Other Operating Revenues		
(a) Sale of Scrap	488.40	760.09
(b) Export Incentives	-	257.08
	488.40	1,017.17
TOTAL	15,626.10	29,662.39
Less : Excise Duty	1,251.28	2,346.63
TOTAL	14,374.82	27,315.76



NOTES TO THE FINANCIAL STATEMENTS

	(₹ in Lacs)	
	For the year ended 31 March, 2014	For the year ended 31 March, 2013
20. OTHER INCOME		
Interest Income	469.85	1,237.36
Dividend Income	-	0.06
Surplus on Sale of Fixed Assets	130.34	3.49
Excess provision written back (Net)	124.92	9.22
Net Gain on Foreign Currency Translation and Transaction	840.30	481.64
Other Non-Operating Income	5.07	212.39
TOTAL	1,570.48	1,944.16
21. COST OF MATERIALS CONSUMED		
Hot Rolled Steel	7,339.99	13,306.84
G.P. Coil	216.46	-
Zinc and Zinc Alloy	1,138.03	560.33
Others	450.33	1,282.71
TOTAL	9,144.81	15,149.88
22. PURCHASE OF STOCK IN TRADE		
H.R/C.R/G.P Coil and GI Sheet	183.01	8,670.19
M.S. Pipe, Tube and Bar	2,745.31	197.36
Other (Pig Iron, Sand Scrap and Masonry Drill Tip)	306.41	101.04
TOTAL	3,234.73	8,968.59
23. CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN PROGRESS AND STOCK-IN-TRADE		
Inventory at the end of the year:		
Finished Goods / Stock-in-Trade	914.10	4,062.45
Semi-Finished Goods	-	2,777.06
Scrap etc.	72.19	1,810.53
	986.29	8,650.04
Less:		
Inventory at the beginning of the year:		
Finished Goods / Stock-in-Trade	4,062.45	4,771.23
Semi-Finished Goods	2,777.06	3,026.91
Scrap etc.	1,810.53	1,731.95
	8,650.04	9,530.09
	(7,663.75)	(880.05)
Variation in excise duty on closing and opening stock of Finished Goods	468.11	85.65
TOTAL	7,195.64	(794.40)

**NOTES TO THE FINANCIAL STATEMENTS**

	For the year ended 31 March, 2014	For the year ended 31 March, 2013
(₹ in Lacs)		
24. EMPLOYEE BENEFIT EXPENSES		
Salaries and Wages	1,403.05	1,394.09
Contribution to Provident and Other Funds	1.98	71.70
Staff Welfare Expenses	17.07	133.16
TOTAL	1,422.10	1,598.95
25. FINANCE COST		
Interest Expenses	2,022.22	2,868.97
Other borrowing costs	48.79	635.60
TOTAL	2,071.01	3,504.57
26. OTHER EXPENSES		
Manufacturing Expenses		
Consumption of Stores and Spares	126.31	410.96
Power, Fuel and Water	190.37	849.04
Repairs to: (Excludes Stores and Spares issued)		
(a) Buildings	12.31	26.00
(b) Machinery	30.45	41.21
Conversion, Octroi and other manufacturing expenses	211.51	178.25
	570.95	1,505.46
Selling and Distribution Expenses		
Freight, Forwarding and Handling Expenses	428.84	747.92
Commission	3.97	45.63
	432.81	793.55
Establishment Expenses		
Rent (Net)	85.83	112.55
Insurance	4.06	5.59
Rates and Taxes	16.31	27.27
Miscellaneous Expenditure	706.62	677.42
Payment to Auditors'		
(A) Statutory Auditors: (excluding service tax)	-	
(a) Audit Fees	9.00	9.00
(b) Limited Review Fees,	1.50	1.50
(c) Other Services,	2.11	2.75
(d) for reimbursement of Expenses	0.28	0.39
(B) Cost Audit Fees	1.50	1.50
Other repairs	-	23.30
Bad debts, irrecoverable advances and claims written off	4,769.84	-
TOTAL	6,600.81	3,160.28



NOTES TO THE FINANCIAL STATEMENTS

	For the year ended 31 March 2014		For the year ended 31 March 2013	
	(₹ in Lacs)	%	(₹ in Lacs)	%
27. IMPORTED AND INDIGENOUS CONSUMPTION				
(i) Raw Material (including components)				
Imported	-	0.00	1,191.38	4.22
Indigenous	9,144.81	100.00	27,053.81	95.78
TOTAL	9,144.81	100.00	28,245.19	100.00
(ii) Spares				
Imported	-	0.00	10.07	2.45
Indigenous	126.31	100.00	400.89	97.55
TOTAL	126.31	100.00	410.96	100.00
			(₹ in Lacs)	
			As at	As at
			31 March 2014	31 March 2013
28. VALUE OF IMPORTS ON CIF BASIS IN RESPECT OF				
(i) Raw Material (including Canalised items)			-	10.07
(ii) Spare Parts			-	343.42
TOTAL			-	353.49
29. EXPENDITURE IN FOREIGN CURRENCY ON ACCOUNT OF				
(i) Commission			3.04	6.23
(ii) Interest and Bank Charges			3.22	7.26
(ii) Others			6.09	9.67
TOTAL			12.35	23.16
30. EARNINGS IN FOREIGN CURRENCY				
F.O.B. Value of exports			5,333.14	3,591.93
TOTAL			5,333.14	3,591.93



NOTES TO THE FINANCIAL STATEMENTS

31. ACCOUNTING POLICIES

(a) Basis of Accounting

The Financial Statements are prepared under the historical cost convention in accordance with the generally accepted accounting principles, the applicable mandatory Accounting Standards notified under Section 211(3C) and/or Section 133 of The Companies Act 2013, as notified on 12th September, 2013 by the Ministry of Corporate Affairs and the relevant provisions of the Companies Act, 1956 (to the extent applicable), Companies Act, 2013 (to the extent notified).

(b) Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires estimates and assumptions to be made that affect the reported amounts of assets and liabilities on the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Differences between actual results and estimates are recognised in the period in which the results are known.

(c) Fixed Assets:

(i) Gross Block:

All Fixed Assets are stated at cost less accumulated depreciation except free hold land. However, Fixed Assets, which are revalued by the Company, are stated at their revalued book values.

(ii) Depreciation/Amortisation:

- a) The Company provides depreciation on the Straight Line Method over the useful life of assets or at the rates and in the manner specified in Schedule XIV of the Companies Act, 1956.
- b) Cost of leasehold land is amortised over the period of lease.

(d) Borrowing cost:

Interest and other borrowing costs attributable to acquisition of qualifying assets are capitalized. Other interest and borrowing costs are charged to revenue.

(e) Investments:

Investments are stated at cost of acquisition or at book value in case of diminution in value. Current investments are stated at lower of cost and fair value.

(f) Inventories:

- (i) Raw Material, Raw Material in Process, Semi-Finished Goods, Finished Goods, Goods for Trade and Stores, Spares etc. are valued at cost or net realisable value, whichever is lower.
- (ii) Goods in Transit are valued at cost to date.
- (iii) Industrial scrap is valued at estimated realisable value.
- (iv) 'Cost' comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventory to their present location and condition. Cost formulae used is weighted average cost.
- (v) Due allowances are made for obsolete inventory based on technical estimates made by the Company.

(g) Recognition of Income and Expenditure:

- (i) Revenues/incomes and cost/expenditure are generally accounted on accrual basis as they are earned or incurred except in case of significant uncertainties.



NOTES TO THE FINANCIAL STATEMENTS

- (ii) Sale of goods is recognised on transfer of significant risks and rewards of ownership which is generally on the dispatch of goods. Export sales are accounted for on the basis of the dates of 'On Board Bill of Lading'.
- (iii) Export Benefits are recognised in the year of export.

(h) Research and Development Expenditure:

Expenditure on Research and Development is charged to revenue through the natural heads of expenses in the year in which it is incurred. Such expenditure is charged to Capital if it results in the creation of capital assets.

(i) Employee Benefits:

- (i) Short Term Employee Benefits are recognized as an expense at the undiscounted amount in the Statement of Profit and Loss of the year in which the related service is rendered.
- (ii) Retirement Benefits:
 - (a) Retirement benefits in the form of Provident Fund/ Family Pension Fund and Superannuation Fund, which are Defined Contribution Plans, are accounted on accrual basis and charged to the Statement of profit and loss of the year.
 - (b) Retirement benefits in the form of Gratuity, which is Defined Benefit Plan and the long term employee benefit in the form of Leave Encashment are determined and accrued on the basis of an independent actuarial valuation applying the Projected Unit Credit Method.
 - (c) Actuarial gains/losses arising during the year are recognized in the Statement of Profit and Loss of the year.

(j) Foreign Currency Transactions:

Foreign Currency transactions are recorded at the rates of exchange prevailing on the date of transaction. Monetary foreign currency assets and liabilities outstanding at the close of financial year are revalored at the exchange rates prevailing on the balance sheet date. Exchange differences arising on account of fluctuation in the rate of exchange is recognized in the Statement of Profit and Loss, except to the extent it relates to long term monetary items for acquisition of depreciable capital assets, which is adjusted to the acquisition cost of such assets and depreciated over remaining useful life.

(k) Expenses on New Projects:

Expenses incurred on new projects are carried in the Accounts under the head Loans and Advances, until such expenses are written off or charged to revenue in the year in which decision is taken to abandon the project.

(l) Taxes on Income:

Current tax is determined as the amount of tax payable in respect of taxable income for the period. Deferred tax is recognised on timing differences between taxable and accounting income that originates in one period and are capable of reversal in one or more subsequent period(s). Deferred Tax Assets arising mainly on account of brought forward losses and unabsorbed depreciation under tax laws are recognised if and only if there is a virtual certainty backed by convincing evidence of its realisation. Deferred tax assets on account of other timing differences are recognised on the basis of reasonable certainty about its realisation. At each Balance Sheet date the carrying amount of deferred tax assets are reviewed to reassure realization.

(m) Impairment of Assets:

The carrying amount of assets, other than inventories is reviewed at each balance sheet date to assess whether there is any indication of impairment in respect of such assets or group of assets (cash generating unit). If such indication exists, the recoverable amount of such asset or group of assets is estimated. If such recoverable amount of the assets or the group of assets is less than its carrying amount, an impairment loss is reckoned by reducing the carrying amount to its recoverable amount. If there is an indication at the balance sheet date that a previously assessed impairment loss



NOTES TO THE FINANCIAL STATEMENTS

no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount, subject to a maximum of depreciable historical cost.

(n) Provisions, Contingent Liabilities and Contingent Assets:

The Company recognizes a provision when there is a present obligation as a result of a past event on which it is probable that there will be outflow of resources to settle the obligation in respect of which reliable estimates can be made. Contingent liabilities are disclosed by way of note to the Financial Statement after careful evaluation by the management of the facts and legal aspects of the matter involved. Contingent Assets are neither recognized nor disclosed.

32. The title deeds for land (freehold and leasehold), building, residential flats, licenses, agreements, loan documents, and some of the bank accounts etc. are in the process of being transferred in the name of the Company on amalgamation of Tungabhadra Holdings Private Limited. Stamp duty and other levies arising out of the Scheme of Amalgamation, if any, shall be accounted on determination and completion of transfer formalities.

33. The outflow of the resources in respect of pending disputed matters in respect of Sales Tax and Excise Duty would depend on the ultimate outcome of the disputes lying before various authorities amounting to ₹ 294.11 lacs (previous year ₹ 294.11 lacs) however company has made the provision to the full extent. The Company has taken legal and other steps necessary to protect its position in respect of these claims.

34. Disclosure pursuant to Accounting Standard AS-15 “Employee Benefits”

A. The Company has recognized ₹ 105.16 lacs (Previous Year ₹ 71.70 lacs) in the statement of Profit and Loss for the year ended 31st March, 2014 under Defined Contribution Plan.

B. Defined Benefit Plans:

Contribution to Gratuity:

Provision for Gratuity has been made in the accounts based on an actuarial valuation carried out at the close of the year. The Company does not have any funding arrangement and the liability is discharged to the employees in the year of retirement / cessation of employment.

Details under AS-15, to the extent applicable are furnished below:

(₹ in lacs)

S No.	Particulars	2013-14	2012-13
(a)	Changes in the Present Value of the Defined Benefits Obligation		
(i)	Present value of Defined Benefit Obligation at the beginning of the year	406.07	424.28
(ii)	Interest Cost	33.50	37.12
(iii)	Current Service cost	16.88	20.21
(iv)	Benefits paid	(111.23)	(106.57)
(v)	Actuarial (Gain)/Loss	28.49	31.04
(vi)	Present Value of Defined Benefit Obligation at the End of the year.	373.71	406.07
(b)	Balance Sheet Reconciliation		
(i)	Net Liability at the beginning of the year	406.07	317.71
(ii)	Expense recognized	78.87	88.38
(iii)	Net Liability at the end of the year.	484.94	406.07



NOTES TO THE FINANCIAL STATEMENTS

(₹ in lacs)

S No.	Particulars	2013-14	2012-13
(c)	Amounts recognized in the Profit & Loss account		
	(i) Current Service Cost	16.88	20.21
	(ii) Interest Cost	33.50	37.12
	(iii) Net Actuarial (Gain)/Loss	28.49	31.04
	(iv) Expenses Recognised in the Statement of Profit and Loss A/c	78.87	88.38
(d)	Actuarial Assumption		
	(i) Discount rate	N.A.	N.A
	(ii) Expected rate of return on Plan Assets	8.25%	8.25%
	(iii) The estimate of future salary increases considered in actuarial valuation take account of inflation, seniority, promotion, and other relevant factors such as supply and demand factors in the employment market.	5.5%	5.5%

35. Related Party Disclosures:

As per Accounting Standard 18, the disclosures of transactions with the related parties are given below:

(a) List of related parties where control exists and related parties with whom transactions have taken place and relationships:

Sr.No.	Name of the Related Party	Relationship
1	Zenith (USA) Inc.(Wholly owned)	Subsidiary
2	Zenith Middle East FZ LLC (Wholly owned)	
3	Birla Bombay Pvt.Ltd.	Enterprises Owned or significantly influenced by key management personnel or their relatives where transactions have taken place
4	Shearson Investment & Trading Co.Pvt.Ltd.	
5	Lakshmi Properties Ltd..	
6	Birla Art Lifestyle Pvt. Ltd.	
7	Birla Wellness & Healthcare Pvt. Ltd.	
8	Asian Distributors Pvt. Ltd.	
9	Birla Surya Ltd.	
10	Birla Precision Technologies Ltd	
11	Birla Power Solutions Ltd	
12	Ashok Birla Apollo Hospitals Pvt Ltd	
13	Birla Cotsyn (India) Ltd	
14	Birla Concepts(India) Ltd	
15	Godavari Corporation Pvt Ltd	
16	Birla Viking Travels Ltd	
17	Birla Shloka Edutech Ltd	
18	Birla Edutech Ltd	
19	Birla Electricals Pvt Ltd	
20	Birla Energy Infra Ltd	
21	Birla Global Corporate Pvt Ltd	
22	Birla Industries group Charity Trust	
23	Birla Infrastructure Ltd	
24	Khopoli Investments Ltd	



NOTES TO THE FINANCIAL STATEMENTS

Sr.No.	Name of the Related Party	Relationship
25	Nirved Traders Pvt Ltd	Enterprises Owned or significantly influenced by key management personnel or their relatives where transactions have taken place
26	Birla International Pvt Ltd	
27	Birla Integrated Textile Park Ltd	
28	Birla Brothers Pvt Ltd	
29	Abhiram Steels Pvt Ltd	
30	Abhiram Hotels & Resorts Pvt Ltd	
31	Melstar Information Technologies Ltd	
32	Vijay Puraanjay Minerals Pvt Ltd	
33	Birla Kerala Vaidyashala Pvt Ltd	
34	Birla Life Styles Pvt Ltd	
35	Birla Pacific Medspa Ltd	
36	Birla Research & Life Sciences Ltd	
37	Birla Retail & Distributors Pvt Ltd	
38	Birla Terrajoule Pvt Ltd	
39	Birla Transasia Carpets Ltd	
40	Birla Urja Ltd	
41	Vedant Consultancy Pvt Ltd	
42	Zenith Dyeintermediates Ltd	
43	Birla Aircon Infrastructure Pvt Ltd	
44	Birla Capital & Financial Services Ltd	
45	Shri Yashowardhan Birla -Chairman	Key Management Personnel
46	Shri Pushkar Natu- Whole-time Director	
47	Shri M.S. Arora -Managing Director	

Net Balance of Receivable, Payable, Deposits, Loan etc.			Balance Carried to Balance Sheet (Net) as at 31-03-2014		Balance Carried to Balance Sheet (Net) as at 31-03-2013	
			Receivable	Payable	Receivable	Payable
i) Subsidiary	a)	Zenith (USA) Inc.(Wholly owned)	834.54	-	868.97	-
	b)	Zenith Middle East FZ LLC (Wholly owned)	8,717.47	-	684.45	-
ii) Key Management Personnel		Shri Yashowardhan Birla -Chairman	-	-	-	-
		Shri M.S. Arora -Managing Director	-	41.56	-	-
iii) Enterprises Owned or significantly influenced by key management personnel or their relatives.	1	Birla Precision Technologies Ltd.	-	299.98	274.71	-
	2	Birla Power Solutions Ltd. - other	461.00	-	402.83	-
	3	Birla Bombay Pvt.Ltd.	-	47.50	-	47.50
	4	Birla Cotsyn (India) Ltd.	273.63	-	959.43	-
	5	Shearson Investment & Trading Co. Pvt Ltd.	582.36	-	235.32	-
	6	Godavari Corporation Pvt.Ltd.	886.04	-	1,351.33	-
	7	Birla Viking Travels Ltd.	17.51	-	15.76	-
	8	Birla Shloka Edutech Ltd.	-	-	-	123.45
	9	Asian Distributors Pvt. Ltd.	92.74	-	81.57	-



NOTES TO THE FINANCIAL STATEMENTS

Net Balance of Receivable, Payable, Deposits, Loan etc.			Balance Carried to Balance Sheet (Net) as at 31-03-2014		Balance Carried to Balance Sheet (Net) as at 31-03-2013	
			Receivable	Payable	Receivable	Payable
iii) Enterprises Owned or significantly influenced by key management personnel or their relatives.	10	Melstar Information Technologies Ltd.	2.56	-	2.56	-
	11	Abhirama Steel Pvt. Ltd	-	-	5.00	-
	12	Zenith Dyeintermediates Ltd	41.59	-	-	10.03
	13	Shloka Infotech Ltd	-	123.45	-	73.63
	14	Birla Retails & distributors Pvt Ltd	-	1.06	-	-
	15	Birla Global Corporation Pvt.Ltd.	99.11	-	8.13	-
	16	Birla Infrastructure Pvt.Ltd.	380.52	-	505.96	-
	17	Birla International Pvt.Ltd.	286.97	-	283.51	-
	18	Nirved Traders Pvt Ltd	1119.44	-	1170.12	-
	19	Vedant Consultancy Pvt Ltd	125.00	-	125.00	-
	20	Mounhill Investment Advisors P Ltd	2.12	-	50.91	-
	21	Birla Surya Ltd.	750.00	-	750.00	-

(b) Transaction with related parties

(₹ In lacs)

	Subsidiaries		Key Management Personnel		Enterprise owned and significantly influenced by Key Management personnel or their relatives	
	31/03/2014	31/03/2013	31/03/2014	31/03/2013	31/03/2014	31/03/2013
Sale of Goods	2506.78	757.09	-	-	-	160.88
Purchase of Goods	-	-	-	-	-	931.21
Travel Agency	-	-	-	-	-	20.42
Service charges received	-	-	-	-	-	111.35
Inter Corporate Deposit - Paid	-	-	-	-	-	1,532.00
Interest received	-	-	-	-	-	341.99
Inter Corporate Deposit – Recd.	-	-	-	-	-	175.00
Inter Corporate Deposit – Refund Received	-	-	-	-	-	486.00
Inter Corporate Deposit/ Loan – Re Paid	-	-	-	-	-	65.00
Advance Paid	-	-	-	-	-	5.00
Other	-	-	-	-	-	-
Remuneration	-	-	41.56	130.47	-	-

**NOTES TO THE FINANCIAL STATEMENTS**

c) Disclosures in respect of material transactions with related parties during the year included in (b) above.

SI No.	Particulars	₹ in Lacs)	
		2013-14	2012-13
1	Sale of Goods		
	Zenith (USA) Inc.	2506.78	757.09
	Birla Precision Technologies Ltd.	-	160.88
2	Purchase of Goods		
	Birla Power Solutions Ltd.	-	917.44
	Birla Precision Technologies Ltd.	3.02	5.64
	Abhiram Steel Pvt Ltd.	-	8.13
3	Inter Corporate Deposit - Received		
	Birla Power Solutions Ltd.	-	175.00
	Birla Precision Technologies Ltd.	50.00	-
4	Inter Corporate Deposit - Given		
	Birla Surya Ltd.	-	750.00
	Birla Cotsyn Ltd	-	496.00
	Shearson Investment & Trading Co. Pvt Ltd.	-	200.00
	Asian Distributors Pvt Ltd.	-	86.00
5	Interest Received / Receivable		
	Birla Power Solutions Ltd.	98.74	173.56
	Godavari Corporation Pvt.Ltd.	-	115.64
	Shearson Investment & Trading Co. Pvt Ltd.	66.99	46.62
	Birla Precision Technologies Ltd.	83.26	-
	Birla Cotsyn India Ltd.	-	6.17
	Asian Distributors Pvt. Ltd.	11.18	-
6	Other Services		
	Birla Power Solutions Ltd.	-	12.48
	Birla Viking Travels Pvt Ltd.	-	20.42
	Birla Glonbal Corporate Pvt. Ltd.	110.20	
	Birla Precision Technologies Ltd.	-	98.87
7	ICD Refund Received		
	Birla Cotsyn India Ltd.	-	86.00
	Shearson Investment & Trading Co. Pvt Ltd.	-	400.00
8	Loan/ICD -Repaid		
	Birla Power Solutions Ltd.	-	65.00



NOTES TO THE FINANCIAL STATEMENTS

SI No.	Particulars	₹ in Lacs)	
		2013-14	2012-13
9	Advance - Paid		
	Abhiram Steels Pvt. Ltd.	-	5.00
	Zenith Middle East LLC	9150.80	
10	Remuneration Paid	-	130.47

36. (i) Assignment of Debts under Short Term loans and Advances represents debts for which the Company has entered into deeds of assignment for transfer of debts outstanding and receivable by the Company, to the purchaser of the debts.
- (ii) In the opinion of the Board, Current Assets, Loans and Advances have a value on realisation in the ordinary course of business at least equal to the amount at which they are stated.
37. During the year 2006-07 the Company made a Follow on Public Issue and consequently raised an amount of ₹ 13,100 Lacs.

The shareholders of the company at the Annual General Meeting held on 17th September, 2012 approved variation in utilisation of follow on public offer proceeds, so that the company can also utilize the proceeds for. Manufacturing of SAW & ERW pipes at Chennai or at such other locations may be decided by the Board. Out of ₹ 13500 lacs, ₹ 8036 lacs will be utilized from the unutilized proceeds of public issue and balance ₹ 5464 lacs will be from unutilized proceeds of GDR issue. The detail of utilization of proceeds of ₹ 13500 lakh is given hereunder:

(₹ in lakh)

Particulars	Projected Amt	Amount to be spent
Land and Building	1,000.00	1,000.00
Plant and Machinery(Imported & Indigenous)	8,532.00	8,321.00
Miscellaneous Fixed assets	3,696.00	3,696.00
Contingency	272.00	272.00
Balance amount to be spent	13,500.00	13,289.00

Pending full utilization, the balance amount is held in Current/Fixed deposit /loan accounts.

38. Disclosures in respect of Derivatives Instruments:

- i) Derivative Instruments Outstanding as on 31st March, 2014 ₹ Nil
- Foreign Currency Exposure that are not hedged by forward contracts as at 31st March, 2014.

	Amount (USD) 2013-14	Amount (USD) 2012-13	Amount (EURO) 2013-14	Amount (EURO) 2012-13	Amount (AUD) 2013-14	Amount (AUD) 2012-13
1 Term Loan	3,872,490.00	6,528,353.34	-	-		-
2 Debtors	1,499,504.77	3,070,006.63	-	83,768.00		209,653.00
3 Other Payables	560,244.00	1,094,235.00	-	-		-
4 Other Receivables	16,054,283.59	1,262,011.00	-	-		-

**NOTES TO THE FINANCIAL STATEMENTS****39. Computation for Earning Per Share**

(₹ in lakh)

	2013-14	2012-13
Profit for the Year	(19979.45)	(4469.82)
Weighted average Number of Equity Share	13,12,80,448	13,12,80,448
TOTAL	13,12,80,448	13,12,80,448
Earnings per share	(15.20)	(3.4)

40. The Company has recognised exchange differences arising on long term foreign currency monetary items in line with para 46 of Accounting Standard 11, inserted vide notification No. 43R 22E dated 31st March, 2009 as per Companies (Accounting Standard) Amendment Rules, 2009 and further notification dated 29th December, 2011.

Pursuant to the above, effect of exchange difference on long term foreign currency monetary items, so far as they relate to acquisition of depreciable capital assets, have been adjusted to the cost of such assets and depreciated over their remaining useful lives. Accordingly, net exchange loss relating to the financial year 2013-14 amounting to ₹ 213.56 lacs, has been adjusted to the cost of fixed assets.

There are no long term foreign currency monetary items which require exchange differences to be amortised.

41. In accordance with Accounting Standard – 17 “Segment Reporting”, segment information has been given in the consolidated financial statement of the Company and therefore, no separate disclosure on segment information is given in these financial statements.
42. Balances of Sundry Creditors, Debtors, Loans and advances, deposits etc. are as per books of accounts in absence of confirmation and reconciliation thereon.
43. The company has declared a lockout of its khopoli unit in November, 2013.
44. After a detailed assesment, the company has written off old and damaged stock aggregating to ₹ 20.02 crores, lying at various units of the company, as realisable value had significantly eroded.
45. The company has not provided interest to the extent of ₹ 25.52 crores on certain bank outstanding which were classified as non performing assets during the year.
46. Consortium of banks led by State Bank of India has taken action under Securitisation & Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 in February 2014 and called upon the company to repay the amount of ₹ 193.19 crores towards the dues as on 31.01.2014, within 60 days. Thereafter, the consortium of banks have taken symbolic possession on 29.05.2014 of the immovable assets at the khopoli unit.
47. Interest amounting to ₹ 8.77 crores on ICDs given by the company is not considered as income due to realisability not being certain.
48. Debit balance aggregating ₹ 47.00 crores, considered unrealisable have been written off as a prudent measure.
49. Exceptional item of ₹ 56.02 crores relate to write off of the advances of discontinued projects.
50. Corresponding Previous year figures have been regrouped / recast and reclassified wherever necessary to make them comparable.

As per our attached report of even date

FOR **THAKUR, VAIDYANATH AIYAR & CO.**
Chartered Accountants
Firm Registration No.: 000038N

C.V. Parameswar
Partner
Membership No: 11541

Mumbai, 14th August, 2014

By Order of the Board

Mr. Ashish Mahendrakar Mr. Satish Jadhav
Director Director

Mr. B. Girvanesh Mr. Vimal Prakash Dubey
Chief Financial Officer Company Secretary



STATEMENT REGARDING SUBSIDIARY COMPANIES PURSUANT TO SECTION 212 OF THE COMPANY ACT, 1956

Name of the Subsidiary	Period of the Subsidiary Company	No. of Equity Shares	Percentage of Holding	The Net aggregate amount of Subsidiary's Profit/Losses so far as it concerns the members of the Holding Company not dealt with in the Holding Company's Accounts		The Net aggregate amount of the Profit/Losses of Subsidiary which has been dealt with in the account of the Holding Company	
				For the Current Period	For Previous Period since it became Subsidiary	For the Current Period	For Previous Periods since it became Subsidiary
Zenith (USA) Inc.	1 st January 2013 to 31 st December 2013.	1000 Shares (No par value - Nominal value US\$ 30000)	100%	US\$ (128,253.99)	US\$ (11,88,592)	N.A.	N.A.
Zenith Middle East FZE	1 st April 2013 to 31 st March 2014.	2 Share of UAE Dirhams 2.22 Million	100%	UAE Dhs. (2057.20)	UAE Dhs. (122669)	N.A.	N.A.

By Order of the Board

Mr. Ashish Mahendrakar
Director

Mr. Satish Jadhav
Director

Mr. B. Girvanesh
Chief Financial Officer

Mr. Vimal Prakash Dubey
Company Secretary



INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of

ZENITH BIRLA (INDIA) LIMITED

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of **ZENITH BIRLA (INDIA) LIMITED** ("the Company"), and its subsidiaries, (collectively referred to as "The Group") which comprise the consolidated Balance Sheet as at March 31, 2014, and the consolidated Statement of Profit and Loss and the consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

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

Basis for Qualified Opinion

1. With reference to Note No. 45 regarding the non provision by the Company of the interest amounting to ₹ 2,551.72 lacs on its working capital facilities from Banks during the year Had this amount been provided for, the loss would have been higher by ₹ 2,551.72 lacs and Secured Loans would have been higher by an amount of ₹ 2,551.72 lacs.
2. With reference to Note No. 42 regarding the Company not having the balance confirmations for its party balances and hence our inability to state whether these balances are recoverable/payable to the extent stated.

Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, subject to the effects of the matters described in the basis of qualified opinion paragraph the consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) in the case of the consolidated Balance Sheet, of the state of affairs of the Group as at March 31, 2014;
- b) in the case of the consolidated Statement of Profit and Loss, of the loss of the Group for the year ended on that date; and
- c) in the case of the consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

Other Matters

We did not audit the financial statements of two wholly owned foreign subsidiaries included in the consolidated financial statements, which constitute total assets of ₹ 9,077.12 lacs and net assets of ₹ (910.13) lacs as at March 31, 2014, total revenues of ₹ 11,048.23 lacs, net loss of ₹ 196.53 lacs and net cash flows amounting to ₹ 17.99 lacs for the year then ended.

These financial statements and other financial information have been certified by the management and furnished to us, and our opinion on the consolidated financial statements is based solely on the certified financial statements.

Since the financial statements of the foreign subsidiaries which were compiled by the management for the financial year ended 31st March, 2014 were not audited as at 31st March, 2014, any adjustments to their balances could have consequential effect on the attached consolidated financial statements.

For **THAKUR, VAIDYANATH AIYAR & CO.**

Chartered Accountants
Firm Reg. No. 000038N

C V Parameswar
Partner
Mem. No. 11541

Place: Mumbai

Date: 14th August, 2014



CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2014

Particulars	Note No.	As at 31 March, 2014	As at 31 March, 2013
(₹ in Lacs)			
I. EQUITY AND LIABILITIES			
1. Shareholders' Funds			
(a) Share Capital	1	13,128.04	13,128.04
(b) Reserves and Surplus	2	(8,224.20)	11,035.74
(c) Money received against Share Warrants		-	494.88
		4,903.85	24,658.66
2. Non-Current Liabilities			
(a) Long-Term borrowings	3	2,727.79	2,839.42
(b) Deferred Tax Liabilities (Net)	4	504.86	504.86
(c) Other Long-Term Liabilities	5	792.92	912.73
(d) Long-Term Provisions	6	1,375.42	961.26
		5,400.99	5,218.27
3. Current Liabilities			
(a) Short Term Borrowings	7	21,026.27	17,594.20
(b) Trade Payables	8	7,059.66	15,409.11
(c) Other Current Liabilities	9	8,265.02	6,731.29
(d) Short-Term Provisions	10	1,411.44	3,837.49
		37,762.39	43,572.09
TOTAL		48,067.22	73,449.03
II. ASSETS			
Non-Current Assets			
1. (a) Fixed Assets			
(i) Tangible Assets	11	10,347.40	10,827.75
(ii) Intangible Assets		12.93	12.93
(iii) Capital work-in-progress		2,213.53	2,015.60
(b) Non-Current Investments	12	1.01	4.90
(c) Long-Term Loans and Advances	13	852.48	4,408.14
		13,427.34	17,269.32
2. Current Assets			
(a) Inventories	14	1,320.22	11,310.88
(b) Trade receivables	15	11,514.41	5,835.39
(c) Cash and Cash Equivalents	16	398.16	9,153.25
(d) Short-Term Loans and Advances	17	21,407.10	29,880.21
		34,639.88	56,179.73
TOTAL		48,067.22	73,449.22

Significant Accounting Policies
Notes on Financial Statements

I to 50

As per our attached report of even date
FOR THAKUR, VAIDYANATH AIYAR & CO.

Chartered Accountants

Firm Registration No.: 000038N

C.V. Parameswar

Partner

Membership No: 11541

Mumbai, 14th August, 2014
By Order of the Board

 Mr. Ashish Mahendrakar
 Director

 Mr. Satish Jadhav
 Director

 Mr. B. Girvanesh
 Chief Financial Officer

 Mr. Vimal Prakash Dubey
 Company Secretary

**CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2014**

Particulars	Note No.	(₹ in Lacs)	
		For the year ended 31 March, 2014	For the year ended 31 March 2013
I. INCOME			
Revenue From Operations (gross)	19	24,186.62	29,694.49
Less : Excise Duty		1,251.28	2,346.63
		<u>22,935.34</u>	<u>27,347.86</u>
II. Other Income	20	1,485.42	1,864.31
III. Total Revenue (I + II)		<u>24,420.76</u>	<u>29,212.17</u>
IV. EXPENSES			
Cost of Materials consumed	21	9,144.80	15,149.88
Purchase of Stock in Trade	22	11,531.74	9,048.75
Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	23	7,171.52	1,170.03
Employee Benefits expenses	24	1,514.17	1,682.87
Finance Costs	25	2,105.14	3,518.86
Depreciation and Amortization Expenses		651.91	548.96
Other Expenses	26	7,043.66	3,211.31
Total Expenses		<u>39,162.93</u>	<u>34,330.66</u>
V. PROFIT BEFORE TAX		<u>(14,742.17)</u>	<u>(5,118.49)</u>
VI. Tax Expenses			
(a) Current Tax		-	-
(b) Deferred Tax		-	-
(c) Wealth Tax		1.17	0.68
(d) Tax in respect of earlier years		-	2.88
		<u>1.17</u>	<u>3.56</u>
VII. PROFIT FOR THE YEAR (V - VI)		<u>(14,743.34)</u>	<u>(5,122.05)</u>
VIII. Exceptional Items (Advances related to Discontinued Project Written off)		5,602.88	
IX Profits Transferred to Reserves and Surplus		(20,346.22)	(5,122.05)
Earning per Equity Share of face value of ₹ 10 each Basic and Diluted (in ₹)			
Significant Accounting Policies			
Notes on Financial Statements	I to 50		

As per our attached report of even date

FOR THAKUR, VAIDYANATH AIYAR & CO.
Chartered Accountants
Firm Registration No.: 000038N

C.V. Parameswar
Partner
Membership No: 11541

Mumbai, 14th August, 2014**By Order of the Board**

Mr. Ashish Mahendrakar Mr. Satish Jadhav
Director Director

Mr. B. Girvanesh Mr. Vimal Prakash Dubey
Chief Financial Officer Company Secretary



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

(₹ in Lacs)

	For the year ended 31 March, 2014	For the year ended 31 March, 2013
A. CASH FLOW FROM OPERATING ACTIVITIES :		
Net Profit before Tax as per Profit and Loss Account	(14150.82)	(5,118.49)
Add/(Deduct):		
a) Depreciation and Amortisation expense	651.91	548.96
b) Loss on Sale / Discard of Assets (Net)	(130.34)	(3.49)
c) Finance Cost	2,105.14	3,518.86
d) Interest Income	(469.85)	(1,237.36)
e) Dividend Income	-	(0.06)
	2,156.86	2,826.91
Operating Cash Profit before Working Capital Changes	(11,993.96)	(2,291.58)
Add/(Deduct):		
a) Trade and other Receivables	2,966.06	(3,168.12)
b) Inventories	9,990.66	2,602.94
c) Trade and other Payables	(8,927.58)	678.21
	4,029.15	113.03
CASH GENERATED FROM OPERATIONS	(7,964.81)	(2,178.55)
Add: Tax Payments	50.97	(46.26)
NET CASH FLOW FROM OPERATING ACTIVITIES	(7,913.84)	(2,224.81)
B. CASH FLOW FROM INVESTING ACTIVITIES :		
Inflow		
a) Sale of Fixed Assets	210.23	415.37
b) Sale of Current Investments (Net)	3.89	-
c) Dividend from Current Investments	-	0.06
d) Inter Corporate Deposits and Loans (Including Interest) (Net)	4,708.17	(174.48)
	4,922.30	240.95
Outflow		
a) Acquisition of Fixed Assets	401.31	1,430.73
	401.31	1,430.73
NET CASH FLOW FROM INVESTING ACTIVITIES	4,520.98	(1,189.78)

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

(₹ in Lacs)

	For the year ended 31 March, 2014	For the year ended 31 March, 2013
C. CASH FLOW FROM FINANCING ACTIVITIES :		
Inflow		
a) Borrowings (Net of repayments)	3,277.18	7,137.57
	<u>3277.18</u>	<u>7137.57</u>
Outflow		
a) Finance Charges (Net)	2,102.67	3,665.82
	<u>2,102.67</u>	<u>3,665.82</u>
NET CASH FLOW FROM FINANCING ACTIVITIES	1,174.51	3,471.75
D. Exceptional Items (Advances related to Discontinued Project Written off)	(5,602.88)	-
NET INCREASE/ (DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C+D)	(7,821.22)	57.15
CASH AND CASH EQUIVALENTS AS AT THE BEGINNING OF THE YEAR	8,060.19	8,003.04
CASH AND CASH EQUIVALENTS AS AT YEAR END	<u>238.97</u>	<u>8,060.19</u>
<u>Reconciliation of Cash and Cash Equivalents as at year end:-</u>	-	
Cash and Cash Equivalents as per Note No. 16	398.16	9,153.25
Less: Balance in Fixed Deposit accounts kept as margin money with the bankers	(162.74)	(1,093.06)
	<u>235.41</u>	<u>8,060.19</u>

As per our attached report of even date

FOR THAKUR, VAIDYANATH AIYAR & CO.
Chartered Accountants
Firm Registration No.: 000038N

C.V. Parameswar
Partner
Membership No: 11541

Mumbai, 14th August, 2014**By Order of the Board**

Mr. Ashish Mahendrakar Mr. Satish Jadhav
Director Director

Mr. B. Girvanesh Mr. Vimal Prakash Dubey
Chief Financial Officer Company Secretary



CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS

(₹ in Lacs)

	As at 31 March, 2014	As at 31 March, 2013
I. SHARE CAPITAL		
AUTHORISED:		
15,55,00,000 Equity Share of ₹ 10/- each (15,55,00,000)	<u>15,550.00</u>	<u>15,550.00</u>
ISSUED, SUBSCRIBED & FULLY PAID UP		
13,12,80,448 Equity Share of ₹ 10/- each (13,12,80,448)	<u>13,128.04</u>	<u>13,128.04</u>
TOTAL	<u><u>13,128.04</u></u>	<u><u>13,128.04</u></u>
1.1 The reconciliation of the number of shares outstanding is set out below:	No. of Shares	No. of Shares
Shares outstanding at the beginning of the year	131,280,448	131,280,448
Shares outstanding at the end of the year	131,280,448	131,280,448
1.2 The details of Shareholders holding more than 5% share	No. of % held Share	No. of % held Share
Bank of New York Mellon	4125912 3.14	10382472 7.91
Focus Shares & Securities Pvt Ltd.	-	7500000 5.71
Shearson Investment Trading Company Pvt.Ltd.	-	2481193 1.89
Godavari Corporation Pvt.Ltd.	-	1354632 1.03
1.3 2,16,20,529 Equity Shares out of the Issued, Subscribed and Paid up Share (2,16,20,529) capital were allotted as Bonus Share in the last five years by capitalisation of Securities Premium and Reserves.		
1.4 1,36,70,315 Equity Shares out of the Issued, Subscribed and Paid up Share (1,36,70,315) capital were allotted during the last five years pursuant to a scheme of amalgamation without payment being received in cash.		
1.5 5,59,17,060 Equity Shares out of the Issued, Subscribed and Paid up Share (5,59,17,060) capital were allotted in the last five years on conversion/exercise of warrants and against Global Depository Receipts.		
1.6 On 10-01-2011 the Company issued 1,08,10,000 Convertible Equity Share Warrants which were convertible into 1 Equity Share of ₹ 10 each at a price calculated in accordance with SEBI regulation. 25% of the issue price was payable at the time of allotment of warrants and the balance 75% at the time of allotment of Equity Shares. On 25-03-2011, 15,60,000 warrants were converted into Equity Shares. The remaining 92,50,000 warrants are not converted into Equity Share before 09-07-2012. The Company has forfeited the amount of ₹ 494.88 lacs received against share warrants as the subscribers did not exercise the option by the due date.		
2. RESERVES AND SURPLUS		
1. Securities Premium Reserve		
Balance as per last account	14,308.30	14,308.30
2. General Reserve:		
Forfeiture of money received against share warrants	494.88	-
Balance as per last account	<u>91.29</u>	<u>91.29</u>
3. Surplus in Statement of Profit and Loss		
Balance as per last account	(3,193.62)	1,758.19
Add: Net Profit for the current year	<u>(20,346.17)</u>	<u>(5,122.05)</u>
Less: Previous year Write Back	<u>421.12</u>	<u>(3,363.85)</u>
Closing Balance	<u><u>(23,118.67)</u></u>	<u><u>(3,363.85)</u></u>
TOTAL	<u><u>(8,224.20)</u></u>	<u><u>11,035.74</u></u>

**CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS**

(₹ in Lacs)

As at
31 March, 2014 As at
31 March, 2013

3. LONG TERM BORROWINGS**Secured** (Refer Note)(a) **Term Loans**

From Banks

1,393.79

181.61

From Others

486.57

1,432.25

(b) Long term maturities of finance lease obligations

40.75

27.46

SUB TOTAL A**1,921.11****1,641.31**

Note: Terms of Borrowing									
	Nature of Security	Original amt of Borrowing ₹/Lacs	Tenor of Inception (in years)	Terms of Repayment	Month in which last instalment is due	Repayment schedule Instalments ₹/Lacs	Balance as on 31 st March 2014 ₹/Lacs	Balance as on 31 st March 2013 ₹/Lacs	Prevailing Interest Per Annum
	Secured								
1	Term Loan from Bank is secured by mortgage of Thane office building against which the loan has been taken	300	10	Monthly	Dec-14	1.15	162.16	199.01	15%
2	Loan from others is secured by First charge (hypothecation) of all movable assets, including Specific Plant and Machinery purchased out of this term loan with a second charge over these assets to existing working capital bankers, and second charge (hypothecation) on overall existing movable and immovable assets including Plant and Machinery.	5625	8.5	Quarterly	Jul-15	153	2289.55	2302.48	3 Month Libor + 3.25%
3	The Term loan shall be secured by First pari-passu charge on all assets funded under the proposed capex plan and second charge on all existing movable and immovable assets of the company (excluding all movable assets charged to FMO on exclusive basis.)	1125	8.5	Quarterly	Feb-19	51.13	1231.64	0	16.25%
4	Long Term Maturities of Finance Lease obligations are secured by hypothecation of specific vehicles against which the loan has been taken.	33.76	3-4	Monthly	Jun-16	0.97	40.75	32.25	12.25%
	Sub-Total						3724.10	2533.74	
	Less: Current Maturities of Long term Debt {Refer Note 9(a)}						1802.99	892.43	
	Total						1921.11	1641.31	

Unsecured

(a) Deferred payment Liabilities

150.00

150.00

(b) Deposits

481.68

1,048.11

(c) Loans and Advances from related parties (Refer Note No. 35)

175.00

-

SUB TOTAL B**806.68**

1,198.11

TOTAL A+B**2,727.79****2,839.42**



CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS

		(₹ in Lacs)	
		As at	As at
		31 March, 2014	31 March, 2013
4. DEFERRED TAX LIABILITY (NET)			
Deferred Tax Liability		671.85	671.85
On account of Depreciation			
Deferred Tax Assets			
Disallowance under the Income Tax Act, 1961		166.99	166.99
TOTAL		504.86	504.86
5. OTHER LONG TERM LIABILITIES			
(a) Others		792.92	912.73
TOTAL		792.92	912.73
6. LONG TERM PROVISIONS			
(a) Provision for Employee Benefits			
Gratuity		815.41	400.86
Leave Encashment		81.51	81.90
(b) Provision for Contingencies		478.51	478.50
TOTAL		1,375.42	961.26
7. SHORT TERM BORROWINGS			
Secured			
Loans repayable on demand			
(a) From Banks		21,026.27	16,345.51
(b) From Others		-	-
Foreign Currency Loans - Buyers Credit		-	1,246.43
7.1 Loans repayable on demand from Banks are secured by hypothecation of inventories and /or book debts and export incentives recoverable etc. and collaterally secured by way of first charge on the fixed assets.			
7.2 Foreign Currency Loan- Buyers Credit is secured by first charge on the assets purchased from the loan.			
Unsecured			
Loans and Advances from related parties. (Refer Note No. 35)		-	2.26
TOTAL		21,026.27	17,594.20
8. TRADE PAYABLES			
(a) Micro, Small and Medium Enterprises (*)		-	-
(b) Others (including ₹ 1640.07 lacs due to related parties)		7,059.66	15,409.11
TOTAL		7,059.66	15,409.11
(*) There are no Micro and Small enterprises to whom the Company owes amounts which are outstanding as at 31 st March 2013. This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 (MSME) has been determined on the basis of and to the extent information is available with the Company. No interest is paid / payable during the year to any enterprise registered under the MSME.			
9. OTHER CURRENT LIABILITIES			
Current Maturities of Long Term Debts		1,802.99	892.41
Current Maturities of Deposit		2,536.47	2,292.02
Interest accrued but not due on borrowings		20.11	17.64
Unclaimed Dividends		36.61	40.18
Advance from Customers		0.58	674.02
Interest payable on Fixed Deposit		740.29	336.17
Other payables (Including ₹ 1,460 Lacs advances against sale of Land)		3,127.96	2,478.85
TOTAL		8,265.02	6,731.29
There is no amount due and outstanding as on 31 st March, 2014, to be credited to Investors Education and Protection Fund			
10. SHORT TERM PROVISIONS			
Provision for Employee Benefits			
Gratuity		10.70	8.26
Leave Encashment		3.18	1.59
Salary & Reimbursements		-	47.34
Contribution to Provident Fund		0.44	1.73
Provision for Wealth Tax		2.48	2.48
Dividend Tax on Dividend		359.08	359.08
Provision for Excise Duty		-	355.63
Creditors for Services		505.43	501.92
Provision for outstanding expenses		341.23	2,414.16
Provision Others *		188.89	145.30
TOTAL		1,411.44	3,837.49
* includes ₹ 118.50 lacs provision for interest on dividend tax			

CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS

11 FIXED ASSETS

DESCRIPTION	GROSS BLOCK			ACCUMULATED DEPRECIATION			NET BLOCK			
	As at 01 April 2013	Additions/Adjustment	Deductions/Adjustment	Balance as at 31 March 2014	Balance as at 01 April 2013	Adjustment / Deductions	For the year	Upto 31 March 2014	Balance as at 31 March 2014	Balance as at 31 March 2013
TANGIBLE ASSETS										
OWN ASSETS:										
1. Freehold Land	1,824.42	-	-	1,824.42	-	-	-	-	1,824.42	1,824.42
2. Leasehold Land	199.23	-	-	199.23	24.12	-	2.28	26.40	172.83	175.11
3. Buildings	5,014.29	54.11	23.06	5,045.33	1,048.53	2.59	416.88	1,462.82	3,582.51	3,965.76
4. Plant and Equipment	6,989.25	39.90	5.84	7,023.31	2,566.50	-	213.77	2,779.96	4,243.35	4,422.75
5. Furniture, Fixtures	389.83	11.47	-	401.30	154.93	-	1.02	155.95	245.35	234.48
6. Vehicles	213.10	-	-	213.10	94.81	-	11.46	106.27	106.83	118.29
7. Office Equipments	24.38	0.15	-	24.53	6.96	-	2.08	9.04	15.48	17.42
8. Computer	193.69	-	-	193.69	177.75	-	0.10	177.85	15.84	15.94
Sub Total	14,848.19	105.63	28.90	14,924.92	4,073.60	2.59	647.60	4,718.30	10,206.61	10,774.16
LEASED ASSETS:										
Improvement on Lease hold Premises	89.30	-	89.30	(0.00)	35.72	35.72	-	(0.00)	-	53.58
Sub Total	89.30	-	89.30	(0.00)	35.72	35.72	-	(0.00)	-	53.58
Total (A)	14,937.49	105.63	118.20	14,924.91	4,109.32	38.31	647.60	4,718.30	10,206.61	10,827.74
INTANGIBLE ASSETS										
Computer Software	21.55	-	-	21.55	4.31	-	4.31	8.62	12.93	12.93
Total (B)	21.55	-	-	21.55	4.31	-	4.31	8.62	12.93	12.93
Total (A+B)	14,959.04	105.63	118.20	14,946.46	4,113.63	38.31	651.91	4,726.92	10,219.54	10,840.67
Previous Year	12,668.07	2,709.21	415.28	14,962.00	3,575.82	3.40	548.92	4,121.32	10,840.67	9,092.26
Capital Work-in-Progress									2,213.53	2,015.60

+ Buildings include (a) Ownership Flats, Roads, Drains and Pipelines and cost of shares in cooperative housing societies.

(b) ₹ 0.91 lac (previous year ₹ 0.91 lacs) being the cost of two flats on 30 years lease for which the Society is yet to be formed.

(c) Refer Note No. 33 is regard to pending transfer of title.



CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS

	(₹ in Lacs)	
	As at 31 March, 2014	As at 31 March, 2013
12. NON CURRENT INVESTMENTS		
TRADE INVESTMENT		
In Equity Shares - Quoted, fully paid up		
4,35,350 Birla Transasia Carpets Limited of (₹ in lakh) 10/-each	63.70	63.69
(4,35,350) Less: Provision for diminution in value	63.70	63.69
	-	-
In Equity Shares of Subsidiary Company		
Unquoted fully paid up		
1,000 Zenith (USA), Inc. New York, a wholly owned Subsidiary Company (1,000) (Nominal value of Shares in US \$ 30,000)	-	-
2 UAE Dirham 2 Million of Zenith Middle East FZE, a wholly owned Subsidiary (2) of the Company, Further UAE Dirham 0.22 Million is pending allotment.	-	-
In Equity Shares of Associate Company		
Unquoted fully paid up		
39,000 Birla Energy Infra Limited of ₹ 10/- each (39000)	-	3.90
OTHER INVESTMENT - Unquoted fully paid up		
236 US \$ 1,000 each of P.T. Horizon Syntex, Indonesia, continue to be held in the (236) name of erstwhile The India Tool Manufacturers Limited and the same are still in process of being transferred in the name of the Company pending receipt of the necessary approval from Reserve Bank of India	19.31	19.31
Less: Provision for diminution in value	19.31	19.31
	-	-
2,000 TIMA CETP Co-Op Society Ltd. of ₹ 10/- each (2000)	0.20	0.20
2,000 The Shamrao Vithal Co-op Bank Ltd. of ₹ 25/- each (2000)	0.50	0.50
In Government Securities - Unquoted		
National Savings Certificates	0.30	0.30
TOTAL	<u>1.01</u>	<u>4.90</u>
Aggregate amount of Quoted Investments	<u>63.70</u>	<u>63.69</u>
Market Value of Quoted Investments	<u>305.18</u>	<u>220.72</u>
Aggregate amount of Unquoted Investments	<u>196.89</u>	<u>196.80</u>
Aggregate provision for diminution in value of Investments	<u>83.00</u>	<u>83.00</u>
13. LONG TERM LOANS AND ADVANCES		
(Unsecured, Considered good)		
Capital Advances	-	3,819.38
Security Deposits	61.64	342.63
Advance Income Tax (Net of Provision)	197.15	205.62
Other Loans and Advances (includes deposits received and advances recoverable)	593.69	40.51
	<u>852.48</u>	<u>4,408.14</u>
Other Loans and Advances Considered Doubtful	160.48	160.48
Less: Provision for doubtful advances	160.48	160.48
	-	-
TOTAL	<u>852.48</u>	<u>4,408.14</u>

**CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS**

	As at 31 March, 2014	As at 31 March, 2013
(₹ in Lacs)		
14. INVENTORIES		
(at lower of Cost and Net Realisable value)		
Raw Materials	208.37	672.24
Raw Materials-in-process	-	654.59
Raw Material in Transit	-	396.31
Semi-Finished Goods	-	2,777.06
Finished Goods	330.73	3,040.19
Stock-in-Trade	621.46	1,319.60
Stores and Spare Parts	79.38	640.35
Others (Scrap)	80.27	1,810.54
TOTAL	1,320.22	11,310.88
15. TRADE RECEIVABLES		
Outstanding for a period exceeding six months from the date they become due for payment (unsecured)		
(a) Considered good	1,640.73	2,323.25
(b) Considered doubtful	150.00	150.00
Less: Provision for doubtful debts	150.00	150.00
	-	-
Other Receivables (unsecured)	9873.6	3,512.14
Considered good		
TOTAL	11,514.41*	5,835.39
(*Including ₹ 1,640.73 due from Related Parties)		
16. CASH AND CASH EQUIVALENTS		
Balances with Banks	218.02	8,003.72
Cheques, Drafts on hand	5.81	5.25
Cash on hand	11.59	11.03
Unclaimed Dividend	-	40.19
Margin Money *	162.74	1,093.06
TOTAL	398.16	9,153.25
17. SHORT TERM LOANS AND ADVANCES		
(Unsecured, Considered good)		
Loans and Advances to related parties (Refer Note No. 35)	6,660.64	7,114.99
Less: Provision for doubtful advances	1211.00	-
Loans and Advances to related parties (Net up provision)	5,449.64	7,114.99
Balance with Port Trust, Customs and Excise	398.06	611.38



CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS

	(₹ in Lacs)	
	As at 31 March, 2014	As at 31 March, 2013
Advance to Suppliers	6,189.80	5,407.33
Advance to Employees	38.64	69.07
Inter Corporate Deposit	6,371.53	7,872.98
Export Incentive Receivable	-	145.23
VAT recoverable	-	1,844.66
Advances Others *	2,959.42	6,814.57
TOTAL	21,407.10	29,880.21
* Includes ₹ 2,141.50 lacs assignment of debts		
18. Contingent Liabilities and Commitments (to the extend not provided for)		
Guarantees given by the Bank on behalf of the Company	-	2,720.17
Estimated amount of Contracts remaining to be executed on Capital Account and not provided for (net of advances)	-	3,372.23
Non Provision of interest post NPA	2,551.72	-
TOTAL	2,551.72	6,092.40
		(₹ in Lacs)
	For the year ended 31 March, 2014	For the year ended 31 March, 2013
19. REVENUE FROM OPERATIONS		
Sale of Products	23,698.22	28,677.32
Other Operating Revenues		
(a) Sale of Scrap	488.40	760.09
(b) Export Incentives	-	257.08
	488.40	1,017.17
TOTAL	24,186.62	29,694.49
Less : Excise Duty	1,251.28	2,346.63
TOTAL	23,935.34	27,347.86
20. OTHER INCOME		
Interest Income	469.85	1,237.36
Dividend Income	-	0.06
Surplus on Sale of Fixed Assets	130.34	3.49
Excess provision written back (Net)	158.71	9.22
Net Gain on Foreign Currency Translation and Transaction	721.45	401.79
Other Non-Operating Income	5.07	212.39
TOTAL	1,485.42	1,864.31
21. COST OF MATERIALS CONSUMED		
Hot Rolled Steel	7,339.99	13,306.84
G.P. Coil	216.46	-
Zinc and Zinc Alloy	1,138.03	560.33
Others	450.32	1,282.71
TOTAL	9,144.80	15,149.88

**CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS**

	(₹ in Lacs)	
	For the year ended 31 March, 2014	For the year ended 31 March, 2013
22. PURCHASE OF STOCK IN TRADE		
H.R/C.R/G.P Coil and GI Sheet	183.01	8,670.19
Pipes	8,296.99	80.16
M.S. Pipe, Tube and Bar	2,745.31	197.36
Other (Pig Iron, Sand Scrap and Masonry Drill Tip)	306.42	101.04
TOTAL	<u>11,531.74</u>	<u>9,048.75</u>
23. CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN PROGRESS AND STOCK-IN-TRADE		
Inventory at the end of the year:		
Finished Goods / Stock-in-Trade	914.10	4,408.98
Semi-Finished Goods	-	2,777.06
Scrap etc.	72.19	1,810.53
	<u>986.29</u>	<u>8,996.57</u>
Less:		
Inventory at the beginning of the year:		
Finished Goods / Stock-in-Trade	4,408.98	5,493.39
Semi-Finished Goods	2,777.06	3,026.91
Scrap etc.	1,810.53	1,731.95
	<u>8,996.57</u>	<u>10,252.25</u>
	<u>(8,010.28)</u>	<u>(1,255.68)</u>
Variation in excise duty on closing and opening stock of Finished Goods	838.76	85.65
TOTAL	<u>(7,171.52)</u>	<u>1,170.03</u>
24. EMPLOYEE BENEFIT EXPENSES		
Salaries and Wages	1,495.12	1,474.35
Contribution to Provident and Other Funds	1.98	71.70
Staff Welfare Expenses	17.07	136.82
TOTAL	<u>1,514.17</u>	<u>1,682.87</u>
25. FINANCE COST		
Interest Expenses	2,052.85	2,881.62
Other borrowing costs	52.29	637.24
TOTAL	<u>2,105.14</u>	<u>3,518.86</u>
26. OTHER EXPENSES		
Manufacturing Expenses		
Consumption of Stores and Spares	126.31	410.96
Power, Fuel and Water	190.37	849.04
Repairs to: (Excludes Stores and Spares issued)		
(a) Buildings	12.31	26.00
(b) Machinery	30.45	41.21
Conversion, Octroi and other manufacturing expenses	211.51	178.25
	<u>570.95</u>	<u>1,505.46</u>
Selling and Distribution Expenses		
Freight, Forwarding and Handling Expenses	428.84	747.92
Commission	24.56	47.43
	<u>453.40</u>	<u>795.35</u>



CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS

	(₹ in Lacs)			
	For the year ended 31 March, 2014	For the year ended 31 March, 2013		
Establishment Expenses				
Rent (Net)	90.20	119.49		
Insurance	5.65	7.39		
Rates and Taxes	20.25	32.95		
Miscellaneous Expenditure	1,115.94	709.15		
Payment to Auditors'				
(A) Statutory Auditors: (excluding service tax)				
(a) Audit Fees	12.04	12.04		
(b) Limited Review Fees,	1.50	1.50		
(c) Other Services,	2.11	2.75		
(d) for reimbursement of Expenses	0.28	0.39		
(B) Cost Audit Fees	1.50	1.50		
Other repairs	-	23.34		
Bad debts, irrecoverable advances and claims written off	4,769.84	-		
TOTAL	7,043.66	3,211.31		
	For the year ended 31 March 2014	For the year ended 31 March 2013		
	(₹ in Lacs)	%		
	(₹ in Lacs)	%		
27. IMPORTED AND INDIGENOUS CONSUMPTION				
(i) Raw Material (including components)				
Imported	-	0.00	1,191.38	4.22
Indigenous	9,144.81	100.00	27,053.81	95.78
TOTAL	9,144.81	100.00	28,245.19	100.00
(ii) Spares				
Imported	-	0.00	10.07	2.45
Indigenous	126.31	100.00	400.89	97.55
TOTAL	126.31	100.00	410.96	100.00
			(₹ in Lacs)	
	As at 31 March 2014	As at 31 March 2013		
28. VALUE OF IMPORTS ON CIF BASIS IN RESPECT OF				
(i) Raw Material (including Canalised items)	-	10.07		
(ii) Spare Parts	-	343.42		
TOTAL	-	353.49		
29. EXPENDITURE IN FOREIGN CURRENCY ON ACCOUNT OF				
(i) Commission	3.04	6.23		
(ii) Interest and Bank Charges	3.22	7.26		
(ii) Others	6.09	9.67		
TOTAL	12.35	23.16		
30. EARNINGS IN FOREIGN CURRENCY				
F.O.B. Value of exports	5,333.14	3,591.93		
TOTAL	5,333.14	3,591.93		

CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS

31. ACCOUNTING POLICIES

(a) Basis of preparation of Financial Statements

- i) The financial statements of the subsidiaries used in the consolidation are drawn upto the same reporting date as that of the Parent Company, i.e. for the period ended 31st March. The foreign subsidiary in USA follows January to December as its financial year. In case of the foreign subsidiary, the Company has redrawn its financial statement for the period ended 31st March.
- ii) The Financial Statement have been prepared under the historical cost convention and on the accrual basis of accounting. The accounts of Parent Company and other Indian Sub sidiaries have been prepared in accordance with the Accounting Standards prescribed by Companies Accounting Standard Rules 2006, and those of foreign subsidiary have been prepared in accordance with the local laws and the applicable Accounting Standards / Generally Accepted Accounting Principles.

(b) Principles of Consolidation:

- i) The financial statements of the Parent Company and its subsidiaries have been consolidated on a line by line basis by adding together the book value of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balance, intra group transactions and the unrealized profits.
- ii) Financial Statement of Parent Company and its subsidiaries have been consolidated using uniform accounting policies for like transactions and other events in similar circumstances.
- iii) Financial statements of foreign subsidiary is translated into Indian Rupees as under:
 - (a) Assets and Liabilities at the rate prevailing at the end of the period.
 - (b) Revenue and Expenditure at the yearly average exchange rates prevailing during the period.

(c) Fixed Assets:

(i) Gross Block:

All fixed assets are stated at cost less accumulated depreciation except free hold land. However, Fixed Assets, which are revalued by the Company, are stated at their revalued book values.

(ii) Depreciation/Amortisation:

- a) The Company provides depreciation on the Straight Line Method, at the rates and in the manner specified in Schedule XIV of the Companies Act, 1956.
- (b) Cost of leasehold land is amortised over the period of lease.

(d) Borrowing cost:

Interest and other borrowing costs attributable to acquisition of qualifying assets are capitalized. Other interest and borrowing costs are charged to revenue.

(e) Investments:

Investments are stated at cost of acquisition or at book value in case of diminution in value. Current investments are stated at lower of cost and fair value.

(f) Inventories:

- (i) Raw Material, Raw Material in Process, Semi-Finished Goods, Finished Goods, Goods for Trade and Stores, Spares etc. are valued at cost or net realisable value, whichever is lower.
- (ii) Goods in Transit are valued at cost to date.



CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS

- (iii) Industrial scrap is valued at estimated realisable value.
- (iv) 'Cost' comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventory to their present location and condition. Cost formulae used is weighted average cost.
- (v) Due allowances are made for obsolete inventory based on technical estimates made by the Company.

(g) Recognition of Income and Expenditure:

- (i) Revenues/incomes and cost/expenditure are generally accounted on accrual basis as they are earned or incurred except in case of significant uncertainties.
- ii) Sale of goods is recognised on transfer of significant risks and rewards of ownership which is generally on the dispatch of goods. Export sales are accounted for on the basis of the dates of 'On Board Bill of Lading.
- iii) Export Benefits are recognised in the year of export.

(h) Research and Development Expenditure:

Expenditure on Research and Development is charged to revenue through the natural heads of expenses in the year in which it is incurred. Such expenditure is charged to Capital if it results in the creation of capital assets.

(i) Employee Benefits:

- (i) Short Term Employee Benefits are recognized as an expense at the undiscounted amount in the Statement of Profit and Loss of the year in which the related service is rendered.
- (ii) Retirement Benefits:
 - (a) Retirement benefits in the form of Provident Fund/ Family Pension Fund and Superannuation Fund, which are Defined Contribution Plans, are accounted on accrual basis and charged to the Statement of profit and loss of the year.
 - (b) Retirement benefits in the form of Gratuity, which is Defined Benefit Plan and the long term employee benefit in the form of Leave Encashment are determined and accrued on the basis of an independent actuarial valuation applying the Projected Unit Credit Method.
 - (c) Actuarial gains/losses arising during the year are recognized in the Statement of profit and loss of the year.

(j) Foreign Currency Transactions:

Foreign Currency transactions are recorded at the rates of exchange prevailing on the date of transaction. Monetary foreign currency assets and liabilities outstanding at the close of financial year are revalued at the exchange rates prevailing on the balance sheet date. Exchange differences arising on account of fluctuation in the rate of exchange is recognized in the Statement of Profit and Loss, except to the extent it relates to long term monetary items for acquisition of depreciable capital assets, which is adjusted to the acquisition cost of such assets and depreciated over remaining useful life.

(k) Expenses on New Projects:

Expenses incurred on new projects are carried in the Accounts under the head Loans and Advances, until such expenses are written off or charged to revenue in the year in which decision is taken to abandon the project.

(l) Taxes on Income:

Current tax is determined as the amount of tax payable in respect of taxable income for the period. Deferred tax is recognised on timing differences between taxable & accounting income that originates in one period and are capable



CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS

of reversal in one or more subsequent period(s). Deferred Tax Assets arising mainly on account of brought forward losses and unabsorbed depreciation under tax laws are recognised if and only if there is a virtual certainty backed by convincing evidence of its realisation. Deferred tax assets on account of other timing differences are recognised on the basis of reasonable certainty about its realisation. At each Balance Sheet date the carrying amount of deferred tax assets are reviewed to reassure realization.

(m) Impairment of Assets:

The carrying amount of assets, other than inventories is reviewed at each balance sheet date to assess whether there is any indication of impairment in respect of such assets or group of assets (cash generating unit). If such indication exists, the recoverable amount of such asset or group of assets is estimated. If such recoverable amount of the assets or the group of assets is less than its carrying amount, an impairment loss is reckoned by reducing the carrying amount to its recoverable amount. If there is an indication at the balance sheet date that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount, subject to a maximum of depreciable historical cost.

(n) Provisions, Contingent Liabilities and Contingent Assets:

The Company recognizes a provision when there is a present obligation as a result of a past event on which it is probable that there will be outflow of resources to settle the obligation in respect of which reliable estimates can be made. Contingent liabilities are disclosed by way of note to the Financial Statement after careful evaluation by the management of the facts and legal aspects of the matter involved. Contingent Assets are neither recognized nor disclosed.

32. a) Subsidiaries

The consolidated Financial Statements presents the consolidated accounts of **ZENITH BIRLA (INDIA) LIMITED** with its following Subsidiaries:

Name of the Subsidiary	Country of Incorporation	Proportion of Ownership Interest
Foreign Subsidiary:		
Zenith USA inc.	United States of America	100%
Zenith Middle East FZE	United Arab Emirates	100%

(b) Significant Accounting Policies and Notes to these Consolidated Financial Statements are intended to serve as a means of informative disclosure and a guide to better understanding the consolidated position of the Companies. Recognizing this purpose, the Company has disclosed only such Policies and Notes from the individual financial statements, which fairly present the needed disclosures.

33. The title deeds for land (freehold and leasehold), building, residential flats, licenses, agreements, loan documents, and some of the bank accounts etc. are in the process of being transferred in the name of the Company on amalgamation of Tungabhadra Holdings Private Limited. Stamp duty and other levies arising out of the Scheme of Amalgamation, if any, shall be accounted on determination and completion of transfer formalities.

34. The outflow of the resources in respect of pending disputed matters in respect of Sales Tax and Excise Duty would depend on the ultimate outcome of the disputes lying before various authorities amounting to ₹ 294.11 lacs (previous year ₹ 294.11 lacs). The Company has taken legal and other steps necessary to protect its position in respect of these claims.



CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS

35. Related Party Disclosures:

As per Accounting Standard 18, the disclosures of transactions with the related parties are given below:

(a) List of related parties where control exists and related parties with whom transactions have taken place and relationships:

Sr. No.	Name of the Related Party	Relationship
1	Birla Bombay Pvt.Ltd.	Enterprises Owned or significantly influenced by key management personnel or their relatives where transactions have taken place
2	Shearson Investment & Trading Co.Pvt. Ltd.	
3	Lakshmi Properties Ltd..	
4	Birla Art Lifestyle Pvt. Ltd.	
5	Birla Wellness & Healthcare Pvt. Ltd.	
6	Asian Distributors Pvt. Ltd.	
7	Birla Surya Ltd.	
8	Birla Precision Technologies Ltd	
9	Birla Power Solutions Ltd	
10	Ashok Birla Apollo Hospitals Pvt Ltd	
11	Birla Cotsyn (India) Ltd	
12	Birla Concepts(India) Ltd	
13	Godavari Corporation Pvt Ltd	
14	Birla Viking Travels Ltd	
15	Birla Shloka Edutech Ltd	
16	Birla Edutech Ltd	
17	Birla Electricals Pvt Ltd	
18	Birla Energy Infra Ltd	
19	Birla Global Corporate Pvt Ltd	
20	Birla Industries group Charity Trust	
21	Birla Infrastructure Ltd	
22	Khopoli Investments Ltd	
23	Nirved Traders Pvt Ltd	
24	Birla International Pvt Ltd	
25	Birla Integrated Textile Park Ltd	
26	Birla Brothers Pvt Ltd	
27	Abhiram Steels Pvt Ltd	
28	Abhiram Hotels & Resorts Pvt Ltd	
29	Melstar Information Technologies Ltd	
30	Vijay Puraanjay Minerals Pvt Ltd	
31	Birla Kerala Vaidyashala Pvt Ltd	
32	Birla Life Styles Pvt Ltd	
33	Birla Pacific Medspa Ltd	
34	Birla Research & Life Sciences Ltd	
35	Birla Retail & Distributors Pvt Ltd	
36	Birla Terrajoule Pvt Ltd	
37	Birla Transasia Carpets Ltd	



CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS

Sr. No.	Name of the Related Party	Relationship
38	Birla Urja Ltd	Enterprises Owned or significantly influenced by key management personnel or their relatives where transactions have taken place
39	Vedant Consultancy Pvt Ltd	
40	Zenith Dyeintermediates Ltd	
41	Birla Aircon Infrastructure Pvt Ltd	
42	Birla Capital & Financial Services Ltd	
43	Shri Yashowardhan Birla -Chairman	Key Management Personnel
44	Shri Pushkar Natu- Whole-time Director	
45	Shri M.S. Arora -Managing Director	

Net Balance of Receivable, Payable, Deposits, Loan etc.			Balance Carried to Balance Sheet (Net) as at 31-03-2014		Balance Carried to Balance Sheet (Net) as at 31-03-2013	
			Receivable	Payable	Receivable	Payable
i) Key Management Personnel		Shri Yashowardhan Birla -Chairman			-	-
		Shri M.S. Arora -Managing Director		41.56	-	-
ii) Enterprises Owned or significantly influenced by key management personnel or their relatives.	1	Birla Precision Technologies Ltd.		299.98	274.71	
	2	Birla Power Solutions Ltd. - other	461.00		402.83	
	3	Birla Bombay Pvt.Ltd.		47.50	-	47.50
	4	Birla Cotsyn (India) Ltd.	273.63		959.43	-
	5	Shearson Investment & Trading Co. Pvt Ltd.	582.36		235.32	-
	6	Godavari Corporation Pvt.Ltd.	886.04		1,351.33	-
	7	Birla Viking Travels Ltd.	17.51		15.76	-
	8	Birla Shloka Edutech Ltd.				123.45
	9	Asian Distributors Pvt. Ltd.	92.72		81.57	-
	10	Melstar Information Technologies Ltd.	2.56		2.56	-
	11	Abhirama Steel Pvt. Ltd			5.00	-
	12	Zenith Dyeintermediates ltd	41.59			10.03
	13	Shloka Infotech Ltd.		123.45		73.63
	14	Birla Retails & distributors Pvt Ltd		1.06		
	15	Birla Global Corporation Pvt.Ltd	99.11		8.13	
iii) Enterprises Owned or significantly influenced by key management personnel or their relatives.	16	Birla Infrastructure Pvt. Ltd.	380.52		505.96	
	17	Birla International Pvt. Ltd.	286.97		283.51	
	18	Nirved Traders Pvt Ltd	1119.44		1170.12	
	19	Vedant Consultancy Pvt ltd	125.00		125.00	
	20	Mounthill Investment Advisors P Ltd	2.12		50.91	
	21	Birla Surya Ltd.	750.00		750.00	-



CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS

(b) Transaction with related parties

(₹ In lacs)

	Key Management Personnel		Enterprise owned and significantly influenced by Key Management personnel or their relatives	
	31/03/2014	31/03/2013	31/03/2014	31/03/2013
Sale of Goods	-	-	160.88	2,162.05
Purchase of Goods	-	-	931.21	1,714.16
Travel Agency	-	-	20.42	33.35
Service charges paid	-	-	-	240.00
Service charges received	-	-	111.35	196.09
Rent Paid	-	-	-	33.09
Inter Corporate Deposit – Paid	-	-	1,532.00	-
Interest received	-	-	341.99	522.42
Inter Corporate Deposit – Recd.	-	-	175.00	1,837.82
Inter Corporate Deposit - Refund Received	-	-	486.00	-
Inter Corporate Deposit/ Loan – Re Paid	-	-	65.00	-
Advance Paid	-	-	5.00	-
Other	-	-	-	70.91
Remuneration	41.56	130.78	-	-

c) Disclosure in respect of material transactions with related parties during the year included in (b) above.

SI No.	Particulars	(₹ in Lacs)	
		2013-14	2012-13
1	Sale of Goods		
	Birla Precision Technologies Ltd.	-	460.88
2	Purchase of Goods		
	Birla Power Solutions Ltd.	-	917.44
	Birla Precision Technologies Ltd.	3.02	5.64
	Abhiram Steel P Ltd.	-	8.13
3	Inter Corporate Deposit - Received		
	Birla Power Solutions Ltd.	-	175.00
	Birla Precision Technologies Ltd.	50.00	-
4	Inter Corporate Deposit - Given		
	Birla Surya Ltd.	-	750.00
	Birla Cotsyn	-	496.00
	Shearson Investment & Trading Co. Pvt Ltd.	-	200.00
	Asian Distributors Pvt Ltd.	-	86.00

CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS

SI No.	Particulars	₹ in Lacs)	
		2013-14	2012-13
5	Interest Received / Receivable		
	Birla Power Solutions Ltd.	98.74	173.56
	Godavari Corporation Pvt.Ltd.	-	115.64
	Shearson Investment & Trading Co. Pvt Ltd.	66.99	46.62
	Birla Precision Technologies Ltd	83.26	-
	Birla Cotsyn India Ltd.	-	6.17
	Asian Distributors Pvt. Ltd.	11.18	-
6	Other Services		
	Birla Power Solutions Ltd.	-	12.48
	Birla Viking Travels Pvt Ltd.	-	20.42
	Birla Global Corporate Pvt Ltd	110.20	-
	Birla Precision Technologies Ltd.	-	98.87
7	ICD Refund Received		
	Birla Cotsyn India Ltd.	-	86.00
	Shearson Investment & Trading Co. Pvt Ltd.	-	400.00
8	Loan/ICD -Repaid		
	Birla Power Solutions Ltd.	-	65.00
10	Advance - Paid		
	Abhiram Steels Pvt. Ltd.	-	5.00
	Zenith Middle East	9,150.80	-
11	Remuneration Paid	-	130.47

36. (i) Assignment of Debts under Short Term loans and Advances represents debts for which the Company has entered into deeds of assignment for transfer of debts outstanding and receivable by the Company, to the purchaser of the debts.
- (ii) In the opinion of the Board, Current Assets, Loans and Advances have a value on realisation in the ordinary course of business at least equal to the amount at which they are stated.



CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS

37. During the year 2006-07 the Company made a Follow on Public Issue and consequently raised an amount of ₹ 13100 Lacs.

The shareholders of the company at the Annual General Meeting held on 17th September, 2012 approved variation in utilisation of follow on public offer proceeds, so that the company can also utilize the proceeds for. Manufacturing of SAW & ERW pipes at Chennai or at such other locations may be decided by the Board. Out of ₹ 13500 lacs, ₹ 8036 lacs will be utilized from the unutilized proceeds of public issue and balance ₹ 5464 lacs will be from unutilized proceeds of GDR issue. The detail of utilization of proceeds of ₹ 13500 lakh is given hereunder:

(₹ in lakh)

Particulars	Projected Amt	Amount to be spent
Land and Building	1,000.00	1,000.00
Plant and Machinery	8,532.00	8,321.00
Miscellaneous Fixed assets	3,696.00	3,696.00
Contingency	272.00	272.00
Balance amount to be spent	13,500.00	13,289.00

Pending full utilization, the balance amount is held in Current/Fixed deposit /loan accounts.

38. Computation for Earning Per Share

(₹ in lakh)

	2013-14	2012-13
Profit for the Year	(19,979.45)	(4,469.82)
Weighted average Number of Equity Share	13,12,80,448	13,12,80,448
TOTAL	13,12,80,448	13,12,80,448
Earnings per share	(15.20)	(3.4)
Profit for the Year	(19,979.45)	(4,469.82)

39. Segment Information

A. PRIMARY BUSINESS SEGMENT

The Company operates in a single segment namely Pipes and hence the Primary Business segment information is not applicable.

B. SECONDARY SEGMENT – Geographical by Customers

(₹ in lakh)

I	Segment Revenue	Year to date figures for Current year 31.03.2014
	a) In India	9,073.13
	b) Outside India	14,311.34
	Total	23,384.47
2	Carrying Cost of Assets by Location of Assets	
	a) In India	46351.13
	b) Outside India	9782.10
		56,133.23
	Unallocated	-8066.01
	Total	48,067.22
3	Addition to Assets and Intangible Assets	
	a) In India	401.31
	b) Outside India	-
	Total	401.31



CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS

40. The Company has recognised exchange differences arising on long term foreign currency monetary items in line with para 46 of Accounting Standard 11, inserted vide notification No. 43R 22E dated 31st March, 2009 as per Companies (Accounting Standard) Amendment Rules, 2009 and further notification dated 29th December, 2011.

Pursuant to the above, effect of exchange difference on long term foreign currency monetary items, so far as they relate to acquisition of depreciable capital assets, have been adjusted to the cost of such assets and depreciated over their remaining useful lives. Accordingly, net exchange loss relating to the financial year 2012-13 amounting to ₹ 213.56 lacs, has been adjusted to the cost of fixed assets.

There are no long term foreign currency monetary items which require exchange differences to be amortised.

41. The details of subsidiaries in terms of General circular No. 2/2011 Dated 8th February, 2011 issued by Government of India, Ministry of Corporate Affairs under Section 212 (8) of the Companies Act, 1956, are disclosed in Annexure I to these financial statements.
42. Balances of Sundry Creditors, Debtors, Loans and advances, deposits etc. are as per books of accounts in absence of confirmation and reconciliation thereon.
43. The company has declared a lockout of its khopoli unit in November, 2013.
44. After a detailed assesment,the company has written off old and damaged stock aggregating to ₹ 20.02 crores, lying at various units of the company, as realisable value had significantly eroded.
45. The company has not provided interest to the extent of ₹ 25.52 crores on certain bank outstanding which were classified as non performing assets during the year.
46. Consortium of banks led by State Bank of India has taken action under Securitisation & Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 in February 2014 and called upon the company to repay the amount of ₹ 193.19 crores towards the dues as on 31.01.2014, within 60 days. Thereafter, the consortium of banks have taken symbolic possession on 29.05.2014 of the immovable assets at the khopoli unit.
47. Interest amounting to ₹ 8.77 crores on ICDs given by the company is not considered as income due to realisability not being certain.
48. Debit balance aggregating ₹ 47.00 crores, considered unrealisable have been written off as a prudent measure.
49. Exceptional item of ₹ 56.02 crores relate to write off of the advances of discontinued projects.
50. Corresponding Previous year figures have been regrouped / recast and reclassified wherever necessary to make them comparable.

As per our attached report of even date

FOR **THAKUR, VAIDYANATH AIYAR & CO.**
Chartered Accountants
Firm Registration No.: 000038N

C.V. Parameswar
Partner
Membership No: 11541

Mumbai, 14th August, 2014

By Order of the Board

Mr. Ashish Mahendrakar Mr. Satish Jadhav
Director Director

Mr. B. Girvanesh Mr. Vimal Prakash Dubey
Chief Financial Officer Company Secretary



Annexure - I

The details of subsidiaries in terms of General circular No. 2/2011 Dated 8th February, 2011 issued by Government of India, Ministry of Corporate Affairs under Section 212 (8) of the Companies Act, 1956, is as under:

Particulars		Foreign Subsidiaries (₹ In lacs)	
		Zenith USA Inc.	Zenith Middle East Fze
1	Share Capital	2.28	257.31
2	Reserves and Surplus	(964.74)	(222.96)
3	Total Assets	92.91	8984.21
4	Total Liabilities	1037.38	8949.87
5	Details of Investments		
	Government Securities	-	-
	Shares (excluding subsidiaries)	-	-
	Mutual Funds	-	-
6	Turnover and Other Income	2685.13	8363.10
7	Profit Before Taxation	(192.21)	(4.32)
8	Provision for Taxation	-	-
9	Profit After Taxation	(192.21)	(4.32)
10	Proposed Dividend	-	-

Note:- a) Item No. 3 to 5 are translated at exchange rate as on 31st March, 2014 - US Dollars = ₹ 60.09.

b) Item No. 6 to 10 are translated at annual average exchange rate - US Dollars = ₹ 57.20.



ZENITH BIRLA (INDIA) LTD



Regd. Office: Dalamal House, 1st Floor, 206, Jamanalal Bajaj Marg, Nariman Point, Mumbai - 400021

THE YASH BIRLA GROUP

Dear Shareholder,

Re: Green Initiative in Corporate Governance

We wish to inform you that the Ministry of Corporate Affairs, New Delhi ("MCA") (vide its Circulars dated April 21, 2011 and April 29, 2011) has taken a "Green Initiative in Corporate Governance" by allowing paperless compliances by Companies through electronic mode. This move by the MCA is welcome since it will benefit the society at large through reduction in paper consumption and contribute towards greener environment. Also you will be able to receive the Communication promptly and without loss in transit.

Keeping in view the underlying theme and the circulars issued by MCA, we propose to send henceforth all communications /documents including the Notice calling the General Meeting/ Notice of Postal Ballot, Audited Financial Statements, Directors' Report, Auditors' Report etc. via electronic mode on the **Email ID registered by shareholders with their Depository Participant (DP).**

Shareholders holding shares in demat mode and who have not yet registered their Email ID are requested to kindly register/update their e-mail ID with their concerned Depository Participant, on which they desire to receive all future communications/ documents as specified above. **In case of change in your Email Address in future, please update same with your DP.**

Please note that the email address indicated in your respective DP accounts periodically downloaded from the depositories viz. NSDL/ CDSL will be deemed to be your registered email address.

Shareholders holding shares in physical mode are requested to register their email address with the Company by sending a written request signed by the First Shareholder mentioning your folio no. to the Registrar & Share Transfer Agents – Big Share Services Private Limited.

Please note that, upon receipt of a requisition from you, the Company shall send all these documents on the address registered with the Company free of cost.

Please note that the Annual Report of your Company along with all future notice/ communication/ documents will be displayed on the Company's website www.zenithsteelpipes.com

It is clarified that shareholders holding shares in physical form and have not registered their email address with the Registrar/ Company and those Demat Shareholders who have not registered email ID with their DP, will continue to receive physical copies of these documents.

We are sure, that as a responsible citizen, you will whole-heartedly support this initiative and co-operate with the Company to make it a success.

**Thanking You,
Yours faithfully,
For Zenith Birla (India) Limited.**

**Sd/-
Vimal Prakash Dubey
Company Secretary.**



E-Communication Registration Form

To,
Big Share Services Pvt. Ltd.,
E/2, Ansa Industrial Estate,
Saki Vihar Road, Saki Naka.
Andheri (East), Mumbai-400 072

Re : Green Initiative in Corporate Governance
UNIT : Zenith Birla (India) Limited.

I agree to receive all communication from the company in electronic mode. Please register my email ID in your records for sending communication through email.

Folio No. : _____

DP ID : _____

Client ID : _____

PAN : _____

Name of First Registered Holder : _____

Name of Joint Holder(s) : _____

Registered Address : _____

Email ID : _____

Date : _____

Signature of the first Holder _____

Important Notes:

- 1) On registration, all communication will be sent to the email ID registered in the Folio/DP ID & Client ID.
- 2) The form is also available on the website of the company www.zenithsteelpipes.com
- 3) Shareholders are requested to keep company informed as and when there is any change in the e-mail address. Unless the e-mail id is given above is changed by you by sending another communication in writing, the company will continue to send the notices/ documents to you on the above mentioned e-mail id.





ZENITH BIRLA (INDIA) LTD

CIN: L29220MH1960PLC011773

Regd. Office: Dalamal House, 1st Floor, 206, Jamanalal Bajaj Marg, Nariman Point, Mumbai-400021
Tel:022-66168400, Fax:022-220478351, Email:share@zenithsteelpipes.com Website:www.zenithsteelpipes.com

ATTENDANCE SLIP

Client ID*	
------------	--

Folio No*	
-----------	--

DP ID*	
--------	--

No. of Shares*	
----------------	--

I/We hereby record my/our presence at the Fifty Second Annual General Meeting of the Company on Saturday, the 27th September, 2014 at 3.30 p.m. at Gopi Birla Memorial School 68, Walkeshwar Road, Walkeshwar, Malabar Hill, Mumbai – 400 006

Full Name of the Shareholder/Proxy

Signature

Note: Shareholders attending the meeting in person or by proxy are requested to complete the attendance Slip and hand it over at the entrance of the meeting hall.

*Applicable for investors holding shares in Electronic Form.

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

ZENITH BIRLA (INDIA) LTD

CIN: L29220MH1960PLC011773

Regd. Office: Dalamal House, 1st Floor, 206, Jamanalal Bajaj Marg, Nariman Point, Mumbai-400021
Tel:022-66168400, Fax:022-220478351, Email:share@zenithsteelpipes.com Website:www.zenithsteelpipes.com

PROXY FORM

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

Name of the Member(s)

Registered Address :

Email Address:

Folio No./Client Id																			
---------------------	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

DP Id																			
-------	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

I/We, being the member (s) of _____ shares of the above named company, hereby appoint:

- Name : _____ of _____
E-mail Id : _____ Signature : _____ Or failing him/her,
- Name : _____ of _____
E-mail Id : _____ Signature : _____ Or failing him/her,
- Name : _____ of _____
E-mail Id : _____ Signature : _____ Or failing him/her,



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

as my/our proxy to attend and vote (on a poll) for me/us and on my / our behalf at the FIFTY SECOND Annual General Meeting of the company, to be held on Saturday, the 27th September, 2014 at 3.30 p.m. at Gopi Birla Memorial School 68, Walkeshwar Road, Walkeshwar, Malabar Hill, Mumbai – 400 006 and at any adjournment thereof, in respect of such resolutions as are indicated below:

Sr. No.	Resolutions	Vote (Optional see note 2) (Please mention no. of Shares)		
		For	Against	Abstain
ORDINARY BUSINESS				
1.	Adoption of Balance Sheet, Statement of Profit and Loss. Report on Board of Directors and Auditors for the financial year ended 31 st March, 2014.			
2.	Appointment M/s.Thakur, Vaidyanath Aiyer & co., Chartered Accountants as Statutory Auditors and fixing their remuneration.			
SPECIAL BUSINESS				
3.	Appointment of Mr. Ashish Mahendrakar as Director.			
4.	Appointment of Mr. Satish Vasant Jadhav as an Independent Director			
5.	Appointment of Mr. Ameya Subhash Jagushte as an Independent Director			
6.	To Reconfirm Authority to Board of Directors for Borrowings up to ₹ 600 Crores.			
7.	To approve creation of charge / security over the assets / undertaking of the company in respect of borrowings.			
8.	Ratification of Cost Auditors remuneration:			

Signed this _____ day of _____ 2014.

Signature of Shareholder :

Affix a 1
Rupee
Revenue
Stamp

Note 1: This form of proxy in order to be effective should be duly completed and deposited at the registered office of the company, not less than 48 hours before the commencement of the meeting.

2: It is optional to indicate your preference. If you leave the For, Against or Abstain column blank against any or all resolutions, your proxy will be entitled to vote in the manner as he / she may deem appropriate.

BOOK-POST

If undelivered, please return to:

ZENITH BIRLA (INDIA) LIMITED

159, Industry House,
5th Floor, Churchgate Reclamation,
Mumbai - 400 020,

Tel: 022-22026340, Fax: 022-22047385



FORM B



THE YASH BIRLA GROUP

1	Name of the company	ZENITH BIRLA(INDIA) LTD
2	Annual financial statements for the year ended	31 ST MARCH,2014
3	Type of Audit qualification	<p>1. In respect of non-provision of liability:</p> <p><i>With reference to Note No.45 regarding the non provision by the Company of the interest amounting to Rs. 2551.72 lacs on its working capital facilities from Banks during the year . Had this amount been provided for, the loss would have been higher by Rs.2551.72 lacs and Secured Loans would have been higher by an amount of Rs 2551.72 lacs.</i></p> <p>2. In respect of compliance by the Company with the provisions of Section 58A and 58AA or any other relevant provisions of the Act and the Companies (Acceptance of Deposits) Rules, 1975:</p> <p><i>The Company has not complied with the provisions of sections 58A, 58AA or other relevant provisions of the Act and the Companies (Acceptance of Deposits) Rules 1975 with regard to non-repayment of deposits and interest on due date, maintenance of liquid assets to the extent required as well as not intimating the appropriate authorities of such defaults.</i></p> <p>3. In respect of Balance confirmation:</p> <p><i>With reference to Note No. 42-regarding the Company not having the balance confirmations for its party balances and hence our inability to state whether these balances are recoverable/payable to the extent stated</i></p> <p>4. In respect of maintenance of fixed assets Records:</p> <p><i>The Company has maintained records showing full particulars, including quantitative details and situation of fixed assets as at 31st March ,2013. These details are however yet to be updated for the year.</i></p>



CIN :- L29220MH1960PLC011773

ZENITH BIRLA (INDIA) LTD.

Head Off. - S-2, Vedant Commercial Complex, Vartak Nagar, Pokhran Road No.1,Thane (West) - 400 606. Mumbai, India
Tel. + 91 22 6793 3000, Fax.: + 91 22 6793 3111 Email : zenithsteelpipes.com, Web : www.zenithsteelpipes.com

Regd.Off. - Dalamal House, 1st Floor, J.B.Marg, Nariman Point, Mumbai - 400 021. Tel.: + 91 - 22 - 2282 1173, 6616 8400, Fax : + 91 - 22 - 2204 7835 Web : www.yashbirlagroup.com

Works : Khopoli, Tarapur, Murbad - Maharashtra (India)



THE YASH BIRLA GROUP

The Company has however started the process of updating these.

5. In respect of programme for physical verification of fixed assets:

The fixed assets are physically verified by the Management according to a phased programme designed to cover all the items over a period of three years, which in our opinion, is reasonable having regard to the size of the Company and nature of its assets. However during the year the Company has not adhered to the programme of physical verification.

6. In respect of Internal Audit Coverage:

The Company has appointed a firm of Chartered Accountants for carrying out the internal audit functions. The internal audit coverage has been done only at Tarapur unit and not at any of the other locations. In our opinion, the scope and coverage of the audit require enhancement to make it commensurate with the size of the Company and nature of its business.

7. In respect of deposit of statutory dues:

According to the information and explanation given to us and the records of the Company examined by us, in our opinion except for dues in respect of Dividend Distribution Tax, Tax Deducted at Source, Profession Tax, Tax Collected at Source, Service Tax, and Provident Fund, the Company is generally regular in depositing the undisputed statutory dues including Wealth Tax, Excise Duty, Custom Duty, Cess and other material statutory dues as applicable with the appropriate authorities. The following balances remain in arrears as at the last



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day of the financial year for a period exceeding six months from the date they became payable:

Tax Deducted at Source	Rs.3,36,740.00
Profession Tax	Rs 22,775.00
Tax Collected at Source	Rs.10,140.00
Service Tax	Rs.192.00
Provident Fund	Rs.2,27,930.00
Dividend Distribution Tax	Rs.3,59,08,091.00
Interest on Dividend Distribution Tax	Rs.1,18,49,670.00

8. In respect of defaults in payments to Banks:

According to the records of the Company examined by us and the information and explanations given to us, there has been default in payments to the banks since August, 2012 and the Company's outstanding as at 31st March, 2014, as per the notice received from the banks, is Rs.21583.43 lacs plus interest of Rs.523.15 lacs for the period February and March, 2014

4	Frequency of qualification"	Qualification at serial Nos.2,6 and 8 appear for the second time and qualification at serial No.7 (with regard to Non deposit of Dividend Distribution Tax and Interest thereon) appears for the third time.
	Draw attention to relevant notes in the annual financial statements and management response to the qualification in the directors report	The explanation to the auditors' remark having material impact are given in the Directors' Report under item No. 11 "Auditors' Remark".
	Additional comments from the board/audit committee chair:	Nil
	 	CIN :- L29220MH1960PLC011773

ZENITH BIRLA (INDIA) LTD.



THE YASH BIRLA GROUP

5 To be signed by-

- CEO/Managing Director

P. Natu

Pushkar Natu
CEO



- CFO

B. Girvanesh

(B. Girvanesh)
CFO



For: Thakur Vaidyanath Aiyar & Co.
Chartered Accountants
Firm Reg. No. 000038M

C. V. Parameswar

C. V. Parameswar
Partner



(C.V. Parameswar)
Partner

- Auditor of the company
(M/s Thakur, Vaidyanath Aiyar
& Co. Chartered Accountants,
Mumbai)

A. S. Jagushte

(Ameya Jagushte)
Chairman of Audit Committee



- Audit Committee
Chairman

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