



Date: 31<sup>st</sup> August, 2019

To, The Dy. Gen. Manager, Corporate Relationship Dept., BSE Limited PJ Tower, Dalal Street, Mumbai-400001 Equity Scrip Code: 531845	To, National Stock Exchange of India Ltd. Exchange Plaza, Plot no. C/1, G Block Bandra-Kurla Complex, Bandra(E) Mumbai-400051 Equity Scrip Name: ZENITHBIR
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Dear Sir/Ma'am,

**Sub: Submission of Annual Report under Regulation 34 (1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.**

Pursuant to Regulation 34 of the Listing Regulations, please find enclosed herewith the Annual Report of the Company for the FY 2018-19 along with notice of AGM. The Company has commenced the dispatch of the Annual Report to the shareholders by permitted modes on 31<sup>st</sup> August, 2019.

Kindly take the same on your record and display the same on the website of your Stock Exchange.

Thanking You,

Yours Faithfully,

For Zenith Birla (India) Limited

Suneel Sullere  
Company Secretary



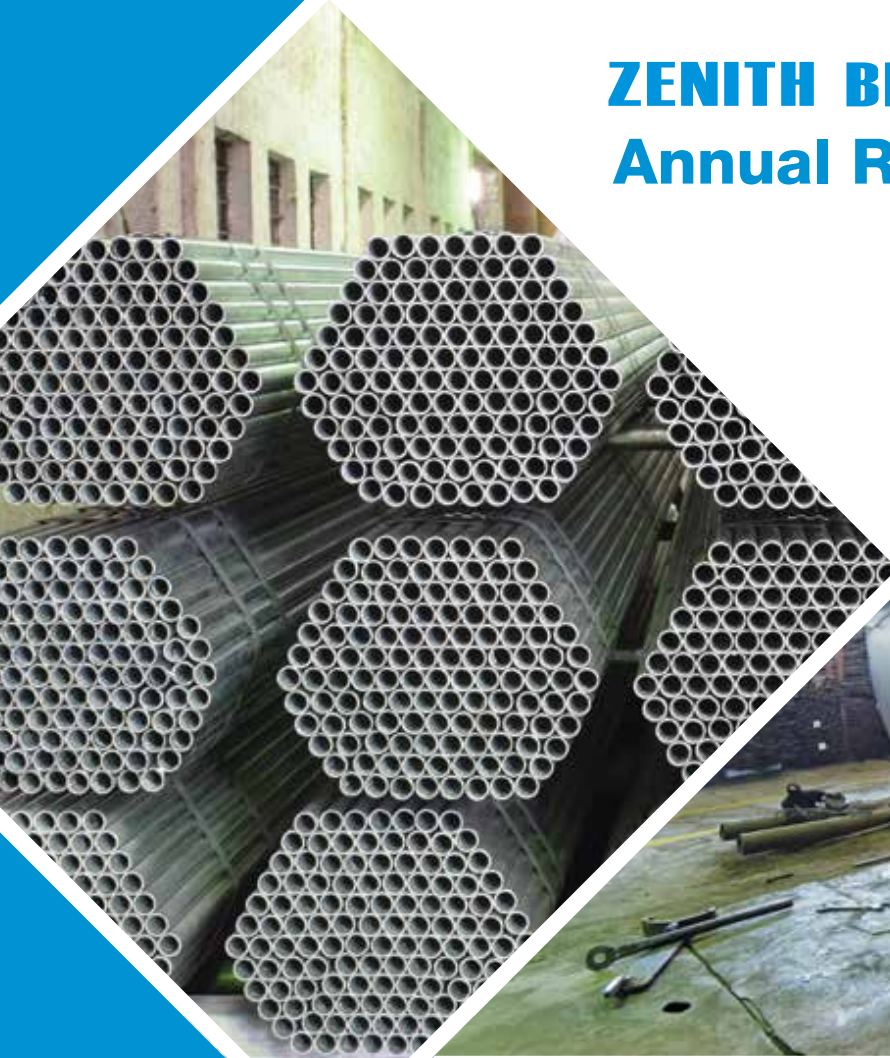
**ZENITH BIRLA (INDIA) LIMITED**





# ZENITH BIRLA (INDIA) LTD.

## Annual Report 2018 - 19





# ABOUT ZBIL

## OVER 58 YEARS EXPERIENCE

The Company has been pioneers in the export of steel pipes & Tubes from India.

Zenith Birla (India) Limited is the pioneers in the field of manufacturing of ERW & HOT DIP GALVANIZED pipes in India. Incorporated 1960, our commercial production commenced in the year 1962. We are one of the largest suppliers of ERW Black & Galvanized pipes of Diameters from ½ inch to 20 inch to the U.S.A market from India.

We are certified for ISO 9001:2008, 14001:2001, OHSAS 18001:2007, UL 852 for Fire Sprinklers and CE certified. We also manufacture Spirally Welded Pipes (HSAW) from 18 inch to 100 inch OD (457 mm to 2540 mm OD) which is used in the bulk transportation of water.

## QUALITY POLICY

Our commitment to continuously improve process, services and product by application of skill, knowledge, innovation, adaptation & creativity to design, produce & deliver on time to the customer's needs & requirements.

## OUR PRODUCTS

- ◆ ERW BLACK PIPES
- ◆ ERW GI PIPES
- ◆ SQUARE & RECTANGULAR HOLLOW SECTIONS
- ◆ HSAW PIPES

## STANDARDS

AMERICAN	ASTM A 53 (Sch 10 to Sch 40), A 500, A 135, A 795, A 513 etc. in Gr A & B
EUROPEAN	EN 10255, EN 39, EN 10217 & EN 10219
GERMAN	DIN 2439, 2440, 2441 (Galvanizing to 2444), 2393, 2394 etc.
BRITISH	BS 1387, BS Extra Light (ISO Light) etc.
AUSTRALIAN	AS 1163 & AS 1074
JAPANESE	G 3442, G 3444, G 3466, G 3472
INDIAN	IS 1239, 1161, 3589, 3601 & 9295



## ZENITH BIRLA (INDIA) LIMITED

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

CIN : L29220MH1960PLC011773

E-mail: [zenith@zenithsteelpipes.com](mailto:zenith@zenithsteelpipes.com); Website: [www.zenithsteelpipes.com](http://www.zenithsteelpipes.com)

Tel: 022-66168400, Fax: 022-22047835

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## CORPORATE INFORMATION

- Board of Directors**

Director	Category	Period of directorship
Mr. R S Jagetiya	Whole Time Director	From 29.05.2018 to 04.05.2019
Mr. Durgesh jadhav	Non Executive Non Independent Director	Resigned as on 29.03.2019
Mr. Bhalchandra Shinde	Non Executive Independent Director	Resigned as on 20.03.2019
Mrs. Pratiksha Sonavane	Non Executive Independent Director	Resigned as on 29.03.2019
Mrs. Sanjivani Shinde	Non Executive Independent Director	w.e.f. 20.03.2019
Mrs. Sadhana Patil	Non Executive Independent Director	w.e.f. 20.03.2019
Mr. Purshottam Sonavane	Non Executive Non Independent Director	w.e.f. 29.03.2019
- Chief Financial Officer**

Shri B. Girvanesh
- Company Secretary & Compliance Officer**

Mr. Suneel Sullere
- Auditor**

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

State Bank of India  
Punjab National Bank  
Bank of Baroda  
Bank of India  
Oriental Bank of Commerce  
Axis Bank
- Works**

<b>Khopoli Unit</b> Tal. Khopoli Dist Raigad Maharashtra -410203 Dist. Thane, Maharashtra	<b>Murbad Unit</b> Survey (Gut) No. 440/441 Village Nhave, Taluka Murbad,
<b>Tarapur Unit</b> G-38/39, Tarapur Industrial Area, Village Saravali Taluka Palghar	<b>Trichy Unit</b> SH No. 71, Survey No. 782, Village: Kalugar Thogainmalai Taluka: Madhuranthagam Taluka: Kulithalai, Tamil Nadu Dist: Karur-639 120, Tamil Nadu
- Registered Office**

Industry House, 5th Floor,  
159, Churchgate Reclamation  
Mumbai-400 020,  
Tel: 022-66168400, Fax: 022-22047385  
Email: zenith@zenithsteelpipes.com
- Corporate Office**

Dalamal House,  
1st Floor, 206, J.B. Marg,  
Nariman Point, Mumbai 400 021  
Tel: 022-66168400, Fax: 022-22047835
- Bigshare Services Pvt. Ltd (RTA)** 1st Floor, Bharat Tin Works Building, Opp. Vasant Oasis, Makwana Road, Marol, Andheri (E) Mumbai – 400059.  
P : +91 022 62638204, Fax:022-28475207  
Email: Shubhangi@bigshareonline.com  
P : +91 022 62638204 M: +917045454394  
Fax: 022-28475207 vinod.y@bigshareonline.com



## NOTICE

### ZENITH BIRLA (INDIA) LIMITED

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

**CIN:** L29220MH1960PLC011773

**E-mail:** zenith@zenithsteelpipes.com

**Website:** www.zenithsteelpipes.com

**Tel:** 022-66168400,

Notice is hereby given that the Fifty Seventh Annual General Meeting of Zenith Birla (India) Limited will be held on Friday, 27th September, 2019 at 11:30 a.m. 2nd Floor, Library Hall, IMC Building, IMC Marg, Churchgate, Mumbai – 400020, to transact the following business:

### ORDINARY BUSINESS

#### 1. To receive, consider and adopt:

- a. the Audited Financial Statements of the Company for the financial year ended March 31, 2019, together with the Reports of the Board of Directors and the Auditors thereon; and
- b. the Audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2019 together with the Report of the Auditors thereon.

#### 2. Re-appointment of M/s. Thakur Vaidyanath Aiyar & Co as Statutory Auditor of the Company

“**RESOLVED THAT** pursuant to provisions of Section 139, 142 and other applicable provisions of the Companies Act, 2013, if any, read with the Companies (Audit & Auditors) Rules, 2014, including any statutory enactment or modification thereof, 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 this Annual General Meeting till the conclusion of the next Annual General Meeting of the Company on such remuneration as may be determined by the Board of Directors of the Company.”

### SPECIAL BUSINESS

#### 3. To ratify remuneration of Cost Auditor and in this regard, pass the following resolution as an Ordinary Resolution:

“**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 ₹ 60,000 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 made thereunder, for the year ended 31st March, 2020.

#### 4. To regularize the appointment of Mr. Purushottam Sonavane, additional Director as a Director of the Company and in this regard, pass the following resolution as an Ordinary Resolution:

“**RESOLVED THAT** pursuant to the provisions of Sections 152, 161 and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), Mr. Purushottam Sonavane (DIN: 08405653), who was appointed as an Additional Director by the Board of Directors of the Company w.e.f. 29th March, 2019 and who holds office as such up to the date of this Annual General Meeting be and is hereby appointed as a Director of the Company liable to retire by rotation.



**5. To regularize the appointment of Mrs. Sanjivani Shinde, additional Director as the Independent Director of the Company and in this regard, pass the following resolution as an Ordinary Resolution:**

“**RESOLVED THAT** Mrs. Sanjivani Shinde, (DIN: 08391062) who was appointed as an Additional Director with effect from 20th March, 2019 on the Board of the Company pursuant to Section 161 of the Companies Act, 2013 and Articles of Association of the Company and who holds office upto the date of this Annual General Meeting, and in respect of whom a notice has been received from a member in writing in accordance with Section 160 of the Companies Act, 2013, proposing her candidature for the office of a Director, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, pursuant to the provisions of Section 149, 150, 152 and other applicable provisions of the 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 of the Companies Act, 2013 to hold office for three (3) consecutive years for a term upto the conclusion of the 60th Annual General Meeting of the Company.”

**6. To regularize the appointment of Mrs. Sadhana Patil, additional Director as the Independent Director of the Company and in this regard, pass the following resolution as an Ordinary Resolution:**

“**RESOLVED THAT** Mrs. Sadhana Patil, (DIN: 06565115) who was appointed as an Additional Director with effect from 20th March, 2019 on the Board of the Company pursuant to Section 161 of the Companies Act, 2013 and Articles of Association of the Company and who holds office upto the date of this Annual General Meeting, and in respect of whom a notice has been received from a Member in writing in accordance with Section 160 of the Companies Act, 2013, proposing her candidature for the office of a Director, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, pursuant to the provisions of Section 149, 150, 152 and other applicable provisions of the 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 of the Companies Act, 2013 to hold office for three (3) consecutive years for a term upto the conclusion of the 60th Annual General Meeting of the Company ”

**7. To regularize the appointment of Mrs. Minal Pote (DIN 07163539), additional Director as the Whole time Director of the Company and in this regard, pass the following resolution as an Ordinary Resolution:**

“**RESOLVED THAT** pursuant to the provisions of Sections 196, 197, 198 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) and Rules made thereunder (including any statutory modification(s) or re-enactment thereof, for the time being in force), the relevant provisions of the Articles of Association of the Company and all applicable guidelines issued by the Central Government from time to time and subject to such other approvals, as may be necessary, consent of the members be and is hereby accorded to the appointment of Mrs. Minal Pote (DIN: 07163539) as the Whole-time Director of the Company for the period and upon the following terms and conditions including remuneration with further liberty to the Board of Directors of the Company (hereinafter referred to as “the Board” which term shall be deemed to include any Committee constituted / to be constituted by the Board) from time to time to alter the said terms and conditions of appointment and remuneration of Mrs. Minal Pote in the best interests of the Company and as may be permissible at law, viz.:

A. Period: 2 years w.e.f. 14th August, 2019 with the liberty to either party to terminate the appointment on three months’ notice in writing to the other.

B. Remuneration:

i. Basic Salary: ₹ 18000/- (Eighteen Thousand) per month with such increments as the Board may decide from time to time, subject however to a ceiling of ₹ 1,00,000/- (rupees one Lakhs only) per month as Basic Salary.

ii. Special Allowance: 7000/- (Seven Thousands) per month with such increments as the Board may decide from time to time, subject however to a ceiling of ₹ 2, 00,000/- (rupees two Lakhs only) per month. This allowance however, will not be taken into account for calculation of benefits such as Provident Fund, Gratuity, and Superannuation and Leave encashment.



- iii. Annual Incentive Pay: Performance Bonus linked to the achievement of targets, as may be decided by the Board from time to time, subject to a maximum of ₹ 2,00,000/- (rupees ten Lakhs only) per annum.
  - iv. Long-term Incentive Compensation/ Employee Stock Option as per the plan applicable to Executive Directors and/or Senior Executives of the Company, including that of any parent/ subsidiary company as may be decided by the Board.
- C. Perquisites:
- i. Leave Travel Expenses: Leave Travel Expenses for self and family in accordance with the policy of the Company.
  - ii. Reimbursement of entertainment, travelling and all other expenses incurred for the business of the Company as per the policy of the Company.
  - vii. Leave and encashment of leave: as per the policy of the Company.
  - iii. Gratuity and /or contribution to the Gratuity Fund of Company: as per the policy of the Company.
  - iv. Other Allowances / benefits, perquisites: Any other allowances, benefits and perquisites as per the Rules applicable to the Senior Executives of the Company and / or which may become applicable in the future and/ or any other allowance, perquisites as the Board may from time to time decide.
- D. Annual remuneration review is effective 1st April each year, as per the policy of the Company.
- E. Subject as aforesaid, the Whole-time Director shall be governed by such other Rules as are applicable to the Senior Executives of the Company from time to time.
- F. For the purposes of Gratuity, Provident Fund, Superannuation and other like benefits, if any, the service of Mrs. Minal Pote, Whole-time Director will be considered as continuous service with the Company from the date of her joining.
- G. The aggregate of the remuneration and perquisites as aforesaid in any financial year shall not exceed the limit from time to time under Section 197, Section 198 and other applicable provisions of the Act and Rules made thereunder, read with Schedule V of the said Act or any statutory modification(s) or re-enactment thereof for the time being in force, or otherwise as may be permissible at law.
- H. When in any financial year, the Company has no profits or its profits are inadequate, the remuneration including the perquisites as aforesaid will be paid to Mrs.Minal Pote in accordance with the applicable provisions of Schedule V of the Act, and subject to the approval of the Central Government, if required.
- I. The Nomination, Remuneration and Compensation Committee will review and recommend the remuneration payable to the Whole-time Director during the tenure of his appointment.
- J. Though considering the provisions of Section 188 of the Act, and the applicable Rules and the Schedule of the Act, Mrs.Minal Pote would not be holding any office or place of profit by his being a mere Director of the Company's holding company / Subsidiaries / Joint Ventures, approval be and is hereby granted by way of abundant caution for him to accept the sitting fees / commission paid / payable to other Directors for attending meetings of Board(s) of Directors / Committee(s) of holding company / Subsidiaries / Joint Ventures of the Company or companies promoted by the Yash Birla Group.
- K. Mrs. Minal Pote functions as the Whole-time Director shall not be paid any fees for attending the meetings of the Board or any Committee(s) thereof of the Company.

**RESOLVED FURTHER THAT** the Board be and is hereby authorised to do all such acts, deeds, matters and things as may be deemed necessary to give effect to the above resolution.”





**Notes:**

1. A statement pursuant to Section 102 (1) of the Companies Act 2013 (“the act”) relating to the Special Business to be transacted at the Meeting is annexed hereto.
2. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (AGM) IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.**

The instrument appointing the proxy, in order to be effective, must be deposited at the Company’s Registered Office, duly completed and signed, not less than FORTY-EIGHT HOURS before the meeting. Proxies submitted on behalf of limited companies, societies etc., must be supported by appropriate resolutions / authority, as applicable. A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than 10% of the total share capital of the Company. In case a proxy is proposed to be appointed by a Member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or shareholder. The Holder of Proxy shall prove his identity at the time of attending the meeting.

3. The Register of Members and Transfer Books of the Company will be closed from **21st September, 2019 to 27th September, 2019** both days inclusive.
4. Members holding shares in dematerialized form are requested to intimate all changes pertaining to their bank details, National Electronic Clearing Service (NECS), Electronic Clearing Service (ECS), mandates, nominations, power of attorney, change of address, change of name, e-mail address, contact numbers, etc., to their Depository Participant (DP).

Changes intimated to the DP will then be automatically reflected in the Company’s records which will help the Company and the Company’s Registrars and Transfer Agents, Bigshare Services Pvt. Ltd. to provide efficient and better services. Members holding shares in physical form are requested to intimate such changes to Bigshare Services Pvt. Ltd.

5. Members holding shares in physical form are requested to consider converting their holding to dematerialized form to eliminate all risks associated with physical shares and for ease of portfolio management. Members can contact the Company or Bigshare Services Pvt. Ltd. for assistance in this regard.
6. Members holding shares in physical form in identical order of names in more than one folio are requested to send to the Company or Bigshare Services Pvt. Ltd., the details of such folios together with the share certificates for consolidating their holdings in one folio. A consolidated share certificate will be returned to such Members after making requisite changes thereon.
7. In case of joint holders attending the Meeting, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote.
8. Members seeking any information with regard to the accounts are requested to write to the Company at an early date, so as to enable the Management to keep the information ready at the Meeting.
9. Members are requested to note that pursuant to the provision of section 124 of the Companies Act 2013 all unclaimed / unpaid dividend, as applicable, remaining unclaimed / unpaid for a period of seven years from the date they became due for payment, in relation to the Company and have been transferred to the IEPF Authority established by the Central Government.
10. To support the ‘Green Initiative’ Members who have not registered their e-mail addresses are requested to register the same with Bigshare Services Pvt. Ltd. / Depositories.
11. In compliance with the provisions of Section 108 of the Companies Act, 2013 and the Rules framed thereunder and the Regulation 44 SEBI (listing Obligations and Disclosure Requirements) 2015, the members are provided with the facility to cast their vote electronically, through the e-voting services provided by NSDL, on all the



resolutions set forth in this notice. In order to enable its members instructions for e-voting are given here in below. Resolution(s) passed by members through ballot forms or e-voting is / are deemed to have been passed as if they have been passed at the AGM.

12. M/s Anil Somani & Associates, Practicing Company Secretaries has been appointed as the Scrutinizer to scrutinize the voting and remote e-voting process in a fair and transparent manner.
13. The facility for voting, either through electronic voting system or polling paper shall also be made available at the meeting and members attending the meeting who have not already cast their vote by remote e-voting shall be able to exercise their right at the meeting.
14. The Members who have cast their vote by remote e-voting prior to the meeting may also attend the meeting but shall not be entitled to cast their vote again.
15. Members can opt for only one mode of voting, i.e., either by Ballot Form or e-voting. In case Members cast their votes through both the modes, voting done by e-voting shall prevail and votes cast through Ballot Form shall be treated as invalid.
16. Electronic copy of the Annual Report for the Financial Year 2018-19 is being sent to all the members whose email IDs are registered with the Company/Depository Participant(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copy of the Annual Report for the Financial Year 2018-19 is being sent in the permitted mode.
17. Electronic copy of the Notice of the 57th Annual General Meeting of the Company inter alia indicating the process and manner of e-Voting along with Attendance Slip and Proxy Form is being sent to all the members whose email IDs are registered with the Company/Depository Participants(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copy of the Notice of the 57th Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent in the permitted mode.
18. Members may note that the notice of the 57th Annual General Meeting and the Annual Report for the Financial Year 2018-2019 will also be available on the Company's website [www.zenithsteelpipes.com](http://www.zenithsteelpipes.com) for their download. The physical copies of the aforesaid documents will also be available at the Company's Registered Office in Mumbai for inspection during normal business hours on working days. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same, by post free of cost. For any communication, the shareholders may also send requests to the Company's investor email id: [share@zenithsteelpipes.com](mailto:share@zenithsteelpipes.com)
19. The instructions for e-voting are as under:

**(i) How do I vote electronically using NSDL e-Voting system?**

The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

**Step 1: Log-in to NSDL e-Voting system at <https://www.evoting.nsdl.com/>**

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

**Details on Step 1 are mentioned below:**

**HOW TO LOG-IN TO NSDL E-VOTING WEBSITE?**

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholders' section.
3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.



Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsd.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. cast your vote electronically.

4. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.  For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.	8 Character DP ID followed by 8 Digit Client ID
b) For Members who hold shares in demat account with CDSL.  For example if your Beneficiary ID is 12***** then your user ID is 12*****	16 Digit Beneficiary ID
c) For Members holding shares in Physical Form.  For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***	EVEN Number followed by Folio Number registered with the company

5. Your password details are given below:

- If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
- If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
- How to retrieve your 'initial password'?
  - If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the.pdf file. The password to open the.pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The.pdf file contains your 'User ID' and your 'initial password'.
  - If your email ID is not registered, your 'initial password' is communicated to you on your postal address.

6. If you are unable to retrieve or have not received the " Initial password" or have forgotten your password:

- Click on "**Forgot User Details/Password?**" (If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsd.com](http://www.evoting.nsd.com).
- Physical User Reset Password?**" (If you are holding shares in physical mode) option available on [www.evoting.nsd.com](http://www.evoting.nsd.com).
- If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number/folio number, your PAN, your name and your registered address.



7. After entering your password, tick on Agree to “Terms and Conditions” by selecting on the check box.
8. Now, you will have to click on “Login” button.
9. After you click on the “Login” button, Home page of e-Voting will open.

**Details on Step 2 are given below:**

**How to cast your vote electronically on NSDL e-Voting system?**

1. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
2. After click on Active Voting Cycles, you will be able to see all the companies “EVEN” in which you are holding shares and whose voting cycle is in active status.
3. Select “EVEN” of company for which you wish to cast your vote.
4. Now you are ready for e-Voting as the Voting page opens.
5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on “Submit” and also “Confirm” when prompted.
6. Upon confirmation, the message “Vote cast successfully” will be displayed.
7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

**General Guidelines for shareholders**

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/ JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to corporatesolution14@gmail.com with a copy marked to evoting@nsdl.co.in.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the “Forgot User Details/ Password?” or “Physical User Reset Password?” option available on www.evoting.nsdl.com to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990 or send a request at evoting@nsdl.co.in

**Other Instructions**

- i. The e-voting period commences on **Tuesday, September 24th, 2019 (9.00 a.m. IST) and ends on Thursday, September 26th, 2019 (5.00 p.m. IST)**. During this period, Members holding shares either in physical form or in dematerialized form, as on September 20, 2019 i.e. cut-off date, may cast their vote electronically. The e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the Member, he / she shall not be allowed to change it subsequently or cast vote again.
- ii. The voting rights of members shall be in proportion to their shares in the paid up equity share capital of the Company as on cut-off date. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-Voting, as well as voting at the meeting through ballot.





Any person, who acquires shares of the Company and becomes a member of the Company after dispatch of the Notice and holding shares as of the cut-off date, may obtain the login ID and password by sending a request at [helpdesk.evoting@nsdlindia.com](mailto:helpdesk.evoting@nsdlindia.com). However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forget your password, you can reset your password by using “Forgot User Details / Password” option available on [www.evotingindia.com](http://www.evotingindia.com).

- iii. The Scrutinizer shall, immediately after the conclusion of voting at the general meeting, would count the votes cast at the meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and make, not later than three days of conclusion of the meeting, a consolidated Scrutinizer’s report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing who shall countersign the same.
- iv. The results declared along with the Scrutinizer’s Report shall be placed on the Company’s website [www.Zenithsteelpipes.com](http://www.Zenithsteelpipes.com) and on the website of NSDL [www.evotingindia.com](http://www.evotingindia.com) immediately after the result is declared.

The Company shall simultaneously forward the results to BSE Limited (“BSE”) and National Stock Exchange of India Limited (“NSE”), where the shares of the Company are listed.

By Order of the Board of Directors

**Suneel Sullere**

Company Secretary and Compliance Officer

Mumbai, August 13<sup>th</sup>, 2019

**Registered Office:**

5<sup>th</sup> Floor, Industry House, 159,

Churchgate Reclamation, Mumbai – 400020

CIN: L29220MH1960PLC011773

E-mail: [zenith@zenithsteelpipes.com](mailto:zenith@zenithsteelpipes.com);

Website: [www.zenithsteelpipes.com](http://www.zenithsteelpipes.com)

Tel: 022-66168400, Fax: 022-22047835



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**Explanatory Statement  
(Pursuant to Section 102 of the Companies Act, 2013)**

As required by Section 102 of the Companies Act, 2013 ("Act"), the following explanatory statement sets out all material facts relating to the business mentioned under Item Nos. 3 to 7 of the accompanying Notice:

**Item no. 3**

**TO RATIFY REMUNERATION OF COST AUDITOR**

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 made thereunder for the year ending 31st March 2020 at a remuneration of ₹ 60,000/-

M/s. Y.R. Doshi & Co. have furnished a certificate regarding their eligibility for appointment as Cost Auditors of the Company and 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. The Board has approved the remuneration of ₹ 60,000/- to M/s. Y. R. Doshi & Co. as the Cost Auditors.

The Resolution at Item No. 3 is recommended 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. 3 of the notice.

**Item No: 4**

**APPOINTMENT OF MR. PURUSHOTTAM SONAVANE AS A DIRECTOR OF THE COMPANY**

Based on the recommendation of the Nomination, Remuneration and Compensation Committee, Mr. Purushottam Sonavane as an Additional Director by Circular Resolution dated 29.03.2019 passed by Directors of the Company through electronic means of communication and subsequently his appointment was confirmed in the Board Meeting held on 7th May, 2019 pursuant to the provisions of Section 161 of the Companies Act, 2013 ('the Act') and the Article of Association of the Company.

Accordingly, in terms of the provisions of Section 161 of the Act, Mr. Purushottam Sonavane would hold office up to the date of the ensuing Annual General Meeting and is eligible for appointment as Director with effect from 29th March, 2019. The Company has received a notice in writing from a member proposing his candidature for the office of the Director of the Company as required under the provision of Section 160 of the Act.

Given his background and knowledge, the Board considers it desirable that the Company should receive the benefit of his valuable experience and advice and commends his appointment by the members at the Annual General Meeting as an Independent Director.

Except Mr. Purushottam Sonavane, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at item no.4.

**Item No: 5**

**APPOINTMENT OF MRS.SANJIVANI SHINDE AS A INDEPENDENT DIRECTOR OF THE COMPANY**

In accordance with the provisions of Section 149 read with Schedule IV to the Act, appointment of an Independent Director requires approval of members. Based on the recommendation of the Human Resources, Nomination and Remuneration Committee, the Board of Directors has proposed that Mrs. Sanjivani Shinde (DIN: 08391062), be appointed as an Independent Director on the Board of the Company.



The appointment of Mrs. Sanjivani Shinde shall be effective upon approval by the members in the Meeting.

The Company has received a notice in writing from a member along with the deposit of requisite amount under Section 160 of the Act proposing the candidature of Mrs. Sanjivani Shinde for the office of Director of the Company. Mrs. Sanjivani Shinde is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given his consent to act as a Director. The Company has received a declaration from Mrs. Sanjivani Shinde that he meets the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Act and under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"). In the opinion of the Board, Mrs. Sanjivani Shinde fulfils the conditions for his appointment as an Independent Director as specified in the Act and the Listing Regulations. Mrs. Sanjivani Shinde is independent of the management and possesses appropriate skills, experience and knowledge.

Copy of draft letter of appointment of Mrs. Sanjivani Shinde setting out the terms and conditions of appointment is available for inspection by the members at the registered office of the Company.

None of the Directors / Key Managerial Personnel of the Company / their relatives is, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 5 of the Notice.

This statement may also be regarded as an appropriate disclosure under the Listing Regulations.

The Board commends the Ordinary Resolution set out at Item No. 5 of the Notice for approval by the members.

#### **Item No: 6**

#### **APPOINTMENT OF MRS. SADHANA PATIL AS A INDEPENDENT DIRECTOR OF THE COMPANY**

In accordance with the provisions of Section 149 read with Schedule IV to the Act, appointment of an Independent Director requires approval of members. Based on the recommendation of the Human Resources, Nomination and Remuneration Committee, the Board of Directors has proposed that Mrs. Sadhana Patil (DIN: 06565115), be appointed as an Independent Director on the Board of the Company.

The appointment of Mrs. Sadhana Patil shall be effective upon approval by the members in the Meeting.

The Company has received a notice in writing from a member along with the deposit of requisite amount under Section 160 of the Act proposing the candidature of Mrs. Sadhana Patil for the office of Director of the Company. Mrs. Pratiksha Sonavane is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given her consent to act as a Director. The Company has received a declaration from Mrs. Sadhana Patil that she meets the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Act and under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"). In the opinion of the Board, Mrs. Sadhana Patil fulfils the conditions for her appointment as an Independent Director as specified in the Act and the Listing Regulations. Mrs. Sadhana Patil is independent of the management and possesses appropriate skills, experience and knowledge.

Copy of draft letter of appointment of Mrs. Sadhana Patil setting out the terms and conditions of appointment is available for inspection by the members at the registered office of the Company.

None of the Directors / Key Managerial Personnel of the Company / their relatives is, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 6 of the Notice.

This statement may also be regarded as an appropriate disclosure under the Listing Regulations.

The Board commends the Ordinary Resolution set out at Item No. 6 of the Notice for approval by the members.

**Item No: 7****APPOINTMENT OF MRS. MINAL POTE AS A WHOLE TIME DIRECTOR OF THE COMPANY**

Mrs. Minal Pote was appointed as an Additional Director in the Board Meeting held on 13th August, 2019 with effect from 14th August, 2019 pursuant to the provisions of Section 161 of the Companies Act, 2013 ('the Act') and the Article of Association of the Company.

Mrs. Minal Pote was appointed as an Additional Director on the Board of the Company with effect from 14th August, 2019 to hold office up to the date of the Annual General Meeting. He was also appointed as the Whole- time Director of the Company with effect from 14th August, 2019, subject to the approval of the Members.

Mrs. Minal Pote, post graduate in Commerce having ten years experience in Accounts and Administration. Responsibilities included overall authority of the financial operation of the company, accounting, budget preparation, audit, taxation; preparation of financial statement, analysis of business trends & daily operating cost.

The Company has received a notice pursuant to Section 160 of the Companies Act, 2013 (the "Act") along with the amount of requisite deposit from a Member signifying his intention to propose the appointment of Mrs. Minal Pote as a Whole Time Director of the Company. The remuneration and other terms and conditions of Mrs. Minal Pote appointment as Whole-time Director as set out in the resolution is subject to your approval.

None of the Directors, Key Managerial Personnel and their relatives other than Mrs. Minal Pote and his relatives are, in any way, concerned or interested in the said resolutions. The resolutions as set out in item no. 7 of this Notice are accordingly commended for your approval.

By Order of the Board of Directors

**Suneel Sullere**

Company Secretary and  
Compliance Officer  
Mumbai, August 13<sup>th</sup>, 2019

**Registered Office:**

5th Floor, Industry House, 159,  
Churchgate Reclamation, Mumbai – 400020  
CIN: L29220MH1960PLC011773  
E-mail: zenith@zenithsteelpipes.com;  
Website: www.zenithsteelpipes.com  
Tel: 022-66168400, Fax: 022-22047835

**DETAILS OF THE DIRECTOR SEEKING APPOINTMENT OF A NEW DIRECTOR OR RE-APPOINTMENT AT THE 57TH ANNUAL GENERAL MEETING****(PURSUANT TO REGULATION 36(3) OF THE SEBI (LISTING OBLIGATION AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015)**

Name of the Director	Purushottam Sonavane	Sanjivani Shinde	Sadhana Patil	Minal Pote
<b>DIN</b>	08405653	08391062	06565115	07163539
<b>Date of Birth</b>	08.04.1966	20.12.1967	04.11.1966	05.09.1975
<b>Date of first Appointment on the Board</b>	29.03.2019	20.03.2019	20.03.2019	14.08.2019
<b>Directorship held in other Public Limited Companies:</b>	02	01	0	06
<b>Memberships/ Chairmanships of Committees across Public Companies*</b>	0	0	0	01
<b>Education Qualification</b>	Diploma in electronic engineering	M.com	BSC & LLB	M.com

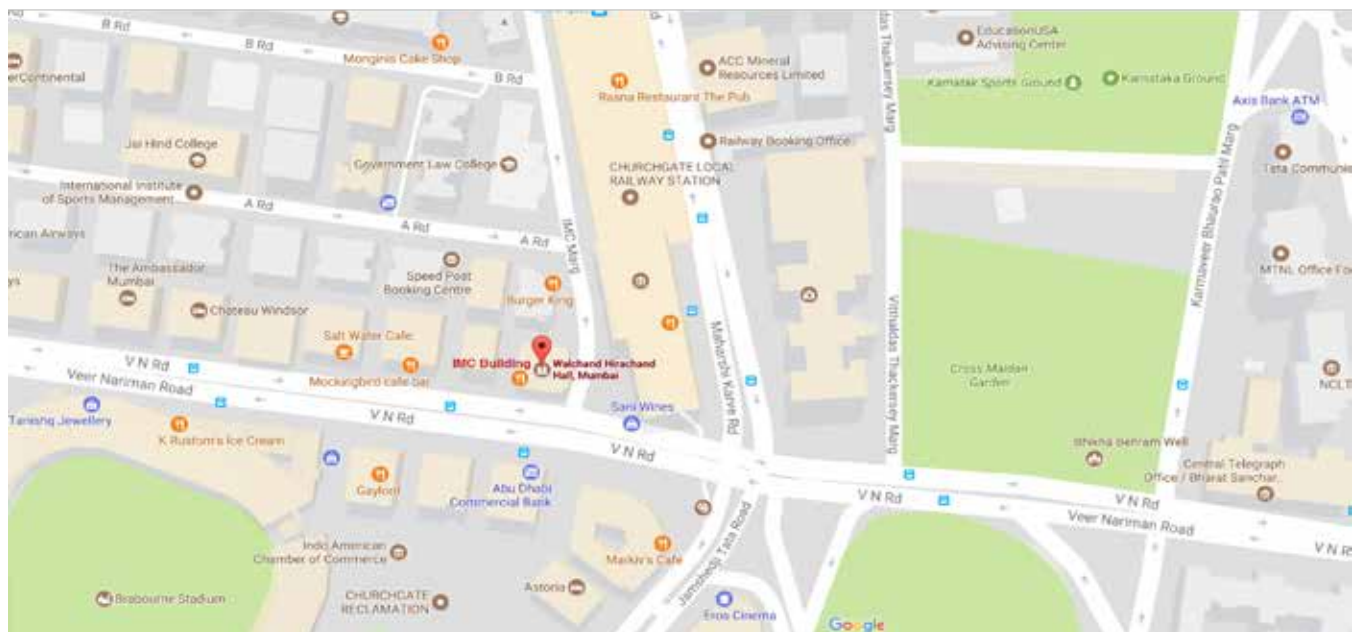




<b>Brief Resume of the Director including nature of expertise in specific function areas and their experience etc</b>	Mr. Purushottam D Sonavane is having Ten years experience in Design new ways to use electrical power to develop or improve products, perform detailed calculations to develop manufacturing, construction, and installation standards and specifications, work with project managers on production efforts to ensure that projects. Also having experience in electrical drawings, planning of projects, erection & maintenance	Mrs. Sanjivani Bhalchandra Shinde is having five years experience in Finance and Administration. She is a reliable professional with broad knowledge to all accounting, financial and business principles. She is a strategic thinkers and effective leaders who can make the most profitable decisions. The goal is to guide the company towards profitability and long-term success.	Mrs. Sadhana Avinash Patil is having Twenty Two years experience as a legal consultant. She is a Bsc. and a law graduate. Mrs. Sadhana intends to guide the Company towards all legal compliances.	Mrs. Minal Umesh Pote, post graduate in Commerce having ten years experience in Accounts and Administration. Responsibilities included overall authority of the financial operation of the company, accounting, budget preparation, audit, taxation; preparation of financial statement, analysis of business trends & daily operating cost.
<b>Number of Shares held in the Company:</b>	NIL	NIL	NIL	NIL
<b>Relationships between Directors inter-se</b>	No other Directors are related to him	No other Directors are related to her	No other Directors are related to her	No other Directors are related to her
<b>Details of remuneration sought to be paid</b>	NIL	NIL	NIL	3.00 Lacs pa
<b>Remuneration Last drawn</b>	-	-	-	-

### Route Map

2nd Floor, Library hall, IMC Building, IMC Marg, Churchgate, Mumbai – 400020



**DIRECTORS' REPORT**

To the Members,

Your Directors have pleasure in presenting the Fifty Seventh Annual Report and the Company's audited financial statements for the financial year ended March 31, 2019.

**1. FINANCIAL RESULTS**

(₹ In Lakhs)

PARTICULARS	CONSOLIDATED		STANDALONE	
	YEAR ENDED	YEAR ENDED	YEAR ENDED	YEAR ENDED
	31-03-2019	31-03-2018	31-03-2019	31-03-2018
Revenue from operation	18362.90	17432.04	13895.06	13322.97
Other Income	1377.86	1675.72	1112.59	1653.34
<b>Total Income</b>	<b>19740.76</b>	<b>19107.76</b>	<b>15007.65</b>	<b>14976.31</b>
PBDIT	(10027.78)	(2545.06)	(9990.94)	(2608.66)
Interest & Finance Exp.	728.94	768.80	679.69	708.90
<b>PBDT</b>	<b>(10756.72)</b>	<b>(3313.86)</b>	<b>(10670.63)</b>	<b>(3317.56)</b>
Depreciation	601.26	733.45	601.26	733.45
<b>PBT</b>	<b>(11357.98)</b>	<b>(4047.31)</b>	<b>(11271.89)</b>	<b>(4051.01)</b>
Less: Current tax	-	-	-	-
Deferred Tax Liability	-	-	-	-
<b>Profit After tax (PAT)</b>	<b>(11357.98)</b>	<b>(4047.31)</b>	<b>(11271.89)</b>	<b>(4051.01)</b>
Other Comprehensive Income	688.99	71.90	688.99	96.58
Exceptional Expenses	658.88	60.03	658.88	60.03
<b>Profit transferred to reserve</b>	<b>(11327.987)</b>	<b>(4035.43)</b>	<b>(11241.78)</b>	<b>(4014.45)</b>

**2. OPERATING AND FINANCIAL PERFORMANCE:**

The revenue from operations for the year has been ₹ 13,895.06 Lakh as against ₹ 13,322.97 Lakh in the previous year. Revenue from operations affected due to continued stiff competition in the market and recessionary trend. The Company also operated at lower capacity utilization due to shortage of working capital which has also impacted the profitability of the Company for the year. Production cost also pushed up due to exorbitant increase in input cost. Your Company has taken several remedial steps to meet the challenges viz. measures in saving cost at all front of operations; optimize use of available resources etc. In absence of profits, your directors are unable to declare any dividend for the year under review. The Company considered the advance given to its subsidiary was doubtful for recovery due to financial meltdown in the Middle East. Hence the board of directors have decided to make provision for such advance.

**3. DIVIDEND**

In view of huge losses and financial crunches, your Directors have not recommended dividend for the year ended March 31, 2019.

**4. EXPORT PERFORMANCE**

Exports turnover increased to rs 11 Cr. for the year ended 31st March, 2019 as compared to nil in previous year.



## 5. LOCK - OUT AT KHOPOLI UNIT

Lock-out, declared by the management at its Khopoli unit in November, 2013 is still continuing.

## 6. POSSESSION OF IMMOVABLE ASSETS AT KHOPOLI UNIT UNDER SECURITISATION & RECONSTRUCTION OF ASSETS AND ENFORCEMENT OF SECURITY INTEREST ACT, 2002 (SARFAESI).

Pursuant to Company's account becoming NPA, consortium of banks led by State Bank of India had moved its application to District Collector Alibaug for Physical Possession of Company's immovable property at Khopoli unit. As the same was contested by the company and matter is subjudice in DRT court. Meanwhile State Bank of India sold their loan Account to Asset Reconstruction Company.

## 7. SHARE CAPITAL

There has been no change in the Share Capital of the Company during the financial year ended 31st March, 2019.

## 8. CHANGE IN THE NATURE OF BUSINESS

The is no change in the nature of the business of the Company during the year.

## 9. MATERIAL CHANGES BETWEEN THE DATE OF THE BOARD REPORT AND END OF THE FINANCIAL YEAR.

There have been no material changes and commitments, which effect the financial position of the company which have occurred between the end of financial year to which the financial statement relate and the date of this report.

## 10. EMPLOYEE STOCK OPTIONS PLAN

No shares have been allotted under the ESOP till date. The Company has not granted any stock options during the financial year ended 31st March, 2019.

## 11. SUBSIDIARY COMPANY

The Company has two wholly owned subsidiaries at UAE and USA which has been setup to develop the overseas market for the Company.

The Accounts of the wholly owned Subsidiaries, namely Zenith (USA) Inc. and Zenith Middle East FZ LLC for the year ended 31st March, 2019 have been received by the Company and a statement pursuant to section 129 of the Companies Act, 2013, forms part of this Annual Report. Your Directors have pleasure in enclosing the consolidated financial statements of the Company in accordance with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Indian Accounting standards issued by the Institute of Chartered Accountants of India.

In compliance with the general circular issued by Ministry of Corporate Affairs (MCA), Government of India, the Balance Sheet, Statement of Profit & Loss and other documents of the subsidiary are not attached hereto. As per the general exemption, a statement containing brief financial details of the Company's subsidiary for the year ended 31st March, 2019, is included in this Annual Report. The Annual Accounts of the subsidiary and the related detailed information will be made available to any Member of the Company/its subsidiary seeking such information at any point of time and are also available for inspection by any Member of the Company/its subsidiary at the Registered Office of the Company/its subsidiary.

## 12. FIXED DEPOSITS:

### (i) Details of Deposits Accepted u/s. 58A of the Companies Act, 1956.

The Company has outstanding deposits accepted u/s 58A of the Companies Act, 1956 and Rules made thereunder under Companies (Acceptance of Deposits) Rules, 1975. Accordingly, the details relating to deposits covered under the Companies Act, 1956 are given below:



(₹ In Lakhs)

1.	Deposits Accepted during the year	NIL	
2.	Deposits remained unpaid or unclaimed as at end of the year	2198.82	
3.	Whether there has been any default in repayment of deposits or payment of interest thereon during the year and if so, number of such cases and the total amount involved:	Principal	Interest
	I. At the beginning of the year	2265.06	1647.17
	ii. Maximum during the year	2265.06	2080.65
	III. At the end of the year	2198.82	2080.65
4.	The details of deposits which are not in compliance with the requirements of Chapter V of the Act	Not Applicable	

**(ii) Details of Deposits which are not in compliance with the requirements of Chapter V of the Companies Act, 2013**

The Company has not accepted any deposits under Companies (Acceptance of Deposits) Rules, 2013. Accordingly, the details relating to deposits, covered under Chapter V of the Companies act, 2013 are not given. Therefore, there are no deposits which are not in compliance with the requirements of Chapter V of the companies Act, 2013

**13. MANAGEMENT'S DISCUSSION AND ANALYSIS REPORT**

In compliance with Regulation 34 (2) (e) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a separate section on Management Discussion and Analysis Report which also includes further details on the state of affairs of the Company and Corporate Governance Report, as approved by the Board of Directors is attached herewith **Annexure 'A'** of this report.

**14. CORPORATE GOVERNANCE**

A report on Corporate Governance along with the Compliance Certificate from the Practicing Company Secretary is annexed hereto and forms part of this report as **Annexure 'B'**.

**15. DIRECTORS' RESPONSIBILITY STATEMENT**

Pursuant to Section 134(5) of the Companies Act, 2013, the Directors of the Company state as under that:

1. In the preparation of the annual accounts, the applicable Accounting Standards had been followed along with proper explanation relating to material departures;
2. The selected accounting policies were applied consistently and the Directors made judgments and estimates that are reasonable and prudent so as to give true and fair view of the state of affairs of the Company for the financial year ended 31st March, 2019 and the Loss of the Company for the financial year ended 31st March, 2019.
3. Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safe guarding the assets of the Company and for preventing and detecting fraud and other irregularities;
4. The annual accounts have been prepared on a 'going concern' basis;
5. Internal financial controls had been laid down to be followed by the company and that such internal financial controls are adequate and were operating effectively; and





6. Proper systems had been devised to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

## 16. AUDITORS

### a) Statutory Auditors:

M/s. Thakur, Vaidyanath Aiyar & Co, Chartered Accountants, auditors of the Company, holds office until the conclusion of the ensuing Annual General meeting. The Company has received a letter from M/s. Thakur, Vaidyanath Aiyar & Co, Chartered Accountants, expressing their willingness to be re-appointed as Auditors.

Based on the recommendation of the Audit Committee, the Board of Directors proposes the re-appointment of M/s. Thakur, Vaidyanath Aiyar & Co, Chartered Accountants, as the Statutory Auditors of the Company from the conclusion of this Annual General Meeting till the conclusion of the Annual General Meeting for the Financial Year 2019-20.

### b) Internal and Management Auditors:

The Company has appointed M/s. Chokshi & Chokshi LLP, Chartered Accountants as its Internal and Management Auditors to carry out the Internal Audit of various operational Areas of the company.

### c) Cost Auditors:

The Board had appointed M/s. Y.R. Doshi & Co. Cost Accountants as the cost Auditor for the F.Y. 2019- 20 at a remuneration of ₹ 60,000/-subject to ratification by the members in the ensuing Annual General Meeting.

## 17. SECRETARIAL AUDITORS' REPORT

Secretarial Audit by Anil Somani Company & Associates, Practicing Company Secretary (CP no. 13379) is attached herewith as an 'Annexure C' to this Report.

## 18. AUDITOR'S REMARK

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

### (i) Explanation for Statutory Auditor's Remark

Sr. No.	Statutory Auditor's Remark	Directors' explanation
1	The Company has not complied with the provisions of the section 74 or any other relevant provisions of the Act and the Companies (Acceptance of Deposits) Rules, 2014 with regard to non repayment of deposits and interest on due date, maintenance of liquid assets to the extent required as well as not fully complying with the orders passed by the Company Law Board.	The company has taken action on priority to clear the dues of deposit holders who are incapacitated and to comply with the orders of existing authorities. For the rest, the company has already started the process of settling their dues through sale proceeds of the assets sold by MPID court of the other Company who has given NOC for using the amount towards repayment of the Fixed Deposits of the Zenith Birla (India) Limited and will complete it before the end of Financial Year 2019-20
2	Balance of Sundry Creditors, Debtors, Loans and Advances, deposits, inter units etc being not confirmed by the parties/units and hence our inability to state whether these balance are recoverable/payable to the extent stated.	Reconciliation of balances of sundry creditors are an ongoing basis and the figures would be ascertained only when the reconciliation is finalised. 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.



3	<p>The Company has accumulated losses exceeding the Share Capital and Reserves and its net worth has been fully eroded. These conditions along with other matters indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. However the financial statements of the Company have been prepared on a going concern basis for the reasons stated in the said note.</p>	<p>On account of strategic understanding with suppliers/ customers, which is continuing, the Company is on revival mode and is operating its some of the units. In view of the same going concern concept holds good.</p>
4.	<p>Interest payable to Micro, Small and Medium Enterprise parties on delayed payments to them has neither been ascertained nor provided</p>	<p>The declaration received from various suppliers was late and identification of them as MSME was lagged at the end of the year. However the amount outstanding if any of those MSME have been cleared as on the year end but interest on the same could not be ascertained and there has been no claim loss with the Company by any of the MSME towards interest payable to them</p>
5	<p>According to information and explanations 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, Professional Tax, Tax Collected at Source, Service Tax, Provident Fund, Employees State Insurance, Sales Tax, Labour Welfare Fund, Value Added Tax, Excise Duty and Corporation Tax the Company is generally regular in depositing the undisputed statutory dues including Custom Duty, Cess and other material statutory dues, as applicable. 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 become payable</p> <p>Income Tax Deducted at Source - ₹35,56,725 Income Tax Collected at Source - 52,172 Provident Fund - ₹ 27 65,529 Labour Welfare Fund - ₹ 768 Professional Tax - ₹ 2,10,363 Excise Duty - ₹ 59,28,897 Dividend Distribution Tax - ₹ 3,59,08,091 Interest on Dividend Distribution Tax - ₹ 3,33,94,524 Central Sales Tax-15.695 Value Added tax-2,10,383</p>	<p>The Company has complied with the deposit of taxes now except the once mentioned by the Auditors. Some of them are outstanding due to financial crunch and some of them are really not outstanding but are of excess provisions as well as proper unit wise adjustments were not done. The same is being carried out and will be reflected in the next reporting year.</p>



**(ii) Explanation for Secretarial Auditor's Remark**

Sr. No.	Secretarial Auditor's Remark	Directors' explanation
1. 2.	<p>Prosecution has been filed against the company by Registrar of Companies, Mumbai for Non Compliance of order of Hon'ble Company Law Board, Mumbai dated 18.08.2014 with regard to payment to depositors.</p> <p>During the year under review name of company is included in the list of shell companies by BSE Ltd and NSE. The Stock Exchanges have appointed forensic auditor to audit the records of the company.</p>	<p>The Company has taken on priority to clear the dues of deposit holders who are incapacitated and to comply with the orders of existing authorities. For the rest the Company has already started the process of settling their dues and bill completed before the end of financial year 2018-19. No further progress on the matter Case is being heard.</p> <p>NSE has reinstated trading. As Company is operational on a going concern basis it can not be treated as shell Company. However on complying with certain formalities, Company will be removed from shell Company list.</p>

**19. NUMBER OF MEETINGS OF THE BOARD**

Five meetings of the board were held during the year. For details of the meetings of the board, please refer to the corporate governance report, which forms part of this report.

**20. BOARD OF DIRECTORS, EVALUATION ETC.**

Company's Policy on Directors Appointment and Remuneration etc.

The Company has prepared a policy on Director's appointment and remuneration pursuant to Section 178 of the Act. The Company has also laid down criteria for determining qualifications, positive attributes and independence of Director.

**Formal Annual Evaluation**

**1. The Formal Annual Evaluation has been made as follows:**

- a. The Company has laid down evaluation criteria separately for Board, Independent Directors, Directors other than Independent Directors and various committees of the Board. The criteria for evaluation of Directors included parameters such as willingness and commitment to fulfill duties, high level of professional ethics, and contribution during meetings and timely disclosure of all the notice/details required under various provisions of laws. Based on such criteria, the evaluation was done in a structured manner through peer consultation & discussion.
- b. Evaluation of the Board was made by a Separate Meeting of Independent Directors
- c. The performance evaluation of all committees were done by the Board of Directors namely:
  - i. Audit Committee
  - ii. Nomination and Remuneration Committee
  - iii. Stakeholders Relationship Committee.
- d. Performance evaluation of non – Independent Directors was done by Separate meeting of Independent Directors.
- e. Evaluation of Independent Directors was done (excluding the Director who was evaluated) by the Board of Directors of the Company.



- f. In addition, the Nomination and Remuneration Committee has carried out evaluation of every Director's performance as required under Section 178 (2) of Companies Act, 2013.
- g. The Directors expressed their satisfaction with the evaluation process.

## **2. Number of Board Meetings conducted during the year under review**

The Company had 4(Four) times Board Meetings during the financial year on 29/05/2018, 13/08/2018, 01/11/2018, 13/02/2019 and 20/03/2019 the details of which are given in the Corporate Governance Report. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013.

- 3. During the year Mr. Durgesh Jadhav (DIN:0800000), Mrs. Pratiksha Sonavane (DIN:07998530) have resigned from the post of directorship with effect from 29th March,2019 and Bhalchandra Shinde (DIN:07978440) resigned from the post of Director with effect from 20th March,2019 due to disqualification under 162(2) of Companies Act,2013 because of common directorship in other companies.

Further, Mrs.Sanjivani Shinde (DIN: 08391062) & Mrs. Sadhana patil (DIN: 06565115) have appointed as Non-Executive Independent Directors of the company with effect from 20th March,2019 and Mr. purushottam Sonavane(DIN: 08405653) appointed as a Non –Independent –Non Executive Director with effect from 29th March,2019.

Further, Ram Shay Jagetiya (DIN: 02719230) resigned from the post of Director with effect from 4th May,2019 due to disqualification under 162(2) of Companies Act,2013 because of common directorship in other companies

## **21. DECLARATION OF INDEPENDENCE**

The Company has received declarations from all the Independent Directors confirming that they meet the criteria of independence as prescribed under the provisions of Companies Act, 2013 read with the Schedules and Rules issued there under.

## **22. POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION AND OTHER DETAILS**

The Company's policy on directors' appointment and remuneration and other matters provided in Section 178(3) of the Act, has been disclosed in the corporate governance report, which forms part of the directors' report.

## **23. INTERNAL FINANCIAL CONTROL SYSTEMS AND THEIR ADEQUACY**

The details in respect of internal financial control and their adequacy are included in the Management Discussion & Analysis, which forms part of this report.

## **24. AUDIT COMMITTEE**

The details pertaining to composition of audit committee are included in the Corporate Governance Report, which forms part of this report.

## **25. STATEMENT CONCERNING DEVELOPMENT AND IMPLEMENTATION OF RISK MANAGEMENT POLICY OF THE COMPANY**

Risk is an integral part of any business and therefore, Risk Management is an important function that the business management has to perform to ensure sustainable business growth.

The Board of the Company has framed the Risk Management Policy. The details of the policy are as updated on website of the company [www.zenithsteelpipes.com](http://www.zenithsteelpipes.com). The risk management includes identifying types of risks and its assessment, risk handling and monitoring and reporting. At present the company has not identified any element of risk which may threaten the existence of the company.

The Company does not fall under the ambit of top 100 listed entities, determined on the basis of market capitalization as at the end of the immediately preceding financial year. Hence, compliance under Regulation 21 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is not applicable.



**26. DETAILS OF POLICY DEVELOPED AND IMPLEMENTED BY THE COMPANY ON ITS CORPORATE SOCIAL RESPONSIBILITY INITIATIVES**

The Company has not developed and implemented any Corporate Social Responsibility initiatives as the said provisions are not applicable

**27. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS MADE UNDER SECTION 186 OF THE COMPANIES ACT, 2013**

During the year under review, the Company has not given loans, guarantees or investments under Section 186 of the Companies Act, 2013. The details of the investments made by the Company are provided in the accompanying financial statements.

**28. TRANSACTIONS WITH RELATED PARTIES**

In accordance with the provisions of Section 188 of the Companies Act, 2013 and rules made thereunder, all related party transactions that were entered into during the financial year were on arm's length basis and were in the ordinary course of business, the details of which are included in the notes forming part of the financial statements. There were no materially significant related party transactions which may have a potential conflict with the interests of the Company at large. Accordingly, information in Form AOC-2 is not required. The Policy on materiality of related party transactions and dealing with related party transactions as approved by the Board may be accessed on the Company's website at [www.zenithsteelpipes.com](http://www.zenithsteelpipes.com).

**29. STATEMENT PURSUANT TO SECTION 134(3) (M) OF THE COMPANIES ACT, 2013 READ WITH RULE 8(3) OF THE COMPANIES (ACCOUNTS) RULES, 2014 ON CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS & OUTGOINGS**

Statements pursuant to Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 on conservation of energy, technology absorption, foreign exchange earnings & outgoings are annexed as **Annexure "E"** and forms part of this report.

**30. VIGIL MECHANISM/WHISTLE BLOWER POLICY**

The company has a vigil mechanism named Whistle Blower Policy to deal with instances of fraud and mismanagement.

**31. EMPLOYEES' SAFETY**

The Company is continuously endeavoring to ensure safe working conditions for all its employees.

**32. CORPORATE SOCIAL RESPONSIBILITY**

Since the Company does not qualify any of the criteria as laid down in section 135(1) of the Companies Act, 2013 with regard to Corporate Social Responsibility, provisions of section 135 are not applicable to the Company.

**33. EXTRACT OF ANNUAL RETURN**

As provided under Section 92(3) of the Act, the extract of annual return is given in **Annexure F** in the prescribed **Form MGT-9**, which forms part of this report.

**34. MATERIAL ORDERS PASSED BY THE REGULATORS / COURTS / TRIBUNALS:**

There are no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future.

**35. PARTICULARS OF EMPLOYEES**

The information required under Section 197 of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are given below:



- (i) The ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year;

As Directors are not paid any remuneration, except the sitting fees, hence, this clause is not applicable.

- (ii) The percentage increase in remuneration of each director, Chief Executive Officer, Chief Financial Officer Company Secretary in the financial year;

Directors*, Chief Executive Officer, Chief Financial Officer and Company Secretary		% increase in the remuneration in the financial year
Ram Sahay Jagetiya (Resigned as on 4.5.2019)	Whole Time Director	NIL
B. Girvanesh	C.F.O.	NIL
Suneel Sullere	Company Secretary	25%

- (iii) The percentage increase in the median remuneration of employees in the financial year: 12.13%

- (iv) The number of permanent employees on the rolls of company: 208

- (v) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration;

The average annual increase was around 8.88%.

- (vi) Affirmation that the remuneration is as per the remuneration policy of the company The Company affirms that the remuneration is as per the remuneration policy of the Company.

- (vii) As none of the employees is drawing remuneration not less than ₹ 102 Lakhs p.a. or ₹ 8.5 Lakhs p.m., if employed for the part of the year. Hence, the statement containing particulars of the name of top ten employees as required under Section 197(12) of the Act read with rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is not applicable.

- (viii) The information required under Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, forms part of this Annual Report. Having regard to the provisions of Section 136 of the Companies Act, 2013, the Reports and Accounts are being sent to the Members excluding such information. However, the said information is available for inspection by the Members at the registered office of the Company during its working hours up to the date of ensuing Annual General Meeting. Further, any Member interested in obtaining such information may obtain it by writing to the Company Secretary share@zenithsteelpipes.com

### 36. DISCLOSURE PURSUANT TO THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013.

The Company has in place a Policy for Prevention Prohibition and Redressal of Sexual Harassment at work place which is in line with the requirements of the Sexual Harassment of women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013 and Rules made thereunder. All employees (permanent, contractual, temporary and trainees) are covered under this policy. The Company has constituted an Internal Complaint Committee for its Head Office and branch/sales offices under Section 4 of the captioned Act. No complaint has been filed before the said committee till date.

### 37. CEO/CFO COMPLIANCE CERTIFICATE

Certificate by the Director and Chief Financial Officer (CFO) pursuant to Regulation 17(8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the financial year ended 31st March, 2019 is provided under Corporate Governance Report.



### **38. PERSONNEL**

Your Directors also wish to place on record their deep sense of 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.

### **39. SECRETARIAL STANDARDS**

The Institute of Company Secretaries of India had revised the Secretarial Standards on Meetings of the Board of Directors (SS-1) and Secretarial Standards on General Meetings (SS-2) with effect from 1st October 2017. The Company is in compliance with the revised secretarial standards to the extent applicable.

### **40. ACKNOWLEDGEMENTS**

Your Directors would like to express their sincere appreciation for the assistance and co-operation received from the financial institution, banks, Government authorities, customers, vendors and members during the year under review.

**For and on behalf of the Board**

**Place: Mumbai**  
**Date : 13<sup>th</sup> August, 2019**

**Sadhana Patil**  
**Director**  
**(DIN: 06565115)**

**Purushottam Sonavane**  
**Director**  
**(DIN: 08405653)**



**Annexure - A****MANAGEMENT DISCUSSION AND ANALYSIS:**

Pursuant to the amended Regulation 34 read with the Schedule V of the SEBI (listing Obligations and Disclosure Requirements) Regulation, 2015 your Directors wish to report as follows:

**(a) Indian Economy:**

India has emerged as the fastest growing major economy in the world and is expected to be one of the top three economic powers of the world over the next 10-15 years, backed by its strong democracy and partnerships.

India's GDP is estimated to have increased 7.2 per cent in 2017-18 and 7 per cent in 2018-19. India has retained its position as the third largest startup base in the world with over 4,750 technology start-ups.

India's labour force is expected to touch 160-170 million by 2020, based on rate of population growth, increased labour force participation, and higher education enrolment, among other factors

India's foreign exchange reserves were US\$ 405.64 billion in the week up to March 15, 2019, according to data from the RBI.

With the improvement in the economic scenario, there have been various investments in various sectors of the economy. The M&A activity in India reached record US\$ 129.4 billion in 2018 while private equity (PE) and venture capital (VC) investments reached US\$ 20.5 billion. Some of the important recent developments in Indian economy are as follows:

- During 2018-19 (up to February 2019), merchandise exports from India have increased 8.85 per cent year-on-year to US\$ 298.47 billion, while services exports have grown 8.54 per cent year-on-year to US\$ 185.51 billion.
- Nikkei India Manufacturing Purchasing Managers' Index (PMI) reached a 14-month high in February 2019 and stood at 54.3.
- Net direct tax collection for 2018-19 had crossed ₹ 10 trillion (US\$ 144.57 billion) by March 16, 2019, while goods and services tax (GST) collection stood at ₹ 10.70 trillion (US\$ 154.69 billion) as of February 2019.
- Proceeds through Initial Public Offers (IPO) in India reached US\$ 5.5 billion in 2018 and US\$ 0.9 billion in Q1 2018-19.
- India's Foreign Direct Investment (FDI) equity inflows reached US\$ 409.15 billion between April 2000 and December 2018, with maximum contribution from services, computer software and hardware, telecommunications, construction, trading and automobiles.
- India's Index of Industrial Production (IIP) rose 4.4 per cent year-on-year in 2018-19 (up to January 2019).
- Consumer Price Index (CPI) inflation stood at 2.57 per cent in February 2019.
- Net employment generation in the country reached a 17-month high in January 2019.

**(b) Industry Structure & Developments:**

Steel is a product of large and technologically complex industry having strong forward and backward linkages in terms of material flows and income generation. It is also one of the most important products of the modern world and of strategic importance to any industrial nation. From construction, industrial machinery to consumer products, steel finds its way into a wide variety of applications. It is also an industry with diverse technologies based on the nature and extent of raw materials used.

India's steel production grew 4.5% to its highest ever level of 102 million tonnes in Year 2019. The Government of India has been proactive in addressing the issues faced by domestic steel makers. It has taken major steps to stop unfair trade and to safeguard the interests of domestic players. This has been accompanied by recovery



in construction activity and shut down of excess capacities in China. China has phased out capacities to the tune of 115 million tonnes in the past two years; and is gearing up for another production cut of 30 million tonnes in 2019.

Leading steel makers in India are well poised to benefit from this development. Riding high on an all-round improvement in the growth of key sectors, namely automobiles, infrastructure, and capital goods, among others, India's steel demand grew at a high rate of 7.9% to 91 million tonnes in FY19. This pace may accelerate further as domestic steel demand growth is pegged at 8.3% to 98.2 million tonnes in the current fiscal year (Source: JPC). In FY19, India's per capita steel consumption grew 6.2% to 69 kg, while share of flats improved from 42% to 44%. India's construction activity, particularly in highways, bridges and metro lines has bolstered the demand for long steel products in recent times. Given their size, long steel products are relatively difficult to ship and hence most contractors are sourcing them locally. Domestic steel prices have started trending northwards since November 2017, owing to a surge in global prices, healthy recovery in domestic demand, and a weaker rupee. The prices though still trail international prices and hence there is a scope for further uptick in prices. Governmental measures such as the National Steel Policy and extension of anti-dumping duty on steel products, imposition of quality standards are key facilitators for the growth of domestic steel sector in India. Additionally, the Government has earmarked ₹ 14.3 Lakh crores towards infrastructure spending, which will also enhance steel demand in the domestic market.

### (c) Opportunities & Threats:

In the new environment, the industry has to be steered with appropriate policy support to ensure that production of steel matches the anticipated pace of growth in consumption. Special emphasis is needed to ensure that the industry follows a sustainable path of development in respect of environmental friendliness, mineral conservation, quality of steel products, use of technology and indigenous R&D efforts to ensure that the country can, over time, reach global efficiency benchmarks to become a world leader in steel production technology, as well as in production of high end steel.

The National Steel Policy, 2017 (NSP) aims to make India a self-sufficient steel producing nation by 2030. The Policy will promote the indigenous industry to eliminate steel imports in the country by 2030. Reduction in import dependence for procuring coking coal, emphasis on BF / BOF technology, sharper focus on pelletisation and installation of slurry pipelines and conveyors, promotion of domestically manufactured steel in government procurement and production of value-added steel indigenously are the key goals of this Policy. To achieve these targets, some Indian companies have undertaken capacity expansions, which will drive their market shares further in the coming years. The acquisition of debt-laden steel companies will reduce the time for ramping up existing capacities. Investments worth US\$210 billion would be required to achieve the targeted steel capacity of 300 million tonnes by 2030. Overall, the NSP will empower domestic steel makers by making them more competitive globally. In the domestic market as well, there are multiple catalysts to drive steel industry growth. Relatively lower per capita steel consumption, healthy prospects of consumption demand on the back of buoyant infrastructure growth and strong growth in the automobile and railways sector being the prominent ones. Against this backdrop, it is expected domestic steel demand would grow by around 5% in the financial year 2019-20.

As the oil and gas industry is growing rapidly, the demand for steel pipes is also increasing. Features such as reliability and durability are some of the prominent factors driving the global demand for steel pipes. Steel pipes have a wide range of usability; they are used in the automotive, mining and construction industries which drive the manufacturing steel pipe industry. The available range of steel pipes becomes one of the reasons surpassing the demand of residential and non-residential sector of steel pipes. The replacement of ageing pipelines also increases the global demand of steel pipes.

However, substitutes such as iron and plastic pipes, which create diversions for the manufacturer towards other material pipes, are estimated to restrain the market growth. The corrosive behaviour of carbon steel pipes is one of the restraining factors, and the high cost of stainless steel also hinders the growth of the global steel pipe market.



The Indian steel sector is disadvantaged due to limited availability of essential raw material such as high grade Manganese ore & Chromites, cooking coal, steel grade limestone, refractory raw material, Nickel, Ferrous Scrap etc. Due to shortage of domestic coking coal, both in terms of quantity and quality, pig iron producers/ BF operators in India have to significantly depend on import of coking coal. In the recent past, multiple issues have also adversely impacted the steel sector, viz. cancellations of iron ore and coal mine allocations, delays in land acquisition, environmental clearances, which led to many of the projects facing significant cost and time overruns. Additionally, companies also faced substantially increased operating costs on account of increased logistics & raw material costs and other charges.

**(d) Segment-wise or Product-wise Performance**

Since your Company operates only in one Segment, segment-wise or product-wise analysis of performance is not applicable.

**(e) Outlook:**

During FY19, India is likely to record a robust GDP growth of 7.4% (Source: IMF). This growth will be driven by structural and wide ranging reforms such as the Goods and Services Tax (GST) to widen the indirect tax base, Insolvency and Bankruptcy Code to address asset quality of banks and formalisation and digitisation of the economy improving business ecosystem, thrust on infrastructure development, and a liberal FDI regime. Banking reforms through recapitalisation and the Insolvency and Bankruptcy Code are expected to resolve the stressed assets of overleveraged corporates and restore lending support to these sectors.

To make the growth broad based and inclusive, there is a clear budgetary and policy focus on rural development to construct ₹ 3.17 Lakh km of road, ₹ 51 Lakh houses, ₹ 1.88 crores toilets and provide electricity connections to ₹ 1.75 crores new households. Rural employment too, is expected to improve with MNREGA budget expanded by ₹ 7,000 crores to ₹ 55,000 crores Further, the latest IMD forecast predicts a normal monsoon in 2019. Since over 65% of the nation is employed in the agricultural sector, this would boost the consumer expenditure resulting in improved demand prospects.

The strengthening global economy is also likely to stimulate exports. The country's exports are expected to touch US\$350 billion during 2019-20. Pick up in capital expenditure done by private corporate sector will also provide the necessary impetus to India's GDP growth.

**(f) Risks and Concerns:**

Though Regulation 17 & 21 the SEBI (listing Obligations and Disclosure Requirements) Regulation, 2015 is not applicable your Company has duly adopted steps for framing, implementing and monitoring the risk management plan and accordingly of your Directors has put in place critical risk management framework across the Company for identification and evaluation of all potential risks. Your Company is continuously evolving and improving systems and measures to take care of all the risk exigencies involved in the business. All inherent risks are identified, measured, monitored and regularly reported to management. The management decides measures required to overcome these risks and ensure implementation of proper risk mitigation plans. The risk report and mitigation plans are presented to the Board of Directors periodically.

**(g) Internal Control Systems and their adequacy:**

Your Company has an effective Internal Control System to prevent fraud and misuse of Company's resources and protect shareholders' interest. Your Company has an independent Internal Audit Department to monitor and review and focus on the compliances of various business processes. The internal audit report along with audit findings and tracking of process improvements & compliances is presented for review to the Audit Committee of Board of Directors.



**(h) Discussion on Financial Performance with respect to Operational Performance and state of Company's affairs:**

The revenue from operations for the year has been ₹ 13,895.06 Lakh as against ₹ 13,322.97 Lakh in the previous year. Revenue from operations affected due to continued stiff competition in the market and recessionary trend. The Company also operated at lower capacity utilization due to shortage of working capital which has also impacted the profitability of the Company for the year.

**Key Financial Ratio**

Particulars	2018-19	2017-18
Return on Net Worth (%)	48.60	33.77
Return on Capital Employed (%)	64.37	40.99
Basic EPS (after exceptional items) (₹)	-9.09	-3.13
Debtors Turnover	4.07	4.40
Inventory Turnover	143.83	40.75
Interest coverage ratio	-16.55	-4.80
Current ratio	0.31	0.57
Debt Equity ratio	-1.01	-2.86
Operating profit margin (%)	-80.97	-25.54
Net profit margin (%)	-85.86	-30.86

**Detailed explanation of Ratios**

**Return on Net Worth**

Return on Net Worth (RONW) is a measure of profitability of a Company expressed in percentage. It is calculated by dividing total comprehensive income for the year by average Net Worth during the year.

**Return on Capital Employed**

Return on Capital Employed (ROCE) is a financial ratio that measures a Company's profitability and the efficiency with which its capital is used. In other words, the ratio measures how well a Company is generating profits from its capital. It is calculated by dividing profit before exceptional items and tax by average capital employed during the year.

**Basic EPS**

Earnings Per Share (EPS) is the portion of a Company's profit allocated to each share. It serves as an indicator of a Company's profitability. It is calculated by dividing Profit for the year by Weighted average number of shares outstanding during the year.

**Debtors Turnover**

The above ratio is used to quantify a Company's effectiveness in collecting its receivables or money owed by customers. The ratio shows how well a Company uses and manages the credit it extends to customers and how quickly that short-term debt is collected or is paid. It is calculated by dividing turnover by average trade receivable.

**Inventory Turnover**

Inventory Turnover is the number of times a Company sells and replaces its inventory during a period. It is calculated by dividing turnover by inventory.

**Interest Coverage Ratio**

The Interest Coverage Ratio measures how many times a Company can cover its current interest payment with its available earnings. It is calculated by dividing PBIT by finance cost.

**Current Ratio**

The Current Ratio is a liquidity ratio that measures a Company's ability to pay short-term obligations or those due within one year. It is calculated by dividing the current assets by current liabilities.

**Debt Equity Ratio**

The ratio is used to evaluate a Company's financial leverage. It is a measure of the degree to which a Company is financing its operations through debt versus wholly owned funds. It is calculated by dividing a Company's total liabilities by its shareholder's equity.

**Operating Profit Margin (%)**

Operating Profit Margin is profitability or performance ratio used to calculate the percentage of profit a Company produces from its operations. It is calculated by dividing the EBIT by turnover.

**Net Profit Margin (%)**

The net profit margin is equal to how much net income or profit is generated as a percentage of revenue. It is calculated by dividing the profit for the year by turnover.

**(i) Human Resources Development and Industrial Relations:**

Your Company focuses on developing the most superior workforce so that the organization and individual employees can accomplish their work goals in service to the end users. To improve employee productivity, PMS (Performance Management System) was implemented across the organization.

Your Company has put in place suitable processes and mechanism to ensure that grievances are effectively addressed. Employee Grievance Redressal Committee and the Internal Complaints Committee are intended to facilitate open and structured discussion on work related grievances of employees and Sexual Harassment complaints respectively, to ensure that these are dealt with in a fair and just manner. Our Anti-Sexual Harassment initiatives allow employees to report sexual harassment case at the workplace.

Presently, your Company employs around 450 employees including employees on contract basis. There is Lock-out at factory at Khopoli since December, 2013. The industrial relation continues to remain generally cordial at all locations of the Company except its factory at Khopoli.

**(j) Cautionary Statement:**

The Management Discussion and Analysis describe Company's projections, expectations or predictions and are forward looking statements' within the meaning of applicable laws and regulations. Actual results could differ from those expressed or implied. Important factors that could make a difference to the Company's operations include economic conditions affecting demand and supply, price conditions in domestic and international market, change in Government regulations, tax regimes, economic developments and other related and incidental factors.



Annexure – B

**REPORT ON CORPORATE GOVERNANCE**

**(Pursuant to Regulation 34 (3) and Schedule V (C) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015).**

**1. COMPANY’S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE:**

Corporate Governance is based on the principal of truth, transparency, accountability, equity and responsibility in all our dealings with our employees, shareholders, customers, suppliers, government, lenders and community at large. The Company believes that better corporate governance can be achieved through increased transparency in its operations and has taken and will continue to take various measures towards achievement of good corporate governance. It is a tool to judge and evaluate the standards and ethics of Corporate Management.

A report on compliance with the principles of Corporate Governance as prescribed by the Securities and Exchange Board of India (“SEBI”) in Chapter IV read with Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as “SEBI Regulations”) is given below:

**2. BOARD OF DIRECTORS**

**a) Composition of Board:**

As on 31st March, 2019, the Board of Directors has 4 (Four) members, out of which 2 (two) are Independent Director, 1(One) is Non-Executive, Non-Independent Director and one is Whole Time Director. The composition of the Board was in conformity with Regulation 17(1) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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 Regulation 17(1)), 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	No. of other directorships	*No. of other Committee positions		No. of Board Meetings attended during the year	Attendance at the 56th Annual General Meeting held on 27.09.2018
				Chairman	Member		
Mr. Ram Sahay Jagetiya (resigned as on 04.05.2019)	Whole Time Director	NIL	1	-	-	5	Yes
Mrs. Sadhana Patil	Non- Executive, Independent	NIL	2	1	3	1	No
Mrs. Sanjivani Shinde	Non- Executive Independent	NIL	2	1	2	1	No
Mr. Purushottam Sonavane	Non- Executive Non-Independent	NIL	1	3	1	-	No
Mrs. Pratiksha Sonavane (resigned as on 29.03.2019)	Non- Executive Independent	NIL	3	1	-	5	Yes
Mr. Bhalchandra Shinde (resigned as on 20.03.2019)	Non- Executive Independent	NIL	2	2	2	5	Yes
Mr. Durgesh Jadhav (resigned as on 29.03.2019)	Non- Executive Non-Independent	NIL	2	1	3	5	Yes

# Represents Memberships / Chairmanships of Audit Committee and Stakeholders Relationship Committee.



- A disclosure has been received by the current directors regarding their directorship in other listed entities which stands to be NIL.
- Above Directors does not hold any directorship in other listed companies, hence details of other directorship in listed companies not required.

**b) Number of Meetings of the Board of Directors held and dates on which held**

Five meetings were held during the year and the gap between two meetings did not exceed 120 days. The dates on which the said meetings were held are as follows:

Sr. No.	Date of Meeting
1	29.05.2018
2	13.08.2018
3	01.11.2018
4	13.02.2019
5	20.03.2019

Information of the Board Meeting and Committee meetings are given well in advance and communicated to all the Directors. Normally, Board Meetings and Committee meetings are held at the registered Office of the Company. The Agenda along with explanatory notes are sent in advance to all the Directors

**c) Information placed before the Board of Directors:**

All such matters as are statutorily required as per schedule - II & Regulation 17(7) of SEBI (LODR) Regulations, 2015 and also matters relating to Corporate Plans, Mobilisation of Funds, Investments/Loans, Risk Management Policy, Capital Expenditure etc. are considered by the Board.

Besides, the following information is also regularly placed before the Board for its consideration:

1. Annual operating plans and budgets and updates
2. Capital Budgets and updates
3. Minutes of Meetings of committee of the Board
4. Quarterly results of the Company
5. Material Transactions which are not in the ordinary course of business.
6. Compliance with all regulatory and statutory requirements
7. Fatal Accidents, dangerous occurrences, material effluent pollution problems
8. Recruitment and remuneration of senior officers just below the Board level
9. Investments/ Disinvestments
10. Risk Assessment Analysis

The Board periodically reviews compliance report of all applicable laws to the Company. Steps are taken by the Company to rectify the instances of non-compliance, if any. During F.Y. 2018-19, the Company did not have any material pecuniary relationship or transactions with Non-Executive Directors.

The company has adopted the code of Conduct and Business Ethics for Executive and Non- Executive Directors and Senior Management Personnel. The Company has received confirmations from all the Directors of the Company as well as Senior Management Personnel, one level below the Directors, regarding compliance of the Code during the year under review. The Code of Conduct and Business Ethics adopted by the Company is posted on the website of the Company at [www.zenithsteelpipes.com](http://www.zenithsteelpipes.com). The declaration by the Chief Executive Officer & Chief Financial Officer of the Company confirming the same is given below.





**d) 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.

**MATRIX OF SKILLS / EXPERTISE / COMPETENCIES OF THE BOARD:**

In order to effectively discharge its duties, it is necessary that collectively the Board holds the appropriate balance of skills and experience. The Board seeks a complementary diversity of skills and experience across its members. The table below summarizes the key qualifications, skills and attributes which are taken into consideration while nominating a person to serve on the Board.

<b>Skills / Expertise / Competencies</b>	<b>Detail for such Skills / Expertise / Competencies</b>
Knowledge	Understanding of the Company's business, policies, and culture (including its mission, vision, values, goals, current strategic plan, governance structure, major risks and threats and potential opportunities) and knowledge of the industry in which the Company operates.
Strategic Leadership	Significant leadership experience to think strategically and develop effective strategies to drive change and growth in context of the Company's overall objectives.
Financial expertise	Qualification and / or experience in accounting and/or finance coupled with ability to analyse the key financial statements; critically assess financial viability and performance; contribute to financial planning; assess financial controls and oversee capital management and funding arrangements.
Diversity	Representation of gender, cultural or other such diversity that expand the Board's understanding and perspective.
Corporate Governance, risk and Compliance	Experience in developing and implementing good corporate governance practices, maintaining board and management accountability, managing stakeholders' interests and company's responsibilities towards customers, employees, suppliers, regulatory bodies and the communities in which it operates including establishing risk and compliance frameworks, identifying and monitoring key risks.
Behavioral Skills	Attributes and the competencies to use their knowledge and skills to function well as team members and to interact with key stakeholders;

These skills/competencies are broad-based, encompassing several areas of expertise/experience. Each Director may possess varied combinations of skills/experience within the described set of parameters, and it is not necessary that all Directors possess all skills/experience listed therein.

**e) 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 and the Company Secretary of the Company regarding compliance of all applicable laws on quarterly basis.

### 3. AUDIT COMMITTEE

#### a) Composition, Meetings and attendance during the year:

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. Chief Financial Officer of the Company attends 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.

i. **The audit committee of the Company is constituted in line with the provisions of Regulation 18 of the SEBI, LODR entered into with the stock exchanges read with Section 177 of the Companies Act.**

ii. **The terms of reference of the audit committee are broadly as under:**

- Reviewing Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- Recommend the appointment, remuneration and terms of appointment of auditors of the Company; Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- Reviewing, with the management, the annual financial statements and auditors' report thereon before submission to the board for approval, with particular reference to:
- Matters required to be included in the director's responsibility statement to be included in the board's report in terms of clause (c) of sub-section 3 of section 134 of the Act
- Changes, if any, in accounting policies and practices and reasons for the same major accounting entries involving estimates based on the exercise of judgment by Management Significant adjustments made in the financial statements arising out of audit findings Compliance with listing and other legal requirements relating to financial statements Disclosure of any related party transactions qualifications in the draft audit report reviewing, with the management, the quarterly financial statements before submission to the board for approval;
- Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the board to take up steps in this matter;
- Review and monitor the auditors' independence and performance, and effectiveness of audit process; Approval or any subsequent modification of transactions of the Company with related parties; Scrutiny of inter-corporate loans and investments;



- Valuation of undertakings or assets of the Company, wherever it is necessary; Evaluation of internal financial controls and risk management systems;
- Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- Discussion with internal auditors of any significant findings and follow up there on;
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
- Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post audit discussion to ascertain any area of concern;
- To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- Establish a vigil mechanism for directors and employees to report genuine concerns in such manner as may be prescribed;
- To review the functioning of whistle blower mechanism;
- The audit committee may call for the comments of the auditors about internal control systems, the scope of audit, including the observations of the auditors and review of financial statement before their submission to the board and may also discuss any related issues with the internal and statutory auditors and the management of the Company;
- Carrying out any other function as is mentioned in the terms of reference of the audit committee; Oversee financial reporting controls and process for material subsidiaries;
- To mandatorily review the following information:
  - Management discussion and analysis of financial condition and results of operations;
  - Statement of significant related party transactions (as defined by the audit committee), submitted by management;
  - Management letters / letters of internal control weaknesses issued by the statutory auditors; Internal audit reports relating to internal control weaknesses; and
  - The appointment, removal and terms of remuneration of the internal auditor.

iii. **The composition of the audit committee and the details of meetings attended by its members are given below:**

The Audit Committee consists of three members. It is composed of two members, being Independent, Non- Executive Directors and one member, being Non-Executive – Non-Independent Director. All the members of the Audit Committee have adequate accounting and financial knowledge.

Pratiksha P Sonavane, Non-Executive Independent Director was the Chairman of the Committee upto 29th March, 2019.

With effect from 29th March, 2019 Mrs. Sadhana Patil, Non-Executive Independent Director is the Chairman of the Committee

During the year ended 31st March, 2019, the Committee met 4 times on 29th May 2018, 13th August,



2018 at, 1st November, 2018, and 13th February 2019.

**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
Mrs. Pratiksha Sonavane (Up to 29.03.2019) (Chairman)	Independent Non-Executive	4
Mr. Bhalchandra Shinde (Up to 29.03.2019)	Independent Non-Executive	4
Mr. Purushottam Sonavane(Up to 29.03.2019)	Non Executive & Non-Independent	4
Mrs. Sadhana Patil (Chairman)	Independent Non-Executive	0
Mr. Sanjivani Shinde	Independent Non-Executive	0
Mr. Purushottam Sonavane	Non Executive & Non-Independent	0

- iv. The Audit Committee Meetings are usually held at the Corporate Office of the Company and are normally attended by Chief financial Officer of the Company, representatives of the Statutory Auditors, Internal Auditors and Cost auditors. The Company Secretary acts as the secretary to the audit committee.

#### 4. VIGIL MECHANISM/WHISTLE BLOWER POLICY

The Company has adopted Whistle Blower policy, which was further aligned with the requirements under the Companies Act, 2013 and the Regulation 22 of the SEBI (Listing Obligations and Disclosure Requirements)

Regulations 2015 of the Listing agreement and approved by the Audit Committee and the Board of Directors of the Company. The said policy provides for mechanism for all the employees of the Company to approach the Chairman of the Audit Committee of the Company and make protective disclosures about the unethical behavior, actual or suspected fraud and violation of the Company's Code of Conduct and business ethics. Under the policy, each employee of the Company has an assured access to the Chairman of the Audit Committee.

#### 5. NOMINATION AND REMUNERATION COMMITTEE.

In accordance with the provisions of Section 178(3) of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Nomination and Remuneration Committee is vested with all the necessary powers and authorities to recommend and ensure appropriate disclosure on the remuneration of Managing Director, Whole-time Director and other Directors. The remuneration policy of the Company is based on several criterions which include responsibility, performance, potentials of the director and growth of the Company.

- a **The composition of the nomination and remuneration committee and the details of meetings attended by its members are given below:**

Name of Members & Designation in Committee	Category in the Board	No. of Meetings attended during the F.Y. 2018-19
Mrs. Pratiksha Sonavane (Up to 29.03.2019) (Chairman)	Independent Non-Executive	4
Mr. Bhalchandra Shinde (Up to 29.03.2019)	Independent Non-Executive	4
Mr. Purushottam Sonavane(Up to 29.03.2019)	Non Executive & Non-Independent	4
Mrs. Sadhana Patil (w.e.f. 29.03.2019)	Independent Non-Executive	0
Mr. Sanjivani Shinde (w.e.f. 29.03.2019) (Chairman)	Independent Non-Executive	0
Mr. Purushottam Sonavane (w.e.f.29.03.2019)	Non Executive Non-Independent	0



The Quorum of the Committee is of two members.

The Company Secretary acts as secretary of the Committee.

**b. Meetings of Nomination & Remuneration Committee**

During the year, three meetings of the nomination and remuneration committee were held on 29.05.2018, 13.08.2018, 01.11.2018 and 20.03.2019 and were attended by members of the Nomination & Remuneration Committee.

**c. Terms of Reference**

The terms of reference of the Nomination and Remuneration Committee cover all the areas mentioned under Section 178 of the Companies Act, 2013 and Regulation 19 (4) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The scope of Nomination and Remuneration Committee shall include, but shall not be restricted, to the following:

1. Identify Individual qualified to be become Director and who may be appointed in senior management in accordance with the criteria laid down and recommend to the Board their appointment and removal.
2. Carry out evaluation of every director's performance
3. Formulate criteria for determining qualification, positive attributes and independence of a director and recommend to the Board a policy relating to the remuneration for the directors, key managerial personnel and other employees
4. While formulating the policy shall ensure that
  - a) The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate director of the quality required to run the company successfully.
  - b) Relationship of remuneration to performance is clear and meets appropriate performance benchmarks.
  - c) Remuneration to directors, key managerial personnel and senior managerial management involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goal.
5. Formulation of the criteria for evaluation of Performance of Independent Directors and the Board
6. Devising a Policy on Board Diversity
7. Review key corporate governance processes not specifically assigned to other committees, and recommend changes needed to ensure that the company is at best practice;  
  
Examine the impact of significant regulatory and statutory changes applicable to the governance practices of the Company, and to recommend measures to implement the same;
9. Examine all major aspects of the Company's organizational health, and recommend changes as necessary, including
  - Organization design;
  - Management and employee hiring, training, development, deployment and motivation;&
  - Internal communication and culture building.
10. The Company does not have any employee stock option scheme

**d. Remuneration policy:**

The Policy inter alia provides for the following:



1. attract, recruit, and retain good and exceptional talent;
2. list down the criteria for determining the qualifications, positive attributes, and independence of the directors of the Company;
3. ensure that the remuneration of the directors, key managerial personnel and other employees is performance driven, motivates them, recognizes their merits and achievements and promotes excellence in their performance;
4. motivate such personnel to align their individual interests with the interests of the Company, and further the interests of its stakeholders;
5. ensure a transparent nomination process for directors with the diversity of thought, experience, knowledge, perspective and gender in the Board; and
6. fulfill the Company's objectives and goals, including in relation to good corporate governance, transparency, and sustained long-term value creation for its stakeholders.

**f. Details of sitting fees for the year ended March 31, 2019:**

During the year 2018-19, the Company paid sitting fees of ₹ 10,000/- per meeting to its non-executive directors for attending meetings of the board and ₹ 5,000/- for attending meetings of audit committee of the Board. The Company also reimburses the out-of-pocket expenses incurred by the directors for attending the meetings.

Name of Director	Sitting Fees paid during 1st April, 2018 to 31 <sup>st</sup> March, 2019 (₹ In Lakhs)
Mrs. Pratiksha Sonavane (resigned as on 29.03.2019)	0.60
Mr. Bhalchandra Shinde (resigned as on 20.03.2019)	0.60
Mr. Durgesh Jadhav (resigned as on 29.03.2019)	0.60
Mrs. Sadhana Patil (w.e.f. 20.03.2019)	NIL
Mr. Sanjivani Shinde (w.e.f. 20.03.2019)	NIL
Mr. Purushottam Sonavane (w.e.f.29.03.2019)	NIL

**g. None of the Directors is holding equity shares of the Company as on 31.03.2019.**

**6. BOARD SUB-COMMITTEES FOR SHAREHOLDERS STAKEHOLDERS' RELATIONSHIP COMMITTEE**

- a. The Company had a shareholders / investors grievance committee of directors to look into the redressal of complaints of investors such as transfer or credit of shares, non-receipt of dividend / notices / annual reports, etc. The nomenclature of the said committee was changed to stakeholders' relationship committee in the light of provisions of the Act and revised Regulation 20 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015.
- b. **The composition of the Stakeholders' Relationship Committee and the details of meetings attended by its members are given below:**

Name of the Member	Category	No. of Meetings Attended
Mr. Bhalchandra Shinde (Up to 20.03.2019)	Independent Non-Executive	5
Mr. Durgesh Jadhav (Up to 29.03.2019) (Chairman)	Non Executive -Non-Independent	5
Mrs. Sadhana Patil (w.e.f.29.03.2019)	Independent Non-Executive	0
Mr. Sanjivani Shinde (w.e.f.29.03.2019)	Independent Non-Executive	0
Mr. Purushottam Sonavane (w.e.f.29.03.2019) (Chairman)	Non Executive - Non-Independent	0

The Company Secretary acts as the Secretary to the Stakeholders Relationship Committee



- c. The Company has always valued its customer relationships. This philosophy has been extended to Stakeholders Relationship. It focuses on servicing the needs of various stakeholders' viz. investors, Depositors, analysts, brokers and the general public. The Committee also monitors implementation and compliance with Company's Code of Conduct for Prohibition of Insider Trading in pursuance to SEBI (Prohibition of Insider Trading) Regulations.
- d. **Name, designation and address of Compliance Officer:** Mr. Suneel Sullere, Company Secretary  
Zenith Birla (India) Limited 5th Floor, Industry House 159, Churchgate Reclamation, Mumbai 400 020.  
Telephone: 022-66168400

e. **Details of investor complaints received and redressed during the year 2018-19 are as follows:**

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
Legal Cases / Court Cases	0	0	-
Non receipt of Certificates after transfer / after exchange	0	0	-
Non receipt of Dividend Warrants	2	2	-
Non receipt of Annual Report	0	0	-
Non receipt of Bonus Shares	0	0	-
Non receipt of Demat Credit	1	1	-
Non receipt of Demat Rejection Documents	2	2	-
SEBI	3	3	-
<b>Total</b>	<b>8</b>	<b>8</b>	<b>-</b>

f. **Meetings of Stakeholders Relationship Committee**

Five (5) Stakeholders Relationship Committee Meetings were held during the year 2018-19 on 29/05/2018, 06/07/2018, 13/08/2018, 01.11.2018 and 13/02/2019.

g. **Terms of Reference**

The terms of reference of the Stakeholders Relationship Committee cover all the areas mentioned under Section 178 of the Companies Act, 2013 and Regulation 20 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The scope of the Stakeholders Relationship Committee shall include, but shall not be restricted, to the following:

1. Efficient transfer of shares, including review of cases for refusal of transfer/ transmission of shares and debentures.
2. Redressal of shareholder and investors complaints like transfer of shares, non-receipt of Balance Sheet, non-receipt of declared dividends etc.;
3. Issue of duplicate/Split/Consolidated Share Certificates;
4. Allotment and listing of Shares;
5. Review of cases for refusal of transfer/ transmission of Shares and Debentures;
6. Reference to statutory and regulatory authorities regarding investor grievances;
7. To ensure proper and timely attendance and Redressal of investor queries and grievance



**7. 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.

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.

The Company has a policy for determining 'material subsidiaries' which is disclosed on its website at the following Link <http://www.zenithsteelpipes.com>

**8. GENERAL MEETINGS:**

(a) Details of location, time and date of last three Annual General Meetings (AGM) are given below:-

Year	AGM	Location	Day, Date & Time
2017-2018	56th	2nd Floor, Kilachand Conference Room, IMC Building, IMC Marg, Churchgate, Mumbai – 400020.	Thursday, 27.09.2018 at 1:30pm
2016-2017	55th	2nd Floor, Kilachand Conference Room, IMC Building, IMC Marg, Churchgate, Mumbai – 400020.	Friday, 29.09.2017 at 2:00 p.m.
2015-2016	54th	Gopi Birla Memorial School, Walkeshwar Road, 68, Walkeshar, Malabar Hill Mumbai – 400 006.	Saturday, 24.09.2016 at 11:00 a.m.

**(b) Extra Ordinary General Meeting**

There was no Extra Ordinary General Meeting held during the Financial Year 2018-19

**(c) Details of Special Resolution passed during last three years at the Annual General Meetings:**

Date of AGM	Particulars of Special Resolutions Passed
2017-2018	No Special resolution passed
2016-2017	Issue of shares on preferential basis
2015-2016	Adoption of new set of Articles of Association

**(d) Postal Ballot**

During the year under review, there was no Special Resolution proposed and/ or transacted through Postal Ballot. No Special resolution requiring postal ballot being proposed for the ensuing Annual General Meeting.

**9. DISCLOSURES:****a. Related Party Transaction:**

The Board has received disclosures from key managerial personnel relating to material, financial and commercial transactions where they and / or relatives have personal interest. There were no materially significant related party transactions i.e. transactions of material nature, with its promoters, the Directors or the management, their subsidiaries or relatives etc. that may have potential conflict with the interest of the Company at large. Related Party Transactions have been included in the notes to the Annual Accounts of the Company for the year ended 31st March, 2019.



The Board has approved a policy for related party transactions which has been uploaded on the Company's website. The web as required under Listing Regulations is as under: [www.zenithsteelpipes.com](http://www.zenithsteelpipes.com).

**b. Details of non-compliance**

The Company has complied with requirements of the Stock Exchanges, SEBI and other authorities on all matters relating to capital markets during the last three years.

The Company has adopted a whistle blower policy and has established the necessary vigil mechanism for employees and directors to report concerns about unethical behavior. No person has been denied access to the chairman of the audit committee. The said policy has been also put up on the website of the Company at the following link [http:// www.zenithsteelpipes.com](http://www.zenithsteelpipes.com).

**c. All mandatory requirements as per SEBI (Listing Obligations and Disclosure Requirements)**

Regulations, 2015 have been complied with by the company.

- d.** All assets of the Company whether movable or immovable are sufficiently insured. All foreseeable risk whether in terms of foreign currency exposure, data and record management etc. are being managed effectively by the Company. The Risk Management Policy as approved by the Board of Directors and amended from time to time is being adhered to.

**e. Policies adopted during the year:**

During the Financial Year 2018-19, In compliance with the SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018, the Company has amended the Code of Conduct to Regulate, Monitor and Report Trading by Designated Persons ("Insider Trading Code") and Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information ("Fair Disclosure Code"), effective from 1st April, 2019.

The Insider Trading Code is aimed to avoid any insider trading and it is applicable to all the designated persons who are expected to have access to the unpublished price sensitive information relating to the Company. The Company lays down the guidelines, which advises them on procedures to be followed and disclosures to be made, while dealing in shares of the Company. The Company has also adopted the policy for determination of legitimate purposes which forms part of Fair Disclosure Code.

The said "Code" is also been uploaded on the Company's website at: [www.zenithsteelpipes.com](http://www.zenithsteelpipes.com)

**F. Disclosures regarding commodity risks by listed entities:**

Our export contracts generally match and align with local procurement / imported contracts so as to mitigate the risk. Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company is exposed to foreign exchange risk through its sales and purchases from overseas suppliers in foreign currencies. The company measures risk through sensitivity analysis.

**10. RECONCILIATION OF SHARE CAPITAL:**

A qualified Company Secretary carried out an audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. The audit confirms that the total issued/ paid-up capital is in agreement with the total number of shares in physical and the total number of dematerialized shares held with NSDL and CDSL.

Pursuant to Regulation 40(9) of the SEBI (Listing Obligations And Disclosure Requirements) Regulations 2015 with the Stock Exchanges, certificate on half yearly basis have been issued by a Company Secretary in Practice for due compliance of share transfer formalities of the Company.



## 11. MEANS OF COMMUNICATION:

- a. Results:** 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.

Quarterly and Annual Results are published in newspapers viz., The Financial Express and Navshakti in the format prescribed under Regulation 33 of the SEBI (Listing Obligations And Disclosure Requirements) Regulations 2015 with the stock exchanges where the shares of the Company are listed.

**b. Management Discussion & Analysis Report**

The Management discussion & analysis Report forms part of the Directors' Report. All matters pertaining to industry structure and developments, opportunities and threats, outlook risks and concerns, internal control and systems etc. are discussed in the said report.

**c. Company's Corporate Website:**

The financial results are also posted on the Company's Website [www.zenithsteelpipes.com](http://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.

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

- e. 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](mailto:investor@bigshareonline.com)

- f. Designated Email ID for Complaints/ Redressal:** The Company has designated an email ID [share@zenithsteelpipes.com](mailto: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.

## 12. 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

Day, Date & Time : Friday, 27th September, 2019 at 11:30am.

Venue : 2nd Floor, Library Hall, IMC Building, IMC Marg, Churchgate, Mumbai – 400020

Book Closure Date : From Saturday, 21st September 2019 to Friday, 27th September, 2019(both days inclusive).

### 2. Financial Calendar for the year 2019-20 (Tentative)

Accounting Year : April 1, 2019 to March 31, 2020

First Quarter Results : On or before 14th August, 2019

Second Quarter Results : On or before 14th November, 2019

Third Quarter Results : On or before 14th February, 2020

Fourth Quarter & Annual Results : On or before 30th May, 2020

Mailing of Annual Report : July/August, 2020

Annual General Meeting : On or before 30th September, 2020



Registered Office	:	5th Floor, Industry House, 159, Churchgate Reclamation, Mumbai – 400 020.
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	:	INE318D01020
iv. Depositories connectivity	:	NSDL and CDSL

**Dividend policy :**

Dividends, other than interim dividend(s), are to be declared at the annual general meetings of shareholders based on the recommendation of the board of directors. Generally, the factors that may be considered by the board of directors before making any recommendations for dividend include, without limitation, the Company's future expansion plans and capital requirements, profits earned during the fiscal year, cost of raising funds from alternate sources, liquidity position, applicable taxes including tax on dividend, as well as exemptions under tax laws available to various categories of investors from time to time and general market conditions. The board of directors may also from time to time pay interim dividend(s) to shareholders.

**Stock Price Data and Comparison to broad –based indices:**

(a) 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, 2019 is furnished below:

Months	NSE		BSE		Months	NSE		BSE	
	High (₹)	Low (₹)	High (₹)	Low (₹)		High (₹)	Low (₹)	High (₹)	Low (₹)
April, 2018	1.90	1.10	1.65	1.03	October, 2018	0.90	0.65	0.89	0.68
May, 2018	1.45	0.80	1.47	0.85	November, 2018	0.85	0.65	0.82	0.64
June, 2018	0.90	0.60	0.91	0.62	December, 2018	0.80	0.55	0.69	0.60
July, 2018	0.90	0.65	0.90	0.67	January, 2019	0.90	0.65	0.78	0.58
August, 2018	0.80	0.65	0.79	0.67	February, 2019	0.75	0.55	0.78	0.70
September, 2018	0.80	0.65	0.80	0.66	March, 2019	0.70	0.50	20.76	0.55

<b>Registrar &amp; Share Transfer Agents</b>	
For Electronic & Physical Mode:	Bigshare Services Pvt. Ltd. 1st Floor, Bharat Tin Works Building, Opp. Vasant Oasis, Makwana Road, Marol, Andheri (E), Mumbai -59 <b>Tel. Nos.:</b> 022 62638204 <b>Mobile No.:</b> 7045454394 <b>Email:</b> shubhangi@bigshareonline.com

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



## Share Transfer System

The Board has delegated the authority for approving transfer, transmission etc. of Company's securities to the Stakeholders Relationship 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.

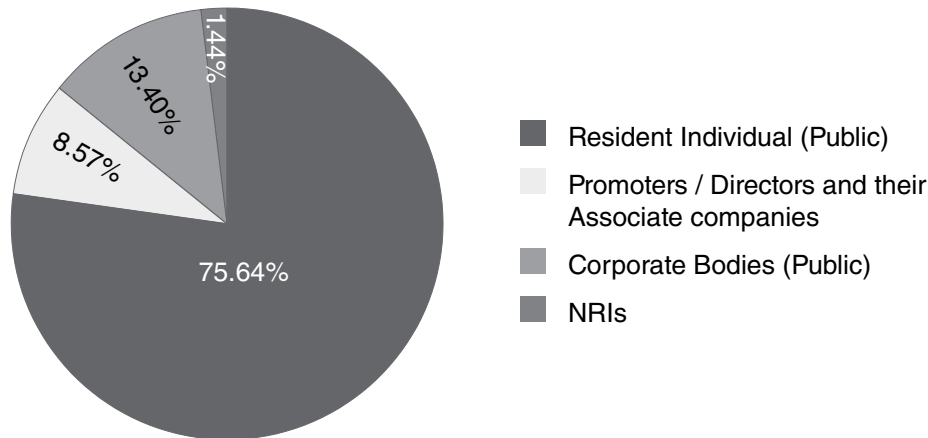
In compliance with Regulation 40(9) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, the Company obtains a certificate from practicing Company Secretary on a half-yearly basis confirming that all certificates have been issued within one month from the date of lodgments for transfer, sub-division, consolidation etc.

## Distribution of Shareholding as on 31st March, 2019

No. of Equity Shares held	Total No. of Shareholders	No. of Shares held	Percentage Shareholding In %
1 to 5000	44873	3792151	2.8886
5001 to 10000	3962	3227902	2.4588
10001 to 20000	2754	4240092	3.2298
20001 to 30000	1145	2956967	2.2524
30001 to 40000	539	1966782	1.4982
40001 to 50000	654	3155978	2.4040
50001 to 100000	1049	8038543	6.1232
100001 and 999999999	1204	103902033	79.1451
<b>Total</b>	<b>56180</b>	<b>131280448</b>	<b>100</b>

Share holding Pattern of the Company as on 31st March, 2019 (including Demat)

Categories	No. of Shareholders	No. of shares held	Percentage of total Shares
Promoters / Directors and their Associate companies	11	1,12,57,157	8.5749
Corporate Bodies (Public)	323	1,75,98,818	13.4055
NRIs	311	19,01,974	1.4488
Banks/ FIs and Insurance Companies	28	4,23,094	0.3223
Mutual Funds	4	650	0.0005
Resident Individual (Public)	55470	9,93,12,434	75.6491
Clearing Members	23	1,03,946	0.0792
Trusts	7	1668	0.0013
Foreign Companies	-		
FIIIs	-		
Unit Trust of India	-		
Government Companies	2	55	0.0000
IEPF	1	680652	0.5185
<b>Total</b>	<b>56180</b>	<b>131280448</b>	<b>100</b>



**Note:** Figure will not match with shareholding pattern for the quarter ended March 31 2019 as Pan No. of Shareholders not merged

#### Shareholding of Non executive Directors of the Company as on 31st March, 2019

Name of the Non Executive Directors	No. of shares held	Percentage of total Shares
Mr. Purushottam Sonavane	Nil	Nil
Mrs. Sanjivani Shinde	Nil	Nil
Mrs. Sadhana Patil	Nil	Nil
<b>Total</b>	Nil	Nil

#### Dematerialization of shares and liquidity

99.27% of the total Equity Capital is held in dematerialized form with NSDL and CDSL as on 31.03.2019. 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).

Outstanding GDRs / ADRs / Warrants or any convertible instruments, conversion date and likely impact on equity:

The Company does not have any outstanding GDRs / ADRs / Warrants or any convertible instruments. Plant Location

**a) Khopoli Unit**

Tal Khopoli Dist. Raigad, Maharashtra-410203

**b) Tarapur Unit**

G-38/39, M.I.D.C., Tarapur, Dist. Palghar Maharashtra- 401506

**c) Murbad Unit**

Survey (Gut) No. 440/441, Nhave, Kakadpada, Murbad District, Thane, Maharashtra

**d) Trichy Mobile Unit**

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

**For Investor Correspondence and Compliance related query**

Address for Correspondence

**Mr. Suneel Sullere**Company Secretary & Compliance Officer 159, Industry House, 5th Floor,  
Churchgate Reclamation, Mumbai-400 020**Tel No.:** 022-66168400; **Fax No.:** 022-22047835**E.mail:** share@zenithsteelpipes.com**Equity shares in the suspense account:**

In term of Regulation 39(4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, the Company reports the following details in respect of equity shares lying in the suspense account which were issued in dematerialized form pursuant to the public issue of the Company:

Aggregate No. of Share Holders whose shares are lying in the Suspense Account as on 01.04.2018	<b>8</b>
Aggregate No. of Shares are lying in the Suspense Account as on 01.04.2018	<b>1449</b>
Number of shareholders who approached issuer for transfer of shares from Suspense Account during the year	<b>Nil</b>
Number of shareholders to whom shares were transferred from Suspense Account during the year	<b>Nil</b>
Aggregate No. of Share Holders whose shares are lying in the Suspense Account as on 31.03.2019	<b>8</b>
Aggregate No. of Shares are lying in the Suspense Account as on 31.03.2019	<b>1449</b>

In term of Regulation 39(4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 with respect to shares issued in physical form which and remains unclaimed

The Company is in the process of opening of Suspense Account in the Dematerialized account with one of the depository. The voting rights as shown in the Suspense Account shall remain frozen till the rightful owners claim the shares.

**Transfer of unclaimed dividend to Investor Education and Protection Fund**

Pursuant to sections 124 of the Companies Act, 2013 and other applicable provisions, if any, of the Act, all unclaimed / unpaid dividend, remaining unclaimed / unpaid for a period of seven years from the date they became due for payment, in relation to the Company, have been transferred to the IEPF established by the Central Government.

**46(2)(b) TO (I) OF COMPLIANCE OF CORPORATE GOVERNANCE REQUIREMENTS SPECIFIED IN REGULATION 17 TO 27 AND REGULATION LISTING REGULATION**

Sr. No.	Particulars	Regulation	Compliance status Yes/ No/N.A	Compliance observed for the following
1.	Board of Directors	17	Yes	<ul style="list-style-type: none"> <li>➤ Composition</li> <li>➤ Meetings</li> <li>➤ Review of compliance report</li> <li>➤ Plans for orderly succession for appointments</li> <li>➤ Code of Conduct</li> <li>➤ Fees/compensation to Non –Executive Directors</li> <li>➤ Minimum information to be placed before the Board</li> <li>➤ Compliance Certificate</li> <li>➤ Risk assessment and management</li> <li>➤ Performance evolution of Independent Directors</li> </ul>





2.	Audit Committee	18	Yes	<ul style="list-style-type: none"> <li>➤ Composition</li> <li>➤ Meetings</li> <li>➤ Power of the Committee</li> <li>➤ Role of the Committee and review of information by the Committee</li> </ul>
3.	Nomination and Remuneration Committee	19	Yes	<ul style="list-style-type: none"> <li>➤ Composition</li> <li>➤ Role of the Committee</li> </ul>
4.	Stakeholders' Relationship committee	20	Yes	<ul style="list-style-type: none"> <li>➤ Composition</li> <li>➤ Role of the Committee</li> </ul>
5.	Risk Management Committee	21	N.A.	<ul style="list-style-type: none"> <li>➤ Composition (Adopted Voluntarily)</li> <li>➤ Role of the Committee</li> </ul>
6.	Vigil Mechanism	22	Yes	<ul style="list-style-type: none"> <li>➤ Formulation of Vigil Mechanism for Directors and employees</li> <li>➤ Director access to Chairperson of Audit Committee</li> </ul>

Sr. No.	Particulars	Regulation	Compliance status Yes/No/N.A	Compliance observed for the following
7.	Related Party Transaction	23	Yes	<ul style="list-style-type: none"> <li>➤ Policy on Materiality of Related party Transactions and dealing with Related Party Transactions</li> <li>➤ Approval including omnibus approval of Audit Committee</li> <li>➤ Review of related Party Transactions</li> <li>➤ There were no Material RPT</li> </ul>
8.	Subsidiaries of the Company	24	Yes	<ul style="list-style-type: none"> <li>➤ There was no material subsidiary of the Company and as a result the other compliance in respect of material subsidiary were not applicable</li> <li>➤ Review of financial statements of unlisted subsidiary by the Audit Committee</li> <li>➤ Significant transactions and arrangement of unlisted subsidiary</li> </ul>
9.	Obligation with respect to Independent Directors	25	yes	<ul style="list-style-type: none"> <li>➤ Maximum Directorship and tenure</li> <li>➤ Meeting of Independent Directors</li> <li>➤ Familiarisation of Independent Directors</li> </ul>
10	Obligation with respect to Directors and Senior Managements	26	Yes	<ul style="list-style-type: none"> <li>➤ Memberships/Chairpersonship in Committees</li> <li>➤ Affirmation on Compliance of Code of Conduct by directors and Senior Management</li> <li>➤ Discloser of shareholding by Non – Executive Directors</li> <li>➤ Discloser by Senior Management about potential conflicts of interest</li> </ul>



11.	Other Corporate Governance requirements	27	yes	<ul style="list-style-type: none"><li>➤ Compliance with discretionary requirements</li><li>➤ Filing of quarterly compliance report on Corporate Governance</li></ul>
12.	Website	46(2)(b) to (i)	Yes	<ul style="list-style-type: none"><li>➤ Terms and conditions for appointment of Independent Directors</li><li>➤ Composition of various Committees of the Board of Directors</li><li>➤ Code of Conduct of Board of Directors and Senior Management personnel</li><li>➤ Details of establishment of Vigil Mechanism/ Whistle Blower policy</li><li>➤ Policy on dealing with Related Party Transactions</li><li>➤ Policy for determining material subsidiaries</li><li>➤ Details of familiarisation programmes imparted to Independent Directors</li></ul>



## DIRECTOR & CFO CERTIFICATION

The Director and the Chief Financial Officer of the Company give annual certification on financial reporting and internal controls to the board in terms of Regulation 17(8) of the Listing Regulations. Director and the Chief Financial Officer also give quarterly certification on financial results while placing the financial results before the Board in terms of Regulation 33(2) of the Listing Regulations. The annual certificate given by the Director and the Chief Financial Officer is published in this Report

### **Certificate by the Director and Chief Financial Officer (CFO) pursuant to Regulation 17(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 on the Audited Financial Statement for the year 2018-19.**

We, Purushotam Sonavane Director and B. Girvanesh – CFO of the Company hereby certify that:-

1. We have reviewed the Financial Statements and Cash Flow Statement for the year ended on 31st March, 2019 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.
2. To the best of our knowledge and belief, there were no transactions entered into by the Company during the year, which were fraudulent, illegal or which violated the Company's Code of Conduct.
3. We are responsible for establishing and maintaining internal control for the financial reporting and we have;
  - (a) Evaluated the effectiveness of internal control system of the Company pertaining to financial reporting
  - (b) Not found any deficiencies in the design or operation of the internal control.
4. We have indicated to the Company's Statutory Auditors, internal auditors and the audit committee of the Board of Directors
  - (a) Significant changes that have occurred in the internal control over financial reporting during the year;
  - (b) There have been no significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements;
  - (c) There have been no instances of significant fraud nor there was any involvement of the management or an employee having a significant role in the Company's internal control system over financial reporting; and
  - (d) There were no deficiencies in the design or operation of internal controls, which could adversely affect the Company's ability to record, process, summarize and report financial data nor there were any material weakness in internal controls over financial reporting nor any corrective actions with regards to deficiencies, as there none.

**For Zenith Birla (India) Limited**

**Place: Mumbai**  
**Date: 13<sup>th</sup> August, 2019**

**Sd/-**  
**Purshottam Sonavane**  
**Director**

**Sd/-**  
**B. Girvanesh**  
**Chief Financial Officer**



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## CERTIFICATE OF COMPLIANCE WITH THE CODE OF CONDUCT FOR BOARD OF DIRECTOR AND SENIOR MANAGEMENT PERSONNEL

To  
The Member of M/S. Zenith Birla (India) Limited,

I, Purushottam Sonavane, Director, declare that all the Board Members and senior management personnel of the Company have complied with the Code of Conduct of the Company for the period from 1st April, 2018 to 31st March, 2019.

For Zenith Birla (India) Limited

Place: Mumbai  
Date: 13<sup>th</sup> August, 2019

Sd/-  
Purshottam Sonavane  
Director

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## CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI  
(Listing Obligations and Disclosure Requirements) Regulations, 2015)

To  
The Members,  
Zenith Birla (India) Limited

As required by item 10(i) of Part C of Schedule V of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015 we certify that except below directors none of the directors on the board of Zenith Birla (India) Limited have been debarred or disqualified from being appointed or continuing as directors of companies by the SEBI/Ministry of Corporate Affairs or any such statutory authority.

Following Directors were disqualified during the year:

S. No.	Name of Director	DIN
1	Mr. Durgesh Jadhav	08000007
2	Mr. Bhalchandra Shinde	07978440
3	Mrs. Pratiksha Sonavane	07998530
4	Mr. Ram Shay Jagetiya	02719230

**For Anil Somani & Associates**  
Company Secretaries

**CS Anil Kumar Somani**  
ACS: 36055  
COP: 13379

Date: 7<sup>th</sup> May, 2019  
Place: Bhilwara



## CERTIFICATE ON CORPORATE GOVERNANCE

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 on 31st March 2019 as stipulated in Regulations 17-27, clause (b) to (i) of Regulation 46 (2) and paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the 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, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned listing agreement and listing regulations.

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

**For Anil Somani & Associates**  
Company Secretaries

Date: 7th May, 2019  
Place: Bhilwara

**CS Anil Kumar Somani**  
**ACS: 36055**  
**COP: 13379**

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**ANNEXURE - D**

### **Form No. AOC-2**

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

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

**1. Details of contracts or arrangements or transactions not at arm's length basis: None**

**For and on behalf of the Board of Directors of**

**Sadhana Patil**  
Director

**Purushottam Sonavane**  
Director



# ANIL SOMANI & ASSOCIATES

B-4, Ganpati Complex, Near Vishal Mega Mart, Pur Road, Bhilwara, Rajasthan-311001  
Email Id: corporatesolutions14@gmail.com, (M) 09166611876

## Form No. MR-3 SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2019

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

To,  
The Members,  
Zenith Birla (India) Limited  
5th Floor, Industry House,  
159, Church gate Reclamation, Mumbai City (MH) 400020.

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Zenith Birla (India) Limited** (hereinafter called the company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliance's and expressing our opinion thereon.

### Management's Responsibility for Secretarial Compliance's

The company's Management is responsible for preparation and maintenance of secretarial records and for devising proper system to ensure compliance with the provisions of applicable laws and regulations.

### Auditor's Responsibility

My responsibility is to express an opinion on the Secretarial records, Standards, Procedures followed by the company with respect to Secretarial Compliance's.

I believe that audit evidence and information obtained from the Company's management is adequate and appropriate for me to provide a basis for my opinion.

### Opinion

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the company has, during the audit period covering the financial year ended on **31st March, 2019** complied with the statutory provisions listed here-under and also that the Company has proper Board processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:



## ANIL SOMANI & ASSOCIATES

B-4, Ganpati Complex, Near Vishal Mega Mart, Pur Road, Bhilwara, Rajasthan-311001  
Email Id: corporatesolutions14@gmail.com, (M) 09166611876

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on **31st March, 2019** according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; N. A.
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; N.A.
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; N. A.
- (vi) The Environment (Protection) Act, 1986
- (vii) The EPF & Misc. Provisions Act, 1952;
- (viii) Employees' state Insurance Act, 1948;
- (ix) The Payment of Bonus Act, 1965;
- (x) The payment of Gratuity Act, 1972

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by the Institute of Company Secretaries of India;
- (ii) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015;



# ANIL SOMANI & ASSOCIATES

B-4, Ganpati Complex, Near Vishal Mega Mart, Pur Road, Bhilwara, Rajasthan-311001

Email Id: corporatesolutions14@gmail.com, (M) 09166611876

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

- Prosecution has been filed against the company by Registrar of Companies, Mumbai for Non Compliance of order of Hon'ble Company Law Board, Mumbai dated 18.08.2014 with regard to payment to depositors.
- The company has defaulted in payment of principal amount as well as interest to depositors. The Registrar of Companies, Mumbai has issued show cause notice to company and officer in default under Section 74(3) of the Companies Act, 2013.
- The Serious Fraud Investigation Office (SFIO) has issued a notice dated 25.03.2019 under Section 212(1) of the Companies Act, 2013 to the Company for investigation of affairs of the Company and the company replied the same.
- Mr. Ram Sahay Jagetiya appointed as executive director on the Board of the Company has disqualified under Section 164 of the Companies Act, 2013 for appointment as Director.
- BSE Ltd and NSE Ltd. has included name of the company in the list of shell companies. The Stock Exchanges have appointed forensic auditor to audit the records of the company.
- SEBI has issued a show cause notice dated 02.04.2019 to the company under Section 11(1), 11(4) and 11B of the Securities and Exchange Board of India Act, 1992 in the matter of GDR issue by the Company and the company replied the same.

## We further report that

1. The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
2. Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
3. Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

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

For Anil Somani & Associates  
Company Secretaries

**Place:** Bhilwara

**Date:** 7th May, 2019

**Anil Kumar Somani**

**ACS: 36055**

**COP: 1337**

This report is to be read with our letter of even date which is annexed as "**Annexure A**" and forms an integral part of this report.





## ANIL SOMANI & ASSOCIATES

B-4, Ganpati Complex, Near Vishal Mega Mart, Pur Road, Bhilwara, Rajasthan-311001  
Email Id: corporatesolutions14@gmail.com, (M) 09166611876

### ANNEXURE - A

To,  
The Members,  
Zenith Birla (India) Limited  
5th Floor, Industry House,  
159, Church gate Reclamation,  
Mumbai City (MH) -400020.

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

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

**Place:** Bhilwara  
**Date:** 7th May,2019

**For Anil Somani & Associates**  
Company Secretaries  
**Anil Kumar Somani**  
**ACS: 36055**  
**COP: 13379**

**ANNEXURE - E**

**Statement pursuant to Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 on conservation of energy, technology absorption, foreign exchange earnings & outgoings**

**(A) Conservation of energy-****(i) the steps taken or impact on conservation of energy;**

Reorientation of power distribution to minimize losses

**(ii) the steps taken by the company for utilizing alternate sources of energy;**

NIL

**(iii) the capital investment on energy conservation equipments;**

Nil

**(B) Technology absorption-****(i) the efforts made towards technology absorption;**

Nil

**(ii) the benefits derived like product improvement, cost reduction, product development or import substitution; Nil****(ii) in case of imported technology (imported during the last three years reckoned from the beginning of the financial year)-**

N/A

(a) the details of technology imported;

(b) the year of import;

(c) whether the technology been fully absorbed;

(d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof;

**(iii) the expenditure incurred on Research and Development.**

Nil

**(C) Foreign exchange earnings and Outgo**

(₹ In Lacs)

	<b>2018-19</b>	<b>2017-18</b>
<b>Total Foreign Exchange Earnings (earned)</b>	1139.29	0.00
<b>Total Foreign Exchange Outgo (Used)</b>	7.09	167.29



**ANNEXURE - F**

**Form No. MGT-9 EXTRACT OF ANNUAL RETURN  
as on the financial year ended on 31/03/2018**

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

**I. REGISTRATION AND OTHER DETAILS:**

- i) **CIN:-**L29220MH19601960PLC011773
- i) **Registration Date:** 05/08/1960
- ii) **Name of the Company:** ZENITH BIRLA (INDIA) LIMITED.
- iii) **Category / Sub-Category of the Company:** Manufacturing
- iv) **Address of the registered office and contact details:**  
Industry House, 5th Floor, 159, Churchgate Reclamation, Mumbai-400 020.  
Email: zenith@zenithsteelpipes.com,  
Website: www.zenithsteelpipes.com  
Phone: 022-66168400
- v) **Whether listed company** Yes
- vi) **Name, Address and Contact details of Registrar and Transfer Agent, if any:**  
**Bigshare Services Pvt. Ltd**  
1st Floor | Bharat Tin Works Building | Opp.Vasant Oasis |  
Makwana Road Marol | Andheri (E) Mumbai - 400059| Maharashtra | India.  
P: +91 022 62638204  
M: +917045454394  
Fax: 022-28475207  
vinod.y@bigshareonline.com

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

Sr. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Manufacturing of Steel Pipes	24106	100

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -**

Sr. No.	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% of shares held	Applicable Section
1	Zenith (USA) Inc. 4950, 34th Street North, Arlington, VA,22207, USA	N.A.	Subsidiary	100	2(87)(ii)
2	Zenith Middle East FZ LLC. P.O.Box, 4422, Fujairah.	N.A.	Subsidiary	100	2(87)(ii)

**IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)****i) Category-wise Share Holding**

Category of Shareholder		No. of Shares held at the beginning of the year: 01/04/2018				No. of Shares held at the end of the year: 31/03/2019				% Change
		Demat	Physical	Total Shares	Total %	Demat	Physical	Total Shares	Total %	
<b>(A) Shareholding of Promoter and Promoter Group 2</b>										
<b>Indian</b>										
(a)	INDIVIDUAL / HUF	34	0	34	0.00	34	0	34	0.00	0
(b)	Central / State government(s)	0	0	0	0	0	0	0	0.00	0
(c)	BODIES CORPORATE	11257123	0	11257123	8.57	11257123	0	11257123	8.57	0
(d)	FINANCIAL INSTITUTIONS / BANKS	0	0	0	0	0	0	0	0.00	0
(e)	ANY OTHERS (Specify)									
	(i) GROUP COMPANIES	0	0	0	0	0	0	0	0.00	0
	(ii) TRUSTS	0	0	0	0	0	0	0	0.00	0
	(iii) DIRECTORS RELATIVES	0	0	0	0	0	0	0	0.00	0
<b>SUB TOTAL (A)(1):</b>		<b>11257157</b>	<b>0</b>	<b>11257157</b>	<b>8.57</b>	<b>11257157</b>	<b>0</b>	<b>11257157</b>	<b>8.57</b>	<b>0</b>
<b>Foreign</b>										
(a)	BODIES CORPORATE	0	0	0	0	0	0	0	0.00	0
(b)	INDIVIDUAL	0	0	0	0	0	0	0	0.00	0
(c)	INSTITUTIONS	0	0	0	0	0	0	0	0.00	0
(d)	QUALIFIED FOREIGN INVESTOR	0	0	0	0	0	0	0	0.00	0
(e)	ANY OTHERS (Specify)	0	0	0	0	0	0	0	0.00	0
<b>SUB TOTAL (A)(2):</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>
<b>Total holding for promoters (A)=(A)(1)+(A)(2)</b>		<b>11257157</b>	<b>0</b>	<b>11257157</b>	<b>8.57</b>	<b>11257157</b>	<b>0</b>	<b>11257157</b>	<b>8.57</b>	<b>0</b>
<b>(B) Public shareholding</b>										
<b>Institutions</b>										
(a)	Central / State government(s)	17	0	17	0	55	0	55	0.00	0
(b)	FINANCIAL INSTITUTIONS / BANKS	398209	27768	425977	0.32	398171	24923	423094	0.32	(0.00)
(c)	MUTUAL FUNDS / UTI	572	3093	3665	0.00	572	78	650	0.00	(0.00)
(d)	VENTURE CAPITAL FUNDS	0	0	0	0	0	0	0	0.00	0
(e)	INSURANCE COMPANIES	0	0	0	0	0	0	0	0.00	0
(f)	FII'S	0	0	0	0	0	0	0	0.00	0
(g)	FOREIGN VENTURE CAPITAL INVESTORS	0	0	0	0	0	0	0	0.00	0
(h)	QUALIFIED FOREIGN INVESTOR	0	0	0	0	0	0	0	0.00	0
(i)	ANY OTHERS (Specify)	0	0	0	0	0	0	0	0.00	0



(j)	FOREIGN PORTFOLIO INVESTOR	0	0	0	0	0	0	0	0.00	0
<b>Category of Shareholder</b>		<b>No. of Shares held at the beginning of the year: 01/04/2018</b>				<b>No. of Shares held at the end of the year: 31/03/2019</b>				<b>% Change</b>
		<b>Demat</b>	<b>Physical</b>	<b>Total Shares</b>	<b>Total %</b>	<b>Demat</b>	<b>Physical</b>	<b>Total Shares</b>	<b>Total %</b>	
(k)	ALTERNATE INVESTMENT FUND	0	0	0	0	0	0	0	0.00	0
<b>SUB TOTAL (B)(1):</b>		<b>398798</b>	<b>30861</b>	<b>429659</b>	<b>0.33</b>	<b>398798</b>	<b>25001</b>	<b>423799</b>	<b>0.32</b>	<b>(0.00)</b>
Non-institutions										
(a)	BODIES CORPORATE	18740125	30400	18770525	14.30	17576286	22532	17598818	13.41	(0.89)
(b) INDIVIDUAL										
(i)	(CAPITAL UPTO TO ₹ 1 Lakh)	26124368	1422802	27547170	20.98	25695783	897884	26593667	20.26	(0.73)
(ii)	(CAPITAL GREATER THAN ₹ 1 Lakh)	70611153	0	70611153	53.79	72718767	0	72718767	55.39	1.61
(c) ANY OTHERS (Specify)										
(i)	TRUSTS	1668	0	1668	0.00	1668	0	1668	0.00	0.00
(ii)	CLEARING MEMBER	523853	0	523853	0.40	103946	0	103946	0.08	(0.32)
(iii)	NON RESIDENT INDIANS (NRI)	2136375	2888	2139263	1.63	1901197	777	1901974	1.45	(0.18)
(iv)	DIRECTORS RELATIVES	0	0	0	0	0	0	0	0	0.00
(v)	EMPLOYEE	0	0	0	0	0	0	0	0	0.00
(vi)	OVERSEAS BODIES CORPORATES	0	0	0	0	0	0	0	0	0.00
(vii)	INVESTOR EDUCATION AND PROTECTION FUND.	0	0	0	0	680652	0	680652	0.52	0.52
(d)	QUALIFIED FOREIGN INVESTOR	0	0	0	0	0	0	0	0	0.00
<b>SUB TOTAL (B)(2):</b>		<b>118137542</b>	<b>1456090</b>	<b>119593632</b>	<b>91.09</b>	<b>118678299</b>	<b>921193</b>	<b>119599492</b>	<b>91.10</b>	<b>0.00</b>
<b>Total Public Shareholding (B)=(B)(1) + (B)(2)</b>		<b>118536340</b>	<b>1486951</b>	<b>120023291</b>	<b>91.43</b>	<b>119077097</b>	<b>946194</b>	<b>120023291</b>	<b>91.43</b>	<b>0.00</b>
(C) Shares held by Custodians and against which Depository Receipts have been issued		0	0	0	0	0	0	0	0	0.00
(a)	SHARES HELD BY CUSTODIANS	0	0	0	0	0	0	0	0	0.00
(i)	Promoter and Promoter Group	0	0	0	0	0	0	0	0	0.00
(ii)	Public	0	0	0	0	0	0	0	0	0.00
<b>SUB TOTAL (C)(1):</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>
<b>(C)=(C)(1)</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>
<b>Grand Total (A) + (B) + (C)</b>		<b>129793497</b>	<b>1486951</b>	<b>131280448</b>	<b>100</b>	<b>130334254</b>	<b>946194</b>	<b>131280448</b>	<b>100</b>	<b>0.00</b>

**(ii) SHAREHOLDING OF PROMOTER**

Sr. No	NAME	Shareholding at the beginning of the year 01/04/2018			Shareholding at the end of the year 31/03/2019			% Change in shareholding during the year
		Number of Shares	% Shares of the Company	% of Shares Pledged/encumbered to total shares	Number of Shares	% Shares of the Company	% of Shares Pledged/encumbered to total shares	
1	BIRLA BOMBAY PRIVATE LIMITED	8171397	6.2244	0.0000	8171397	6.2244	0.0000	0.0000
2	AISIAN DISTRIBUTORS PRIVATE LIMITED	141979	0.1081	0.0000	141979	0.1081	0.0000	0.0000
3	ARUNKUMAR GANGAPRASAD SINGHI	34	0.0000	0.0000	34	0.0000	0.0000	0.0000
4	BIRLA SHLOKA EDUTECH LIMITED	694	0.0005	0.0000	694	0.0005	0.0000	0.0000
5	BIRLA INDUSTRIES GROUP CHARITY TRUST	17840	0.0136	0.0000	17840	0.0136	0.0000	0.0000
6	SHEARSON INVESTMENT & TRADING CO PVT LTD	23193	0.0177	0.0000	23193	0.0177	0.0000	0.0000
7	MATRI SEVA SADAN CHARITY TRUST	31851	0.0243	0.0000	31851	0.0243	0.0000	0.0000
8	M/S BIRLA INTERNATIONAL PVT LTD	45000	0.0343	100.0000	45000	0.0343	100.0000	0.0000
9	YASH SOCIETY	75169	0.0573	0.0000	75169	0.0573	0.0000	0.0000
10	NIRVED TRADERS PRIVATE LIMITED	2750000	2.0948	0.0000	2750000	2.0948	0.0000	0.0000
<b>Total</b>		<b>11257157</b>	<b>8.5750</b>	<b>100.00</b>	<b>11257157</b>	<b>8.5750</b>	<b>100.00</b>	<b>0.0000</b>

**(iii) Change in Promoters' Shareholding**

Name of Promoter	Share holding at the beginning of the year 01/04/2018		Share holding at the end of the year 31/03/2019		% change in share-holding
	Number of Shares	% of total shares of the company	Number of Shares	% of total shares of the company	
NIL					

**(iv) Shareholding pattern of Top 10 Shareholders (other than directors, promoters and holders of GDRs and ADRs)**

Sr. No.	NAME	Shareholding at the beginning of the year		Cumulative shareholding during the year	
		Number of Shares	Percentage of total Shares of the Company	Number of Shares	Percentage of total shares of the company
1	HARBHAJANSINGH MALIKSINGH RAJPAL				
	At the beginning of the year	7,432,422	5.66		
	Sale of shares on 01.06.2018	-1000	0.00	7,431,422	5.66
	Sale of shares on 08.06.2018	-5000	0.00	7,426,422	5.66
	Sale of shares on 27.07.2018	-20000	0.00	7,406,422	5.64
	At the end of the year			7,406,422	5.64



Sr. No.	NAME	Shareholding at the beginning of the year		Cumulative shareholding during the year	
		Number of Shares	Percentage of total Shares of the Company	Number of Shares	Percentage of total shares of the company
2	SANJAY PURANLAL AGRAWAL				
	At the beginning of the year	4,513,719	3.44		
	Sale of shares on 06/04/2018	-64834	0.00	4,448,885	3.39
	Sale of shares on 13/04/2018	-126003	0.00	4,322,882	3.29
	Sale of shares on 27/04/2018	-190000	0.00	4,132,882	3.15
	Sale of shares on 04/05/2018	-184962	0.00	3,947,920	3.01
	At the end of the year			3,947,920	3.01
3	HITESH RAMJI JAVERI				
	At the beginning of the year	4,300,000	3.28		
	Purchase/ Sales	-	-	-	-
	At the end of the year			4,300,000	3.28
4	ENDOGRAM LEASING AND TRADING CO PVT LTD				
	At the beginning of the year	3,923,846	2.99		
	Purchase/ Sales	-	-	-	-
	At the end of the year			3,923,846	2.99
5.	NEW AGRO WAREHOUSING PRIVATE LIMITED				
	At the beginning of the year	3,778,440	2.88		
	Purchase/ Sales	-	-	-	-
	At the end of the year			3,778,440	2.88
6	SUNIL TALWAR				
	At the beginning of the year	2,644,634	2.01		
	Purchase/ Sales	-	-	-	-
	At the end of the year			2,644,634	2.01
7.	OVERSKUD MULTI ASSET MANAGEMENT PRIVATE LIMITED				
	At the beginning of the year	2,500,000	1.90		
	Purchase of shares on 29/06/2018	100	0.00	2,500,100	1.90
	Purchase of shares on 31/08/2018	100000	0.00	2,600,100	1.98
	Purchase of shares on 02/11/2018	10000	0.00	2,610,100	1.99
	At the end of the year			2,610,100	1.99



Sr. No.	NAME	Shareholding at the beginning of the year		Cumulative shareholding during the year	
		Number of Shares	Percentage of total Shares of the Company	Number of Shares	Percentage of total shares of the company
8	HARSHA HITESH JAVERI				
	At the beginning of the year	2,200,000	1.68		
	Purchase/ Sales	-	-	-	-
	At the end of the year			2,200,000	1.68
9	VSS METALS PRIVATE LIMITED				
	At the beginning of the year	1,721,041	1.31		
	Purchase/ Sales	-	-	-	-
	At the end of the year			1,721,041	1.31
10	THIAGARAJAN ARAVAMUDAN				
	At the beginning of the year	15,20,000	1.16		
	Purchase/ Sales	-	-	-	-
	At the end of the year			15,20,000	1.16

**(v) Shareholding of Directors and Key Managerial Personnel as on 31.03.19**

Sr. No.	Directors	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	<b>Mr. Purushotam Sonavane</b>	-	-	-	-
	At the beginning of the year	-	-	-	-
	Sales / Purchase	-	-	-	-
	At the End of the year	-	-	-	-
2	<b>Mrs. Sanjivani Shinde</b>	-	-	-	-
	At the beginning of the year	-	-	-	-
	Sales / Purchase	-	-	-	-
	At the End of the year	-	-	-	-
3	<b>Mrs. Sadhana Patil</b>	-	-	-	-
	At the beginning of the year	-	-	-	-
	Sales / Purchase	-	-	-	-
	At the End of the year	-	-	-	-





Sr. No.	KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	<b>Mr. Ram Sahay Jagetiya (Whole time Director)</b>	-	-	-	-
	At the beginning of the year	-	-	-	-
	Sales / Purchase	-	-	-	-
	At the End of the year	-	-	-	-
2	<b>Suneel Sullere (Company Secretary)</b>	-	-	-	-
	At the beginning of the year	-	-	-	-
	Sales / Purchase	-	-	-	-
	At the End of the year	-	-	-	-
3	<b>Mr. B. Girvanesh (CFO)</b>	-	-	-	-
	At the beginning of the year	-	-	-	-
	Sales / Purchase	-	-	-	-
	At the End of the year	-	-	-	-

## V. INDEBTEDNESS

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

Particular	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	24851.56	1934.00	2265.32	29050.88
ii) Interest due but not paid	162.11	-	2716.70	2878.81
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>25013.67</b>	<b>1934.00</b>	<b>4982.02</b>	<b>31929.69</b>
Change in Indebtedness during the financial year				
• Addition	-	236.69	444.37	681.06
• Reduction	1451.30	-	66.44	1517.74
<b>Net Change</b>	<b>-1451.30</b>	<b>236.69</b>	<b>377.93</b>	<b>-836.68</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	23400.26	2170.69	2198.88	27769.83
ii) Interest due but not paid	162.11	-	3161.07	3323.18
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>23562.37</b>	<b>2170.69</b>	<b>5359.95</b>	<b>31093.01</b>

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL****A. Remuneration to Managing Director, Whole-time Directors and/or Manager**

Sr. no.	Particulars of Remuneration	Ram Sahay Jagetiya (Whole Time Director)	Total Amount
1.	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	2088201	2088201
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-
2.	Stock Option	-	-
3.	Sweat Equity	-	-
4.	Commission		
	- as % of profit	-	-
	- others, specify...		
5.	Others, please specify	-	-
	Total	2088201	2088201
	Ceiling as per the Act	As per schedule V of the Act	

**B. Remuneration to other directors:**

Sr. No.	Particulars of Remuneration	Durgesh Jadhav	Bhalchandra shinde	Pratiksha sonavane
1	Independent Directors	0	60,000	60,000
	• Fee for attending board committee meetings	0	0	0
	• Commission	0	0	0
	• Others, please specify			
	Total (1)	0	60,000/-	60,000/-
2	Other Non-Executive Directors	60,000	0	0
	• Fee for attending board committee meetings	0	0	0
	• Commission	0	0	0
	• Others, please specify			
	<b>Total (2)</b>	<b>60,000</b>	<b>0</b>	<b>0</b>
	<b>Total (B)=(1+2)</b>	<b>60,000/-</b>	<b>60,000/-</b>	<b>60,000/-</b>
Total Managerial Remuneration (A+B)				
Overall Ceiling as per the Act				



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

Sr. No.	Particulars of Remuneration			
		Company Secretary	CFO	Total
1.	Gross salary	5,62,842	11,59,662	17,22,504
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	-	-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-
2.	Stock Option	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission - as % of profit - others, specify...	-	-	-
5.	Others, please specify	-	-	-
	<b>Total</b>	<b>5,62,842</b>	<b>11,59,662</b>	<b>17,22,504</b>

**By Order of the Board**

**Date: 13th August, 2018**

**Place: Mumbai**

**Purushottam Sonavane**

Director

**(DIN: 08405653)**

**Sadhana Patil**

Director

**(DIN: 06565115)**



## INDEPENDENT AUDITOR'S REPORT

To the Members of  
**ZENITH BIRLA (INDIA) LIMITED**

### Report on the Audit of the Standalone Ind AS Financial Statements

#### Qualified Opinion

We have audited the Standalone Ind AS financial statements of **ZENITH BIRLA (INDIA) LIMITED**

('the Company'), which comprise the balance sheet as at 31st March 2019, and the statement of profit and loss (including other comprehensive income), the statement of changes in equity and the cash flow statement for the year then ended, and notes to the Ind AS financial statements, including a summary of the significant accounting policies and other explanatory information (herein after referred to as 'Ind AS financial statements').

In our opinion and to the best of our information and according to the explanations given to us, subject to the effect of the matters described in the Basis for Qualified opinion paragraph below

the aforesaid Ind AS financial statements give the information required by the Companies Act, 2013 ('the Act') in the manner so required and give true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2019, its Loss (including their comprehensive income), changes in equity and its cash flows for the year ended on that date.

#### Basis for Qualified Opinion

1. The Company has not complied with the provision of section 74 or any other relevant provision of the Act, and the Companies (Acceptance of Deposits) Rules, 2014 with regard to non repayment of deposits and interest on due date, maintenance of liquid assets to the extent required as well as not fully complying with the orders passed by the Company Low Board.
2. With reference to Note No 43 regarding the balance of Sundry Creditors, Debtors, Loans and Advances, Deposits, Currents Liabilities, inter Group, etc being not confirmed by the parties and hence our inability to state whether these balances are recoverable/payable to the extent stated.
3. Material uncertainty related to going concern

With reference to Note No 49 which indicates that the company has accumulated losses exceeding the share capital and reserves and its Net worth has been fully eroded. These conditions indicate the existence of a material uncertainty that may cast significant doubt about the company's ability to continue as a going concern. However the financial statements of the Company have been prepared on a going concern basis for the reasons stated in the said Note.

4. Interest payable to Micro, Small and medium enterprises parties, on delayed payments to them has neither been ascertained nor provided.

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Ind AS financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Ind AS financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Emphasis of Matter

We draw attention to the following:

- 1) The outstanding balance of Rs.109.05 Crores from the Company's 100% subsidiary  
In United Arab Emirates (Zenith Middle East FZE) has been considered as irrecoverable and hence provided for as doubtful
- 2) During the year the Company has entered into an agreement with M/S Tribus Real Estate Pvt. Ltd. for taking over the Company's



bank outstanding as reflected earlier in the company's books on terms agreed to between the Company and Tribus Real Estate Pvt. Ltd irrespective of the amount settled with the bank. Consequently the outstanding of the banks in the books of the Company are transferred to Tribus Real Estate Pvt. Ltd and hence now classified as "Secured Loan from others" though the security for the loan continue to be in favor of the Banks

Our opinion is not modified in respect of these matters.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Ind AS financial statements of the current year. These matters were addressed in the context of our audit of the Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Description of Key Audit Matter:

Going Concern Basis of Accounting

Key Audit Matters	Auditors Response
	Our procedures included:
›The Company has accumulated losses exceeding its Share Capital and Reserves and its Net Worth has been fully eroded.	›Discussion with management about their assessment of the Company's ability to continue as a going concern and management's plans to address the problems.
›The Company has defaulted in repayment/servicing of its bank loans and interest thereon	›Evaluating management's plans for future actions in relation to its going concern assessment, whether the outcome of these plans is likely to improve the situation and whether the management's plans are feasible in the circumstances.
›The company has been unable to fully pay its public deposit holders	›Evaluating the forecasted future cash flows prepared by the management.
›Balances of Sundry Creditors, Debtors, Loans and Advances, Deposits, Current liabilities are not confirmed by the parties and hence their recoverability/playability is uncertain	›Perusing the agreements made with third parties for assignment and settlement of the Company's dues to banks and public deposit holders.
›Labor problems at the company main factory.	›Verifying the financing plans proposed by the management as well as the strategic understanding with suppliers/customers.
›All the above circumstances cast a doubt on the Company's ability to continue as a going concern.	›Concluding, on the basis of evidence obtained, on the appropriateness' of management's use of the going concern basis of accounting in the preparation of the financial statements.

### Other Information

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the financial statements and our auditors' report thereon.

Our opinion on the Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.



In connection with our audit of the Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Ind AS financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

### **Management's Responsibility for the Ind AS Financial Statements**

The Company's management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these Ind AS financial statements that give a true and fair view of the state of affairs, loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Ind AS financial statements, management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Ind AS financial statements**

Our objectives are to obtain reasonable assurance about whether the Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Ind AS financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Ind AS financial statements, including the disclosures, and whether the Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding



independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Ind AS financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### **Report on Other Legal and Regulatory Requirements**

- 1) As required by the Companies (Auditors' Report) Order, 2016 ('the Order') issued by the Central Government in terms of Section 143 (11) of the Act, we give in the 'Annexure A' a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
  - A) As required by Section 143(3) of the Act we report that:
    - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
    - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
      - c) The balance sheet, the statement of profit and loss (including other comprehensive income), the statement of changes in equity and the cash flow statement dealt with by this report are in agreement with the books of account;
      - d) In our opinion, the aforesaid Ind AS financial statements comply with the Ind AS specified under Section 133 of the Act;
      - e) On the basis of the written representations received from the directors as on 31st March 2019 taken on record by the Board of Directors, one of the directors is disqualified as on 31st March 2019 from being appointed as a director in terms of Section 164(2) of the Act
      - f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in 'Annexure B'.
  - B) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i). The Company has disclosed the impact of pending litigations as at 31st March 2019 on its financial position in its Ind AS financial statements - Refer Note 36 to the Ind AS financial statements;
    - ii). The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.
    - iii). There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company;
  - C) With respect to the matter to be included in the Auditors' Report under Section 197(16) of the Act, in our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

**For, Thakur, Vaidyanath Aiyar & Co.**  
**Chartered Accountants**  
Firms Registration No. 000038N

Place: Mumbai  
Date: 7<sup>th</sup> May, 2019

**C. V. Parameswar**  
Partner  
Membership No. 11541



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Annexure A to the Independent Auditors' Report on the Standalone Ind AS Financial Statements of ZENITH BIRLA (INDIA) LIMITED

(Referred to in paragraph 2 under the heading 'Report on Other Legal & Regulatory Requirement' of our report of even date to the Standalone Ind AS Financial statements of the Company for the year ended March 31, 2019):

- i. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets from the financial year 2016-17 onwards. We are informed that the fixed assets records pertaining to the earlier periods have been lost in transit and hence not available. The records for the year 2018-19 are in the process of being updated.
- (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, physical verification of fixed Assets has been carried out during the year
- (c) As per the information and explanations provided to us, title deeds of immovable properties are generally in the name of the Company except in case of one freehold property valued at ₹325.90 Lacs.
- ii. The inventory (excluding stock with third parties) has been physically verified by the management during the year. In respect of inventories lying with third parties these have been confirmed by them. In our opinion the frequency of verification is reasonable. The discrepancies noticed on physical verification of inventory as compared to book records were not material.
- iii. The Company has granted unsecured loans in the earlier years to eight Companies covered in the register maintained under Section 189 of the Companies Act, 2013; The balances with 6 parties have been recovered/adjusted during the year except for the company's two subsidiaries.

The terms and conditions of such loan are not prejudicial to the company's interest.

The schedule of repayment of principal and payment of interest has not been stipulated.

As there is no stipulation about repayment of principal and payment of interest, there is no overdue amount.

- iv. In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 in respect of Loans, investments, guarantees, and security, where applicable.
- v. In our opinion and according to the information and explanations given to us, in respect of compliance by the Company with the directive issued by the Reserve Bank of India, the provisions of Sections 74 or any other relevant provisions of the Act and the rules framed thereunder, 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 and maintenance of liquid assets to the extent required as per Rule 13 of the Companies (Acceptance of Deposit) Rules, 2014. The Company has also not fully complied with orders passed by Company Law Board. / NCLT.
- vi. We have broadly reviewed the books of accounts maintained by the Company in respect of products where, pursuant to the rules made by Central Government of India, the maintenance of cost records has been prescribed under sub section (i) of Section 148 of the Companies Act, 2013 and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. We have however not made a detailed examination of the records with a view to determine whether they are accurate or complete.
- vii. (a) According to the information and explanations 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, Provident Fund, Labour Welfare Fund and Excise Duty the Company is generally regular in depositing the undisputed statutory dues including Custom Duty, Cess and other material statutory dues, as applicable. The following balances remained in arrears as at the last day of the financial year for a period exceeding six months from the date they become payable:





Nature of Due	Amount Outstanding(₹)
Income Tax Deducted at Source	35,56,725
Income Tax Collected at Source	52,172
Provident Fund	27,65,529
Labour Welfare Fund	768
Profession Tax	2,10,363
Excise Duty	59,28,897
Dividend Distribution Tax	3,59,08,091
Interest on Dividend Distribution Tax	3,33,94,524
Central Sales Tax	15,695
Value Added Tax	2,10,383

(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 Service Tax. The particulars of Dues of Customs Duty, Excise Duty, Sales Tax, Value added tax and Income Tax as at March 31, 2018, which have not been deposited on account of disputes are as follows:

Name of the Statute	Nature of Dues	Period to which the matter pertains to	Forum where dispute is pending	Amount (₹ in Lacs)
Custom Act, 1962	Custom Duty	1985-86	High Court	3.45
		1998-99	Tribunal	82.00
Central Excise Act, 1959	Excise Duty	1995-96	Commissioner Appeal	129.78
Central Sales Tax Act, 1956	Central Sales Tax	1995-96	Tribunal	78.88
Maharashtra Value Added Tax, 2002	Value Added Tax	2006-07	Joint Commissioner Appeal	8,181.18
		2007-08	Joint Commissioner Appeal	2,577.63
		2009-10	Joint Commissioner Appeal	6,215.77
		2011-12	Tribunal	50.98
		2012-13	Passed Order under Rectification with Deputy Commissioner	825.89
		2013-14	Joint Commissioner Appeal	30.67
Income Tax Act, 1961	Income Tax	2008-09	CIT (Appeal)	2,545.08
		2009-10	CIT (Appeal)	102.01
		2010-11	CIT (Appeal)	1,108.80
		2011-12	CIT (Appeal)	189.88
		2013-14	CIT (Appeal)	2.18



- viii. 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. During the year under audit the Company has entered into an agreement with M/S Tribus Real Estate Pvt. Ltd. for taking over the company's bank outstanding as reflected earlier in the company books on terms agreed to between the Company and Tribus Real Estate Pvt. Ltd.
- ix. Based upon the audit procedure performed and the information and explanations given by the management, the Company has not raised moneys by way of initial public offer or further public offer including debt instruments and not availed term loan during the year. Accordingly, the provisions of clause 3(ix) of the order are not applicable to the Company.
- x. Based upon the audit procedures performed and the information and explanations given by the management, we report that no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.
- xi. In our opinion and according to the information and explanations given to us, Managerial remuneration has been Paid/ Provided in accordance with the requisite approvals mandated by the provisions of section 197 read with schedule. V to the ACT.
- xii. In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 3 (xii) of the order are not applicable to the Company.
- xiii. In our opinion, all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 and the details have been disclosed in the Standalone Ind AS Financial Statements as required by the applicable accounting standards.
- xiv. Based upon the audit procedures performed and the information and explanations given by the management, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly the provisions of clause 3 (xiv) of the order are not applicable to the Company.
- xv. Based upon the audit procedures performed and the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, the provisions of clause 3 (xv) of the order are not applicable to the Company.
- xvi. In our opinion, the company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of clause 3 (xvi) of the order are not applicable to the Company.

For, **Thakur, Vaidyanath Aiyar & Co.**  
**Chartered Accountants**  
Firms Registration No. 000038N

Place: Mumbai  
Date: 7<sup>th</sup> May, 2019

**C. V. Parameswar**  
Partner  
Membership No. 11541



## **Annexure B to the Independent Auditor's Report of even date on the Ind AS Financial Statements of ZENITH BIRLA (INDIA) LIMITED for the year ended 31st March 2019**

Report on the Internal Financial Controls over financial reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act").

We have audited the internal financial controls over financial reporting of **ZENITH BIRLA (INDIA) LIMITED** ("the Company") as of 31st March, 2019 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

### **Management's Responsibility for Internal Financial Controls**

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

### **Auditors' Responsibility**

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

### **Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.



## Inherent Limitations of Internal Financial Controls over Financial Reporting

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

### Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2019, based on internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

For, **Thakur, Vaidyanath Aiyar & Co.**  
**Chartered Accountants**  
Firms Registration No. 000038N

Place: Mumbai  
Date: 7<sup>th</sup> May, 2019

**C. V. Parameswar**  
Partner  
Membership No. 11541



**Statement on impact of Audit Qualifications (for audit report with modified opinion) submitted along-with Annual Audited Financial Results (Standalone)**

			(₹ in lakhs)	
S R . No.	Particulars	Audited Figures Rs in lacs (as reported before adjusting for qualifications)	Adjusted Figures Rs in lacs (audited figures after adjusting for qualifications)	
I	1.	Turnover/ Total Income	15008	15008
	2.	Total Expenditure	26280	26280
	3.	Net Profit/(Loss)	(11242)	(11242)
	4.	Earnings Per Share (Rupees)	(9.09)	(9.09)
	5.	Total Assets	23460	23460
	6.	Total Liabilities	46591	46591
	7.	Net Worth	(23131)	(23131)
	8.	Any other financial item(s)( as felt appropriate by the management)	-	-

II Audit Qualification( each audit qualification Separately):

**a. Details of Audit Qualification:**

1. The Company has not complied with the provisions of the section 74 or any other relevant provisions of the Act and the Companies (Acceptance of Deposits) Rules, 2014 with regard to non repayment of deposits and interest on due date, maintenance of liquid assets to the extent required as well as not fully complying with the orders passed by the Company Law Board.
2. With reference to Note No. 7 regarding the balance of Sundry Creditors, Debtors, Loans and Advances, Deposits, Current Liabilities , inter units etc being not confirmed by the parties/units and hence our inability to state whether these balance are recoverable/payable to the extent stated.
3. With reference to Note No. 8 which indicates that the Company has accumulated losses exceeding the Share Capital and Reserves and its net worth has been fully eroded. These conditions indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. However the financial statements of the Company have been prepared on a going concern basis for the reasons stated in the said note.
4. The outstanding of Rs.109.05 Cr. From the company's 100% subsidiary in Dubai (Zenith Middle East FZE) has been considered as irrecoverable and hence provided for as doubtful during the year.
5. Interest payable to Micro, Small and Medium Enterprise parties on delayed payments to them has neither been ascertained nor provided.

b. Type of Audit Qualification: Qualified/ Disclaimer of Opinion/ Adverse Opinion

c. Frequency of Qualification

Qualification no. 1 to 3 is repetitive.

d. For Audit Qualification(s)where the impact is quantified by the auditor, Management views:



The Subsidiary Company was following up with its customer for its receivables but due to financial meltdown in Dubai and Middle East Countries in the year under consideration they have found it difficult to recover outstanding amount recoverable from its customers as most of the Companies had got liquidated. In view of the same, the parent Company advanced to its subsidiary is doubtful of recovery and hence provision of the same has been made.

e. For Audit Qualification(s) where the impact is not quantified by the auditor:

(i) Management's estimation on the impact of audit qualification:

(ii) If management is unable to estimate the impact, reasons for the same:

For qualification on balances of sundry creditors, debtors, etc:

Reconciliation of balances of sundry creditors, debtors and other parties are an ongoing basis and the figures would be ascertained only when the reconciliation is finalised. Hence at this stage, impact of the same is not ascertainable.

For qualification on non compliance of section 74(2) of the Companies Act, 2013:

The company has taken action on priority to clear the dues of deposit holders who are incapacitated and to comply with the orders of existing authorities. For the rest, the company has already started the process of settling their dues through sale proceeds of the assets sold by MPID court of the other Company who has given NOC for using the amount towards repayment of the Fixed Deposits of the Zenith Birla (India) Limited and will complete it before the end of Financial Year 2019-20

For qualification on accounting ongoing concern basis:

On account of strategic understanding with suppliers/ customers, which is continuing, the Company is on revival mode and is operating some of its units. In view of the same going concern concept holds good.

For qualification on Interest payable to Micro, Small and Medium Enterprise:

The declaration received from various suppliers was late and identification of them as MSME was lagged at the end of the year. However the amount outstanding if any of those MSME have been cleared as on the year end but interest on the same could not be ascertained and there has been no claim loss with the Company by any of the MSME towards interest payable to them

iii) Auditors' Comments on (I) or (II) above

No further comments.

III Signatories:

- Director : (Purushottam Sonavane)
- Chief Financial officer : (B. Girvanesh)
- Audit Committee Chairman : (Sadhana Patil)
- Statutory Auditor  
( M/s Thakur, Vaidyanath Aiyar & Co. Chartered Accountants, Mumbai) : (C. V. Parameswar)

Partner

Place: Mumbai

Date: 07.05.2019



## BALANCE SHEET AS AT 31ST MARCH, 2019

(Amount ₹ in Lakhs)

Sr. No.	Particulars	Note No.	As at 31th March 2019	As at 31st March 2018
<b>I.</b>	<b>ASSETS</b>			
	<b>NON-CURRENT ASSETS</b>			
(a)	Property, Plant & Equipment	2	7,449.13	8,026.38
(b)	Capital work in progress	3	1,443.71	1,278.06
(c)	Intangible Assets	4	5.60	6.26
(d)	Financial Assets			
(e)	(i) Investments	5	260.59	260.59
	(ii) Loans	6	157.91	166.39
(f)	Other Non-Current Assets	7	204.80	230.27
	<b>Total Non - Current Assets</b>		<b>9,521.74</b>	<b>9,967.95</b>
	<b>CURRENT ASSETS</b>			
(a)	Inventories	10	96.62	326.98
(b)	Financial Assets			
	(i) Trade Receivables	11	3,733.28	3,091.49
	(ii) Cash and Cash Equivalents	12	264.30	251.31
	(III) Bank Balances other than (II) above	13	1.85	0.05
	(iv) Loans	6	6,392.26	17,253.94
	(v) Other Financial Assets	7	-	-
(c)	Other Current Assets	8	3,227.84	2,954.40
(d)	Current tax assets (Net)	9	220.94	194.73
	<b>Total - Current Assets</b>		<b>13,937.09</b>	<b>24,072.90</b>
	<b>Total Assets</b>		<b>23,458.83</b>	<b>34,040.85</b>
<b>II.</b>	<b>EQUITY AND LIABILITIES</b>			
	<b>EQUITY</b>			
(a)	Equity share capital	14	13,128.04	13,128.04
(b)	Other equity	15	(36,259.20)	(25,017.42)
	<b>Total - Equity</b>		<b>(23,131.16)</b>	<b>(11,889.38)</b>
	<b>LIABILITIES</b>			
<b>A</b>	<b>Non-Current Liabilities</b>			
(a)	Financial liabilities			
	(i) Borrowings	16	961.83	2,278.17
(b)	Provisions	20	661.11	639.18
(c)	Deferred tax liabilities (Net)	21	504.86	504.86
	<b>Total Non - Current Liabilities</b>		<b>2,127.80</b>	<b>3,422.21</b>
<b>B</b>	<b>Current Liabilities</b>			
(a)	Financial liabilities			
	(i) Borrowings	16	24,609.13	24,507.39
	(ii) Trade payables	17	8,119.62	7,523.05
	(iii) Other financial liabilities	18	5,360.91	4,982.78
(b)	Other current liabilities	19	5,248.68	4,377.63
(c)	Provisions	20	428.94	465.34
(d)	Current tax liabilities (Net)	22	694.91	651.83
	<b>Total - Current Liabilities</b>		<b>44,462.19</b>	<b>42,508.02</b>
	<b>Total Equity and Liabilities</b>		<b>23,458.83</b>	<b>34,040.85</b>

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

Place: Mumbai  
Date: 7<sup>th</sup> May, 2019

For and on behalf of Board of Directors

**Purushottam Sonavane**  
Director  
DIN.08405653

**B. Girvanesh**  
Chief Financial Officer

**Sadhana Patil**  
Director  
DIN.06565115

**Suneel Sullere**  
Company Secretary  
ACS.42922

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31TH MARCH, 2019**

(Amount ₹ in Lakhs)

Sr. Particulars No.	Note No.	For the year ended 31st March 2019	For the year ended 31st March 2018
<b>I. INCOME</b>			
Revenue from operations	23	13,895.06	13,322.97
Other income	24	1,112.59	1,653.34
<b>Total Income</b>		<b>15,007.65</b>	<b>14,976.31</b>
<b>II. EXPENSES</b>			
Cost of Raw Materials and Components Consumed	25	8,086.87	9,958.28
Purchases of Stock-in-Trade	26	745.99	481.16
Changes in Inventories of Finished Goods, Semi-Finished Goods and Stock-in-Trade	27	(0.80)	776.01
Excise duty		-	466.90
Employee benefits expense	28	814.63	797.17
Finance costs	29	679.69	708.90
Depreciation and amortization expense	30	601.26	733.45
Other expenses	31	15,351.90	5,105.45
<b>Total Expenses</b>		<b>26,279.54</b>	<b>19,027.32</b>
<b>III. Profit / (Loss) before exception items and tax</b>		<b>(11,271.89)</b>	<b>(4,051.01)</b>
<b>IV. Exceptional items</b>		<b>658.88</b>	<b>60.03</b>
<b>V. Profit / (Loss) before tax (III - IV)</b>		<b>(11,930.77)</b>	<b>(4,111.04)</b>
<b>VI. Tax expense:</b>			
(1) Current tax		-	-
(4) Deferred tax		-	-
<b>XI. Profit/(Loss) for the period (VII-X)</b>		<b>(11,930.77)</b>	<b>(4,111.04)</b>
<b>XII. OTHER COMPREHENSIVE INCOME</b>			
(i) Items that will not be reclassified to profit or loss			
Related to employee benefits		38.32	71.90
Foreign Translation Difference		650.67	24.68
(ii) Income tax relating to items that will not be reclassified to profit or loss		-	-
<b>Total Other Comprehensive Income net of tax</b>		<b>688.99</b>	<b>96.58</b>
<b>Total Comprehensive income for the year, net of tax (XI+XII)</b>		<b>(11,241.78)</b>	<b>(4,014.45)</b>
<b>Earnings per equity share:</b>			
(1) Basic		(9.09)	(3.13)
(2) Diluted		(9.09)	(3.13)

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: 11541Place: Mumbai  
Date: 7<sup>th</sup> May, 2019**For and on behalf of Board of Directors****Purushottam Sonavane**  
Director  
DIN.08405653**B. Girvanesh**  
Chief Financial Officer**Sadhana Patil**  
Director  
DIN.06565115**Suneel Sullere**  
Company Secretary  
ACS.42922





## CASH FLOW FOR THE YEAR ENDED 31ST MARCH, 2019

Sr. No.	Particulars	For the year ended 31st March,2019	For the year ended 31st March,2018
			( ₹ in Lakhs)
<b>A.</b>	<b>CASH FLOW FROM OPERATING ACTIVITIES:</b>		
	Net profit before exceptional item, taxation and prior period adjustments	(11,271.89)	(4,051.01)
	Adjustments for:		
	Depreciation and Amortization	601.26	733.45
	(Profit)/Loss on sale of Fixed Assets (Net)		-
	Provision for Gratuity and Leave Salary		-
	Prior period items	(658.88)	(60.03)
	Provision no longer required Written Back		-
	Exchange difference on translation (Net)		-
	Finance Costs	679.69	708.90
	Interest Income		-
	Other Comprehensive Income	688.99	96.58
	Adj. in Gen Res. Of old liab.		-
	Sub-total	1,311.06	1,478.90
	<b>Operating Profit Before Working Capital Changes</b>	<b>(9,960.83)</b>	<b>(2,572.11)</b>
	<b>Adjustments for changes in working capital :</b>		
	Inventories	(230.36)	967.42
	Trade Receivables	641.79	(1,793.54)
	Loans	(10,861.68)	-
	Other Current Assets	273.44	-
	Trade Payables	(596.57)	3,520.34
	Provisions	36.42	-
	Other Financial Liabilities	(378.13)	-
	Loans In Financial Assets	(8.48)	-
	Loans to employees and others		-
	Other Current Liabilities	(871.05)	-
	Current Tax Liabilities	(43.08)	-
	Provisions In Non -Current Liabilities	(21.93)	-
	Direct Taxes Paid (Net of Refund)	26.21	-
	Other Financial Assets		-
	Current Tax Assets		-
	Exceptional Item		-
	Sub-total	<b>(12,033.40)</b>	<b>2,694.22</b>
	<b>Net Cash Flow From Operating Activities After Exceptional Item.....(A)</b>	<b>2,072.57</b>	<b>122.11</b>

**B. CASH FLOW FROM INVESTING ACTIVITIES:**

Payments made for Property, Plant and Equipment	27.11	(28.78)	
Payments made in CWIP	12.99		
Payments made for Intangible Assets		-	
Proceeds from sale of Property, Plant and Equipment	(3.76)	516.22	
Loans & Advances Repayment		-	
Other Non-Current Assets	(25.47)	-	
Interest Received		-	
Sub-total		10.87	487.44
<b>Net Cash used for Investing Activities..... (B)</b>		<b>10.87</b>	<b>487.44</b>

**C. CASH FLOW FROM FINANCING ACTIVITIES:**

Proceeds from Borrowings		20.06	
Repayment of Borrowings	(1,367.22)	-	
Interest Paid	(679.69)	(708.90)	
Sub-total		(2,046.91)	(688.84)
<b>Net Cash used for Financing Activities.....(C)</b>		<b>(2,046.91)</b>	<b>(688.84)</b>
<b>Net Increase/(Decrease) in Cash &amp; Cash Equivalents (A+B+C)</b>		<b>14.79</b>	<b>(79.29)</b>
<b>Cash and Cash Equivalents as at 01.04.2018</b>	251.31	330.60	
<b>Add: (Increase) / Decrease in Fixed Deposit accounts kept as margin money with banks</b>	(1.80)	-	
<b>Add: Decrease in Dividend accounts with bank</b>		-	
	249.51	330.60	
<b>Cash and Cash Equivalents as at 31.03.2019</b>		<b>264.30</b>	<b>251.31</b>
<b>Reconciliation of Cash and Bank Balances given in Note No. 9 of Balance Sheet is as follows:</b>			
Cash and Bank Balances		266.15	251.36
Less:			
Balance in Fixed Deposit accounts with banks having a maturity period of more than three months		1.85	0.05
<b>Cash and Cash Equivalents</b>		<b>264.30</b>	<b>251.31</b>

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

Place: Mumbai

Date: 7<sup>th</sup> May, 2019**For and on behalf of Board of Directors****Purushottam Sonavane**  
Director  
DIN.08405653**B. Girvanesh**  
Chief Financial Officer**Sadhana Patil**  
Director  
DIN.06565115**Suneel Sullere**  
Company Secretary  
ACS.42922



### Statement of Changes in Equity For the period ended 31st March, 2019

(A)	EQUITY SHARE CAPITAL			
Sr. No.	Particulars	Nos.	Amount in ₹	Amount in ₹ Lakhs
	<b>Equity shares of ₹ 10/- each Issued, Subscribed and Fully Paid up</b>			
	<b>As at April 1, 2017</b>	131,280,448.00	1,312,804,480.00	13,128.04
	Change in Equity Share Capital during the year	-	-	-
	<b>As at March 31, 2018</b>	<b>131,280,448.00</b>	<b>1,312,804,480.00</b>	<b>13,128.04</b>
	Change in Equity Share Capital during the year	-	-	-
	<b>As at March 31, 2019</b>	<b>131,280,448.00</b>	<b>1,312,804,480.00</b>	<b>13,128.04</b>
	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 Share. On 25-03-2011, 15,60,000 warrants were convertible into Equity Share before 09-07-2012.			

#### (B) OTHER EQUITY

For the year ended March 31, 2019

Sr. No.	Particulars	Securities Premium Reserve	General Reserves	Retained Earnings	Total Other Equity
	<b>As at April 1, 2018</b>	14,308.30	552.12	(39,877.84)	(25,017.42)
Add:	Profit for the year	-	-	(11,930.77)	(11,930.77)
Add:	FDR Adjustments	-	-	-	-
Add:	Other Comprehensive Income	-	-	688.99	688.99
	<b>Total Comprehensive Income</b>	14,308.30	552.12	(51,119.62)	(36,259.20)
Less:	Issue of Bonus shares	-	-	-	-
Less:	Transfer to general reserves	-	-	-	-
	<b>As at March 31, 2019</b>	<b>14,308.30</b>	<b>552.12</b>	<b>(51,119.62)</b>	<b>(36,259.20)</b>

For the year ended March 31, 2018

Sr. No.	Particulars	Securities Premium Reserve	General Reserves	Retained Earnings	Total Other Equity
	<b>As at April 1, 2017</b>	14,308.30	494.88	(35,863.38)	(21,060.20)
Add:	Profit for the year	-	-	(4,111.04)	(4,111.04)
Add:	FDR Adjustments	-	57.24	-	57.24
Add:	Other Comprehensive Income	-	-	96.58	96.58
	<b>Total Comprehensive Income</b>	14,308.30	552.12	(39,877.84)	(25,017.42)
Less:	Issue of Bonus shares	-	-	-	-
Less:	Transfer to general reserves	-	-	-	-
	<b>As at March 31, 2018</b>	<b>14,308.30</b>	<b>552.12</b>	<b>(39,877.84)</b>	<b>(25,017.42)</b>



## Notes on Standalone financial statements for the year ended 31st March, 2019

### 1. General Information:

Zenith Birla (India) Limited (the Company) is a Public Limited Company incorporated in India having its registered office at Industry House, 5th Floor, 159, Churchgate Reclamation Mumbai-400 020, India. The Company is engaged in the manufacturing and selling of ERW And SAW Pipes.

### Significant accounting policies followed by the Company

#### (A) Basis of preparation of financial statements:

##### (i) Compliance with Ind AS:

These financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 and other relevant provisions of the Act. The financial statements up to year ended 31st March, 2017 were prepared in accordance with the accounting standards notified under Companies (Accounting Standard) Rules, 2006 (as amended) and other relevant provisions of the Act. The Company has adopted Ind-AS from 1st April, 2017.

##### (ii) Historical Cost Convention

The financial statements have been prepared on a historical cost basis, except for the following assets and liabilities

- a) Certain Financial assets and liabilities that are measured at fair value
- b) Derivative Financial instruments

##### (iii) Functional and Presentation Currency

These financial statements are presented in Indian Rupees This is also the functional currency of the company. All financial information are presented in Indian Rupees has been rounded off to two decimals in lacs.

##### (iv) Current and Non current Classification

All assets and Liabilities have been classified as Current and Non Current as per the company's normal operating cycle (12 months) and other criteria set out in schedule III to the Act.

#### (B) Use of estimates:

An estimates in accordance with Ind AS at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error. The preparation of financial statements in conformity with the generally accepted accounting principles requires estimates and assumptions to be made by the management that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Differences between actual results and estimates are recognized in the period in which the results are crystallized.

#### (C) Revenue recognition:

- (a) Revenue from the sale of goods is recognized upon the passage of title to the customers, which generally coincides with delivery. Effective from 1st July 2017, sales are recorded net of Goods and Service Tax (GST) whereas prior to 1st July 2017, sales were recorded gross of excise duty which formed part of expenses.
- (b) Export sales are accounted based on the dates of Bill of Lading.
- (c) Interest Income is accrued on time proportion basis over the period of loan / deposit / investment except in case of significant uncertainties.



**(D) Property, Plant and Equipment:**

- (a) All items of property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Cost may also include hedges of foreign currency purchases of property, plant and equipment. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associates with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.
- (b) Transition to Ind AS:  
On transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognised as at 1st April 2017 and use that carrying value as the deemed cost of the property, plant and equipment.
- (c) Depreciation methods, estimated useful lives and residual value:
- (i) Depreciation: The Company has ascertained the useful life of its various assets and charged depreciation in accordance with Schedule II of the Companies Act, 2013.
- (ii) Leasehold Land is amortized over the period of lease.
- (iii) The useful lives have been determined based on technical evaluation done by the management's expert in order to reflect the actual usage of the assets. The residual values are not more than 5% of the original cost of the asset. The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.
- (iv) An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.
- (v) Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in statement of profit and loss.

**(E) Intangible Assets:**

- (i) Computer Software and Technical Know-How are amortized over a period of 3 years from the date of acquisition.
- (ii) Transition to Ind AS:  
On transition to Ind AS, the Company has elected to continue with the carrying value of all of its intangible assets recognised as at 1st April 2017 and use that carrying value as the deemed cost of intangible assets.

**(F) Capital Work in Progress:**

Expenditure during construction period including development cost incurred on the projects under implementation are treated as pre-operative expenses pending allocation to the assets and are included under "Capital Work in Progress." These expenses are apportioned to fixed assets on commencement of commercial production.

**(G) Impairment of Assets:**

An asset is treated as impaired when the carrying cost of the asset exceeds its recoverable value. An impairment loss, if any, is charged to statement of profit and loss in the year in which an asset is identified as impaired. The impairment loss recognized in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

**(H) Valuation of Inventory:**

- (a) Raw Materials and components, semi-finished goods, finished goods, stores and spares, goods for trade are valued at cost or net realizable value whichever is lower. Cost formula used is weighted average cost. Cost comprises of cost of purchase, cost of conversion and other cost incurred in bringing the inventory to its present location and condition.
- (b) Goods / Materials in Transit are valued at cost to date.
- (c) Scrap is valued at its estimated realizable value.
- (d) Adequate provisions are made for obsolete inventory based on technical estimates made by the Company.

**(I) Foreign Currency Transactions:**

Transactions arising in foreign currencies during the year are converted at the rates closely approximating the rates ruling on the transaction dates. Liabilities and receivables in foreign currency are restated at the year end exchange rates. All exchange rate differences arising from conversion in terms of the above are included in the statement of profit and loss.

In case of items which are covered by forward exchange contracts, the difference between the year end rate and rate on the date of contract is recognised as exchange difference and the premium paid on forward contracts is recognised over the life of the contract.

**(J) Employee Benefits:****(i) Short-term obligations:**

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The Liabilities are presented under current liabilities in the balance sheet.

**(ii) Other long-term employee benefit obligations:**

The liabilities for earned leave are measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in statement of profit and loss.

**(iii) Post-employment obligations:**

- (a) Defined contribution plans: Company's contribution to the provident fund scheme is recognized during the year in which the related service is rendered.
- (b) Defined benefit plans: The liability or asset recognised in the balance sheet in respect of gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using projected unit credit method.
- (c) The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.
- (d) Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.



- (e) Changes in present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.
- (f) Long Term compensated absences are provided on the basis of an actuarial valuation.

**(K) Research and Development Costs:**

Revenue expenditure, including overheads on research and development, is charged as an expense through the natural heads of account in the year in which incurred. Expenditure incurred at development phase, where it is reasonably certain that outcome of research will be commercially exploited to yield economic benefits to the Company, is considered as an Intangible assets and depreciation is provided on such assets as applicable.

**(L) Investments:**

Current investments are carried at lower of cost or fair value. Long term investments are carried at cost less provision for other than temporary decline in the value of such investments.

**(M) Borrowing Cost:**

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the assets for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale. Other borrowing costs are expensed in the period in which they are incurred.

**(N) Taxation:**

Income tax expense comprises Current tax and Deferred tax charge or credit. Provision for Current tax is made on the assessable income at the tax rate applicable to the relevant assessment year. Minimum alternative tax (MAT) paid in accordance with the tax laws, which gives rise to future economic benefits in the form of adjustment of future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax.

Accordingly, MAT is recognized as an asset in the balance sheet when it is probable that the future economic benefit associated with it will flow to the Company and the asset can be measured reliably. The deferred tax asset and/or deferred tax liability is calculated by applying substantively enacted rate as at balance sheet date. Deferred tax assets arising mainly on account of brought forward losses and unabsorbed depreciation is recognized if and only if there is virtual certainty backed by convincing evidence of its realization. At each balance sheet date, carrying amount of deferred tax assets is reviewed to reassure realization.

**(O) Share Issue Expenses:**

Issue expenses are adjusted against the Share Premium.

**(P) Government Grant/Loan:**

Capital grants for project capital subsidy are credited to capital reserve.

The Company has availed mandatory exemption under Ind AS 101 and accordingly, there is no change in accounting treatment on the amount carried forward on the date of transition for sales tax deferral loan / incentive.

**(Q) Provisions, Contingent Liabilities and Contingent Assets:**

Provisions involving a substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognized but are disclosed in the notes. Contingent Assets are neither recognized nor disclosed in the financial statements.



Amount ₹ in Lacs

Note No.	Particulars	As at 31st March 2019	As at 31st March 2018
<b>2</b>	<b>PROPERTY, PLANT &amp; EQUIPMENT</b>		
	Gross Block	15,065.72	15,174.07
	Less: Acc. Depreciation	7,616.59	7,147.69
	<b>Net Block</b>	<b>7,449.13</b>	<b>8,026.38</b>
	<b>Note* Please refer note no. 2 Property, Plant &amp; Equipment</b>		
<b>3</b>	<b>CAPITAL WORK IN PROGRESS</b>		
	Capital Work-in-Progress	1,443.71	1,278.06
	<b>Total</b>	<b>1,443.71</b>	<b>1,278.06</b>
	<b>Note* Please refer note no. 3 Capital Work in Progress</b>		
<b>4</b>	<b>INTANGIBLE ASSETS</b>		
	Gross Block	30.20	29.55
	Less: Acc. Depreciation	24.60	23.29
	<b>Net Block</b>	<b>5.60</b>	<b>6.26</b>
	<b>Note* Please refer note no. 4 Intangible Assets</b>		
<b>5</b>	<b>INVESTMENT</b>		
	<b>Quoted Investments</b>		
<b>A)</b>	<b>In Equity Share-Quoted, Fully Paid up</b>		
	4,35,350 Birla Transasia Carpets Limited Or ₹ 10/Each	63.70	63.70
	(4,35,350) less: Provision for diminution in value	63.70	63.70
	<b>Unquoted Investments</b>	<b>-</b>	<b>-</b>
<b>B)</b>	<b>In Equity Share of Subsidiary Company</b>		
	1000 Zenith (Usa), Inc. New York, A wholly owned Subsidiary company (1000) 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 of the company. Further UAE Dirham 0.22 million is pending Allotment	257.31	257.31
		<b>259.59</b>	<b>259.59</b>
<b>C)</b>	<b>In Equity shares of Associate Company</b>		
	<b>Unquoted Fully Paid Up</b>		
	39,000 Birla Energy Infra Limited of ₹10/each (39000)	-	-
		<b>-</b>	<b>-</b>





Amount ₹ in Lacs

Note No.	Particulars	As at 31st March 2019	As at 31st March 2018
D)	<b>Other Investment -Unquoted Fully Paid up</b>		
	236 US \$ 1,000 each of P.T. Horizon Syntex, Indonesia, continue to be held in the (236) name of erstwhile The India Tool Manufactures 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
		-	-
	2000 Tima CETP Co-op Society Ltd. Of ₹ 10/each (2000)	0.20	0.20
	2000 The Shamrao Vithal Co-Op Bank Ltd. Of ₹25/Each (2000)	0.50	0.50
		0.70	0.70
E)	<b>In Government securities - Unquoted</b>		
	National Saving Certificate	0.30	0.30
		0.30	0.30
	<b>Total</b>	<b>260.59</b>	<b>260.59</b>
	<b>Aggregate amount of quoted investments</b>	<b>63.70</b>	<b>63.70</b>
	<b>Market value of quoted Investments</b>	<b>32.65</b>	<b>32.65</b>
	<b>Aggregate amount of unquoted investments</b>	<b>279.90</b>	<b>279.90</b>
	<b>Aggregate provision for diminution in value of investments</b>	<b>83.01</b>	<b>83.01</b>
6	<b>LOANS</b>		
	<b>Non-Current</b>		
	<b>Unsecured; considered good:</b>		
	Other Loans and Advance	157.91	166.39
	Other Loans and Advance (Considered Doubtful)	486.57	486.57
	Less: - Provision for Doubtful Advances	(486.57)	(486.57)
	Loans and Advance which have significant increase in Credit Risk	-	-
	Loans and Advance - credit impaired	-	-
	<b>Total Non - Current</b>	<b>157.91</b>	<b>166.39</b>
	<b>Current</b>		
	<b>Unsecured; considered good:</b>		
	Loans and advances to Related Parties	-	12,603.33
	Loan & Advance to Employees	27.76	16.86
	Loan & Advance to Inter Corporate Deposits	834.44	834.44



Amount ₹ in Lacs

Note No.	Particulars	As at 31st March 2019	As at 31st March 2018
	Loan & Advance to Others	5,530.06	3799.31
	Loan & Advance to Others which have significant increase in credit risk	10912.69	750.00
	Less:- Provision for Doubtful Advances	(10912.69)	(750.00)
	<b>Total - Current</b>	<b>6,392.26</b>	<b>17,253.94</b>
<b>7</b>	<b>OTHER NON-CURRENT ASSETS</b>		
	<b>Non-Current</b>		
	<b>Unsecured; considered good:</b>		
	Deposits with Others	204.80	230.27
	<b>Total Non - Current</b>	<b>204.80</b>	<b>230.27</b>
	<b>Current</b>		
	<b>Unsecured; considered good:</b>		
	Deposits with Others	-	-
	<b>Total - Current</b>	<b>-</b>	<b>-</b>
<b>8</b>	<b>OTHER ASSETS</b>		
	<b>Non-Current</b>		
	<b>Unsecured; considered good:</b>		
	Capital Advances	-	-
	<b>Total Non - Current</b>	<b>-</b>	<b>-</b>
	<b>Current</b>		
	<b>Unsecured; considered good:</b>		
A)	<b>Advances Paid to Suppliers/Services</b>	<b>22.78</b>	<b>876.32</b>
B)	<b>Balances with Government Authorities:</b>		
	Deposits with Government Authorities	256.19	-
	TDS Receivable	76.47	-
	Cenvat Credit and export incentive receivable	34.62	-
	Value Added Tax Receivable	2,056.82	2,078.08
	Other Receivalbe	0.36	-
	Goods & Service Tax	768.86	-
	<b>Sub Total (B)</b>	<b>3,193.32</b>	<b>2,078.08</b>



Amount ₹ in Lacs

Note No.	Particulars	As at 31st March 2019	As at 31st March 2018
C)	<b>Others:</b>		
	Pre-paid Expenses	11.74	-
	Pattern Under Development	-	-
	Interest accrued on fixed deposits and others	-	-
	<b>Sub Total (C)</b>	<b>11.74</b>	<b>-</b>
	<b>Total - Current</b>	<b>3,227.84</b>	<b>2,954.40</b>
9	<b>CURRENT TAX ASSETS (NET)</b>		
	Advance Income Tax	220.94	194.73
	<b>Total</b>	<b>220.94</b>	<b>194.73</b>
10	<b>INVENTORIES</b>		
	Raw Materials and Components	-	234.50
	Semi-Finished Goods	-	-
	Finished Goods	-	-
	Stores and Spare Parts	95.82	92.48
	Other (Scrap)	0.80	-
	<b>Total</b>	<b>96.62</b>	<b>326.98</b>
11	<b>TRADE RECEIVABLES</b>		
	<b>Unsecured, considered good:</b>		
	Outstanding for a period exceeding six months from the date they are due for payment		
	Considered good	2,222.08	2,818.72
	Receivables which have significant increase in credit risk	2,268.57	2,139.52
	Less: Provision for doubtful debts	(2,268.57)	(2,139.52)
	Debts outstanding for a period exceeding six months	2,222.08	2,818.72
	<b>Other considered good</b>	<b>1511.20</b>	<b>272.77</b>
	<b>Total (Includes ₹ 1,216.51 lacs (Net of Provision) due from related parties and previous year Amount ₹ 1,892.65 Lacs)</b>	<b>3,733.28</b>	<b>3,091.49</b>
12	<b>CASH AND CASH EQUIVALENTS</b>		
A)	Balances with Banks in Current Accounts	263.79	247.48
B)	Cash on Hand	0.51	3.83
	<b>Total</b>	<b>264.30</b>	<b>251.31</b>



Amount ₹ in Lacs

Note No.	Particulars	As at			
		31st March 2019	31st March 2018		
13	<b>OTHER BANK BALANCES</b>				
A)	Balances in Margin Money Account	1.85	0.05		
	<b>Total</b>	<u>1.85</u>	<u>0.05</u>		
14	<b>EQUITY SHARE CAPITAL</b>				
A)	<b>AUTHORISED SHARE CAPITAL</b>				
	15,55,00,000 (15,55,00,000) Equity Shares of ₹ 10/- each	15,550.00	15,550.00		
	<b>Total</b>	<u>15,550.00</u>	<u>15,550.00</u>		
B)	<b>ISSUED, SUBSCRIBED &amp; PAID UP SHARE CAPITAL</b>				
	13,12,80,448 (13,12,80,448) Equity Shares of ₹ 10/- each	13,128.04	13,128.04		
	<b>Total</b>	<u>13,128.04</u>	<u>13,128.04</u>		
14.1	<b>The reconciliation of the number of shares outstanding is set out below:</b>	<b>No of Shares</b>	<b>No of Shares</b>		
	Shares outstanding at the beginning of the year	131,280,448.00	131,280,448.00		
	<b>Shares outstanding at the end of the year</b>	<b>131,280,448.00</b>	<b>131,280,448.00</b>		
14.2	<b>The details of Shareholders holding more than 5% share</b>	<b>No of Shares</b>	<b>%</b>	<b>No of Shares</b>	<b>%</b>
			<b>Held</b>		<b>Held</b>
	<b>Birla Bombay Pvt. Ltd.</b>	<b>8171397</b>	<b>6.22</b>	<b>8171397</b>	<b>6.22</b>
	<b>Harbhajansingh Maliksingh Rajpal</b>	<b>7406422</b>	<b>5.64</b>	<b>7432422</b>	<b>5.66</b>
14.3	On 10-01-2011 the Company issued 1,08,10,000 Convertible Equity Share Warrants which 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 convertible into Equity Share before 09-07-2012.				



Amount ₹ in Lacs

Note No.	Particulars	As at 31st March 2019	As at 31st March 2018
15	<b>OTHER EQUITY</b>		
A)	<b>Securities Premium</b>	14,308.30	14,308.30
B)	<b>General Reserves</b>	552.12	552.12
C)	<b>Retained Earnings</b>		
	Balance As per last Account	(39,877.84)	(35,863.38)
	Add: Profit / (Loss) for the current year	(11,930.77)	(4,111.04)
	Add: Amount Transferred to Other Units	-	-
	Add: Other Comprehensive Income	688.99	96.58
	<b>Closing Balance (Retained Earnings)</b>	<u>(51,119.62)</u>	<u>(39,877.84)</u>
	<b>Total (A to C)</b>	<u>(36,259.20)</u>	<u>(25,017.42)</u>
16	<b>BORROWINGS</b>		
	<b>Non-Current</b>		
A)	<b>Secured Loans</b>		
	<b>Term Loans:</b>		
	Rupee Term Loan from bank (Refer note (a) below)		
	Foreign Currency Term Loan from financial institution (Refer note (b) below)		
	<b>Term Loans:</b>		
	From Banks	-	1,390.59
	<b>Sub Total (A)</b>	<u>-</u>	<u>1,390.59</u>
B)	<b>Unsecured Loans</b>		
	From Others	961.83	887.58
	<b>Total Non - Current</b>	<u>961.83</u>	<u>2,278.17</u>
	<b>Current</b>		
A)	<b>Secured Loans</b>		
	From Banks (Refer note (a) & (b))	23,400.27	23,460.97
	<b>Sub Total (A)</b>	<u>23,400.27</u>	<u>23,460.97</u>
B)	<b>Unsecured Loans</b>		
	Deferred Payment Liabilities		-
	From Others	1,208.86	1,046.42
	Subtotal (B)	<u>1,208.86</u>	<u>1,046.42</u>
	<b>Total - Current</b>	<u>24,609.13</u>	<u>24,507.39</u>



Amount ₹ in Lacs

Note No.	Particulars	As at 31st March 2019	As at 31st March 2018
	<b>Security and Salient Terms:</b>		
	(a) 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.		
	<b>Note* Please refer annexure no. 16 for Secured Loan &amp; Unsecured</b>		
17	<b>TRADE PAYABLES</b>		
	<b>Current</b>		
	Micro, Small and Medium Enterprises	-	-
	Others(including ₹ NIL due to related parties (previous Year ₹ 1.06 lacs)	8,119.62	7,523.05
	<b>Total - Current</b>	<u>8,119.62</u>	<u>7,523.05</u>
18	<b>OTHER FINANCIAL LIABILITIES</b>		
	<b>Current</b>		
	Current maturities of Fixed Deposits	2,199.09	2,265.33
	Interest payable on Fixed Deposit	3,161.07	2,716.70
	Security Deposits from Others	0.75	0.75
	<b>Total - Current</b>	<u>5,360.91</u>	<u>4,982.78</u>
19	<b>OTHER CURRENT LIABILITIES</b>		
	<b>Current</b>		
	Advances from Customers	3,174.67	3,394.45
	Unclaimed Dividend	-	-
	Payable to employees	118.13	157.24
	Statutory Liabilities	221.39	-
	Other Payable	1,734.49	825.94
	<b>Total - Current</b>	<u>5,248.68</u>	<u>4,377.63</u>
20	<b>PROVISIONS</b>		
	<b>Non-Current</b>		
	<b>Provision for Employee Benefits</b>		
	Gratuity	319.69	296.00
	Leave benefits	47.30	49.06
	Provision for Contingencies	294.12	294.12
	<b>Total Non - Current</b>	<u>661.11</u>	<u>639.18</u>



Amount ₹ in Lacs

Note No.	Particulars	As at 31st March 2019	As at 31st March 2018
	<b>Current</b>		
A)	<b>Provision for Employee Benefits</b>		
	Provision for Employee Benefits	16.53	20.74
	Contribution to Provident Fund	3.26	3.14
	Gratuity	41.38	15.27
	Leave benefits	-	4.04
	<b>Sub Total</b>	<b>61.17</b>	<b>43.19</b>
B)	Provision for expenses	365.27	422.15
	Provision for Excise Duty	2.50	-
	Corporate tax/TDS	-	-
	<b>Sub Total</b>	<b>367.77</b>	<b>422.15</b>
	<b>Total - Current</b>	<b>428.94</b>	<b>465.34</b>
21	<b>DEFERRED TAX LIABILITIES</b>		
	<b>Deferred Tax Liability</b>		
	Related to fixed assets	504.86	671.15
	<b>Deferred Tax Assets</b>	-	
	Disallowances under the Income Tax Act, 1961	-	166.29
	<b>Total</b>	<b>504.86</b>	<b>504.86</b>
22	<b>CURRENT TAX LIABILITIES (NET)</b>		
	Provision for Wealth Tax	1.88	1.88
	Dividend Tax on Dividend	359.08	359.08
	Provision for Interest on Dividend Tax	333.95	290.86
	<b>Total</b>	<b>694.91</b>	<b>651.82</b>

Amount ₹ in Lacs

Note No.	Particulars	For the year ended 31st March 2019	For the year ended 31st March 2018
23	<b>REVENUE FROM OPERATIONS</b>		
	Sale of Products (Including excise duty)	11,070.50	12,036.87
	Other operating revenue	2,824.56	1,286.10
	<b>Revenue from operations</b>	<b>13,895.06</b>	<b>13,322.97</b>
	<b>less Quality claim</b>		
	<b>Net revenue</b>		



Amount ₹ in Lacs

Note No.	Particulars	For the year ended 31st March 2019	For the year ended 31st March 2018
<b>24</b>	<b>OTHER INCOME</b>		
	<b>Interest:</b>		
	From Others	0.93	0.49
	Excess Provision Written back	952.25	111.23
	Net Gain on Foreign Currency Traslation & Transaction	73.66	143.36
	Other Non Operating Income	85.75	1,398.26
	<b>Total</b>	<b>1,112.59</b>	<b>1,653.34</b>
<b>25</b>	<b>COST OF RAW MATERIALS AND COMPONENTS CONSUMED</b>		
	Opening Stock	234.50	405.86
	Add: Purchase	7,852.37	9,786.92
	Less: Sales	-	-
	Less: Closing Stock	-	(234.50)
	<b>Cost of Raw Materials and Components Consumed</b>	<b>8,086.87</b>	<b>9,958.28</b>
<b>26</b>	<b>PURCHASES OF STOCK-IN-TRADE</b>		
	Pipes	745.99	481.16
		-	-
	<b>TOTAL</b>	<b>745.99</b>	<b>481.16</b>
<b>27</b>	<b>CHANGES IN INVENTORIES OF FINISHED GOODS, SEMI-FINISHED GOODS AND STOCK-IN-TRADE</b>		
	<b>Inventories at the beginning of the year</b>		
	Finished Goods/Stock -in -Trade	-	253.16
	Semi-Finished Goods	-	543.30
	Scrap etc.	-	8.63
		-	<b>805.09</b>
	<b>Inventories at the end of the year</b>		
	Finished Goods/Stock -in -Trade	-	-
	Semi-Finished Goods	-	-
	Scrap etc.	0.80	-
		<b>0.80</b>	-
	<b>Change in Inventories</b>		
	Finished Goods	-	253.16
	Semi-Finished Goods	-	543.30





		Amount ₹ in Lacs	
Note No.	Particulars	For the year ended 31st March 2019	For the year ended 31st March 2018
	Stock-in-Trade	(0.80)	8.63
		(0.80)	805.09
	Variation in excise duty on closing and opening stock of Finished Goods	-	29.08
	<b>TOTAL</b>	<u>(0.80)</u>	<u>776.01</u>
<b>28</b>	<b>EMPLOYEE BENEFITS EXPENSE</b>		
	Salaries, Wages and Bonus	769.11	753.17
	Contribution to Provident and Other Funds	18.58	23.16
	Staff Welfare Expenses	26.94	20.84
	<b>Sub Total(A)</b>	<u>814.63</u>	<u>797.17</u>
<b>29</b>	<b>FINANCE COSTS</b>		
	Interest Expenses	679.05	1.04
	Bank Charges	0.64	707.86
	<b>Total</b>	<u>679.69</u>	<u>708.90</u>
<b>30</b>	<b>DEPRECIATION AND AMORTIZATION EXPENSES</b>		
	Depreciation on Tangible Assets	599.95	731.88
	Amortisation of Intangible Assets	1.31	1.57
	<b>Total</b>	<u>601.26</u>	<u>733.45</u>
<b>31</b>	<b>OTHER EXPENSES</b>		
<b>A)</b>	<b>Manufacturing Expenses</b>		
	Consumption of Stores and Spares	483.22	399.21
	Power, fuel and water	446.53	509.61
	Repairs and maintenance:		
	Buildings	1.91	14.30
	Plant and machinery	19.84	18.38
	Conversion, Octroi and Other manufacturing expenses	1,755.92	14.87
	<b>Sub Total (A)</b>	<u>2,707.42</u>	<u>956.37</u>



		Amount ₹ in Lacs	
Note No.	Particulars	For the year ended 31st March 2019	For the year ended 31st March 2018
<b>B)</b>	<b>Selling and Distribution Expenses</b>		
	Freight, Forwarding, Handling Expenses & Others	18.65	27.69
	Commission	109.24	32.12
	<b>Sub Total (B)</b>	<b>127.89</b>	<b>59.81</b>
<b>C)</b>	<b>Establishment Expenses</b>		
	Rent	13.40	0.40
	Insurance	4.69	5.01
	Rates and taxes	45.63	60.20
	Miscellaneous expenses	959.17	476.70
	<b>Payment to Auditor</b>		
	Auditors' remuneration (excluding service tax)		
	As Auditor	9.00	9.00
	For Limited Review	1.50	2.00
	For Reimbursement of Expenses	0.82	0.01
	Cost Audit fees	-	
	Other Repairs	7.71	6.31
	Bad Debts, irrecoverable advances and claims written off	11,474.67	3,529.64
	<b>Sub Total (C)</b>	<b>12,516.59</b>	<b>4,089.27</b>
	<b>Total (A+B+C)</b>	<b>15,351.90</b>	<b>5,105.45</b>



**32. Earnings per share (EPS):** (₹in Lakhs)

Particulars	31st March, 2019	31st March, 2018
<b>Net Profit / (Loss) after tax attributable to Equity Shareholders (A)</b>	<b>(11930.77)</b>	<b>(4111.04)</b>
No. of Equity Shares outstanding during the year for calculating Basic EPS (B)	<b>131280448</b>	131280448
No. of Equity Shares outstanding during the year for calculating Diluted EPS (C)	<b>131280448</b>	131280448
Nominal Value of Equity Shares (₹)	<b>10/-</b>	10/-
Basic EPS (₹) (A / B)	<b>(9.09)</b>	(3.13)
Diluted EPS (₹) (A / C)	<b>(9.09)</b>	(3.13)

**33. Contingent liabilities and Commitments (to the extent not provided for)** (₹in Lakhs)

Particulars	31st March, 2019	31st March, 2018
<b>(a)</b> Estimated amount of contracts remaining to be executed on capital account (net of advances), not provided for:	<b>NIL</b>	NIL
<b>(b) Contingent liabilities not provided for</b>		
1. Non Provision of Interest Post NPA Claims Not Acknowledged as Debts		17487.23
2. Disputed Demands on account of		
a) Maharashtra VAT	<b>17882.12</b>	17356.88
b) Income Tax	<b>3947.95</b>	3947.95
<b>Sub Total</b>	<b>21830.07</b>	<b>21304.83</b>
<b>Total</b>	<b>21830.07</b>	<b>38792.06</b>
<b>(c)</b> The Company is a party to various legal proceedings in the normal course of business and does not expect the outcome of the proceedings to have any adverse effect on its financial conditions, results of operations or cash flows.		

**34. Utilization of proceeds of public/ right issue as on 31st March, 2019 is as under:**

Description	Total Estimated Cost	(₹in Lakhs)	
		To be Deployed as on 31st March, 2019	To be Deployed as on 31st March, 2018
Land and Building	1000.00	1000.00	1000.00
Plant and Machinery (Imported&Indigenous)	8532.00	8321.00	8321.00
Miscellaneous Fixed Assets	3696.00	3696.00	3696.00
Contingencies	272.00	272.00	272.00
<b>Balance amount to be spent</b>	<b>13500.00</b>	<b>13289.00</b>	<b>13289.00</b>



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

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 utilization 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 as 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 here above.

35. The title deeds for land (freehold and leasehold), building, residential flats, licenses, agreements and loan documents 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.
36. The outflow of the resources in respect of pending disputed matters in respect of Sales Tax, Income Tax, VAT and Excise Duty would depend on the ultimate outcome of the disputes lying before various authorities amounting to ₹ 22124.18 Lacs (previous year ₹ 21304.83 Lacs) However company has made the provisions of ₹ 294.11 Lacs. The Company has taken legal and other steps necessary to protect its position in respect of these claims.

### 37. Employee Benefits:

#### (A) Defined Contribution Plans:

The Company has recognized the following amounts in statement of profit and loss for the year:

Particulars	(₹ in Lakhs)	
	31st March, 2019	31st March, 2018
Contribution to Employees Provident Fund and Other Funds	18.58	12.08
<b>Total</b>	<b>18.58</b>	<b>12.08</b>

#### (B) Defined Benefit Plans:

##### I. (a) 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 Ind AS-19, to the extent applicable is furnished below:

Particulars	(₹ in Lakhs)	
	31st March, 2019	31st March, 2018
<b>Amount recognised in Balance Sheet</b>		
Present value of defined benefit obligation	251.34	311.26
Fair value of plan assets	-	-
<b>Funded Status</b>		
<b>Expense recognised in the Statement of Profit and Loss</b>		
Current service cost	13.09	15.27
Net Interest	23.37	21.50



Details under Ind AS-19, to the extent applicable is furnished below:

(₹in Lakhs)

Particulars	31st March, 2019	31st March, 2018
<b>Total expense charged to Profit and Loss Account</b>	<b>36.46</b>	<b>36.77</b>
<b>Amount recorded as Other Comprehensive Income</b>		
Actuarial (Gain)/Loss recognised for the period	(38.32)	43.56
Return on Plan Assets excluding net interest		
<b>Total Actuarial (Gain)/Loss recognised in OCI</b>	<b>(38.32)</b>	<b>43.56</b>
<b>Reconciliation of net liability/(Asset)</b>		
Opening net liability	311.26	296.20
Provision no longer required/additional provision required		
Adjustment to opening balance		
Expenses charged to the Statement of Profit and Loss	36.46	36.77
Contribution paid	(58.06)	43.56
Other Comprehensive Income (OCI)	(38.32)	(65.27)
<b>Closing net defined benefit liability/(asset)</b>	<b>251.34</b>	<b>311.26</b>
<b>Movement in benefit obligation</b>		
<b>Opening defined benefit obligation</b>	<b>311.26</b>	<b>296.20</b>
Interest on defined benefit obligation	23.37	21.50
Current service cost	13.09	15.27
Benefits paid	(58.06)	(65.27)
Actuarial (Gain)/Loss on obligation	(38.32)	43.56
<b>Closing of defined benefit obligation</b>	<b>251.34</b>	<b>311.26</b>
<b>Movement in Plan Assets</b>		
<b>Opening fair value of plan assets</b>	-	-
Adjustment to opening fair value of plan assets	-	-
Return on plan assets excluding interest income	-	-
Interest Income	-	-
Contribution by employer	-	-
Benefits paid	-	-
<b>Closing fair value of plan assets</b>	-	-
<b>Asset Information</b>		
Insurer managed funds	-	-
Others	-	-
<b>Grand Total</b>	<b>-</b>	<b>-</b>



Details under Ind AS-19, to the extent applicable is furnished below:

(₹ in Lakhs)

Particulars	31st March, 2019	31st March, 2018
<b>Principal actuarial assumptions</b>		
Discount rate (p.a.)	7.50 % to 7.75%	7.70% to 7.75%
Salary escalation rate (p.a.)	5.50% to 7 %	5.50% to 7%
Expected contribution to the fund in the next year		
Gratuity		
A quantitative sensitivity analysis for significant assumption as at march 31 March 2019 is as shown below	<b>Employee's Gratuity Fund</b>	
Impact on defined benefit obligation		
Discount Rate		
1% Increase	16.66	18.76
1% Decrease	(14.83)	(14.87)
Rate of Increase in Salary		
1% Increase	16.82	18.93
1% Decrease	(15.23)	(15.29)
Maturity Profile of defined benefit obligation	<b>From The Fund</b>	
Year		
1st following Year	37.85	65.93
2nd following Year	28.03	39.47
3rd following Year	10.55	18.28
4th following Year	20.71	12.74
5th following Year	24.58	14.77
Sum of 6 to 10 Years	129.64	160.07

## II. Leave Encashment:

The leave encashment provision for the year ended 31st March, 2019, based on actuarial valuation carried out using projected unit credit method amounting to ₹1.59 Lakhs (Previous Year ₹ 7.71 Lakhs) has been recognized in statement of profit and loss.



**38. Related party disclosures:**

**(A) Name of related parties and nature of relationships:**

As per Ind AS 24, the disclosures of transactions with the related parties are given below.

Name of the Related Party	Relationship
1. Zenith (Usa) Inc.(Wholly Owned)	Subsidiaries
2. Zenith Middle East Fze (Wholly Owned)	
3. Godavari Corporation Pvt Ltd	
4. Birla Global Corporate Pvt Ltd	
5. Nirved Traders Pvt Ltd	
6. Shearson Investment & Trading Co Pvt Ltd	Enterprise Owned or significantly influenced by Key Managerial personnel or their relatives where transactions have taken place.
7. Birla International Pvt Ltd	
8. Birla Electricals Ltd	
9. Khopoli Investments Ltd	
10. Asian Distributors Private Limited	
11. Melstar Information Technologies Ltd	
12. Sparion Infrastructure Pvt Ltd	
13. Birla Viking Travels Ltd.	
14. Birla Transia Carpets Ltd.	
15. Idv Technologies Pvt.ltd.	
16. Esspal Infotech Pvt.ltd	
17. Voilet Finance Pvt.ltd.	
18. Alosm Infotech Pvt. Ltd.	
19. Erene Microorganic Chemicals Pvt.ltd.	Enterprise Owned or significantly influenced by Key Managerial personnel or their relatives where transactions have taken place.
20. Suneel Sullere	
21. Ram Sahay Jagetiya	
22. B. Girvanesh	
23. Durgesh Jadhav	
24. Bhalchandra Shinde	
25. Pratiksha Sonawane	
26. Sanjeevni Shinde	
27. Sadhna Patil	
28. Purshottam Sonawane	Key Management Personnel



Net Balance of Receivable, Payable, Deposits, Loan etc. where Transaction have Taken Place	Balance Carried to Balance Sheet (Net)		Balance Carried to Balance Sheet (Net)	
	as at 31-03-2019		as at 31-03-2018	
	Receivable	Payable	Receivable	Payable
(i) Key Management Personnel	-	6.74	-	-
(ii) Enterprises Owned or significantly influenced by key management personnel or their relatives.				
1. Melstar Information Technologies Ltd			2.56	-
2. Asian Distributors Pvt. Ltd			108.44	
3. Birla International Pvt Ltd			291.34	
4. Godavari Corporation Pvt Ltd			543.17	-
5. Khopoli Investments Ltd.			18.17	-
6. Birla Electrical				
7. Zenith (USA) Inc. (Wholly owned) (Net. of provisions)	895.81		1,892.59	
8. Zenith Middle East FZE (Wholly owned)	10905.19*		10,254.52	

**Note: Related party relationship is as identified by the Company and relied upon by the Auditors.**

\* 1. The increase is due to revaluation of the foreign currency.

2. Full provision for doubtful advance has been made against this amount

**(B) Transactions during the year ended 31st March, 2019 with related parties: (₹ in Lakhs)**

Particulars	Key Management Personnel		Enterprise owned and significantly influenced by Key Management personnel or their relatives	
	31/03/2019	31/03/2018	31/03/2019	31/03/2018
Advance Given/Payment			1.47	15.00
Advance Received			196.82	
Services Received:			4.13	
Sale of Goods	-	-		
Job Work Income	-	-		
Remuneration	38.11	20.08		





**(C) Disclosure in respect of material transaction with related parties during year included in (B) above:**

Particulars	(₹ in Lacs)	
	2018-19	2017-18
<b>1. Advance Given</b>		
Asian Distributors Pvt. Ltd		15.00
Godavari Corporation Pvt. Ltd	0.97	
Birla Global Corporate Ltd	0.50	
<b>2. Sale of Goods</b>		
Zenith (USA) Inc.		
Zenith Dye intermediate Limited		
<b>3. Job Work Income</b>		
<b>4. Services received</b>		
Godavari Corporation Private Limited	4.13	
<b>5. Advance Received</b>		
Melstar Information Technologies Ltd.	17.44	
Asian Distributors Ltd.	179.38	
<b>6. Remuneration Paid</b>	38.11	20.08

39. 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.

**40. Disclosures in respect of Derivatives Instruments:**

**i Derivative instruments outstanding as at 31st March 2019 ₹ NIL. (Previous Year NIL)**

**ii Foreign currency exposure that are not hedged by forward contracts as at 31st March, 2019.**

Particulars	Amount (USD) 2018-19	Amount (USD) 2017-18
1. Term Loan	4,811,593.49	4,654,208.40
2. Debtors	1,519,250.49	2,985,534.45
3. Other Payables	-	-
4. Other Receivables	15765488.29 *	15,765,488.29

\* Full provision for doubtful advance has been made against this amount

41. The Company has recognised exchange differences arising on long term foreign currency monetary items in line with para 29A of IND AS 21

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 2018-19 amounting to ₹152.66 lacs, (Previous year net exchange Loss of ₹7.60 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.



42. In accordance with IND-AS 108 "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.
43. Balances of Sundry Creditors, Debtors, Loans and Advances, Deposits and Current Liabilities are as per books of accounts in absence of confirmation and reconciliation thereon.
44. The company has declared a lockout at its Khopoli Unit since November. 2013
45. The Company has entered into an agreement with M/S Tribus Real Estate Pvt. Ltd. for taking over the company's bank outstanding as reflected earlier in the company books on terms agreed to between the Company and Tribus Real Estate Pvt. Ltd. Consequently the outstanding of the banks in the books of the company are transferred to Tribus Real Estate Pvt. Ltd. and hence now classified as "secured loan from others". The security on the loans continue to be in favor of the banks
46. Consortium of banks has taken action under Securitisation and 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 sixty days. Thereafter the consortium of banks have taken symbolic possession on 29.05.2014 of the immovable assets at the Khopoli unit and filed a case for taking physical possession, which will be reviewed afresh by Invent Assets Securitisation and Reconstruction Private Limited since the loan has been assigned to them by bank on 31-03-2018
47. Interest amounting to ₹ 3.63 crores (previous year ₹ 3.63 crores) during the year on ICD's given by the company is not considered as income due to realisability not being certain.
48. Debit balances aggregating ₹4.40 crores (Previous year 35.30 lacs) considered unrealizable have been written off as a prudent measure
49. The accumulated losses till 31st March, 2019, has exceeded the share capital value including other reserves, thereby the net worth of the company has been completely eroded. However on account of strategic understanding with suppliers/customers the company is on the revival mode and is operating some of the units. In view of the same the going concern concept holds good.
50. **Fair values of financial assets and financial liabilities:**  
The fair value of other current financial assets, cash and cash equivalents, trade receivables, trade payables, short term borrowings and other financial liabilities approximate the carrying amounts because of the short term nature of these financial instruments.  
The amortised cost using effective interest rate (EIR) of non current financial assets consisting of security and term deposits are not significantly different from the carrying amount.  
Financial assets that are neither past due nor impaired includes cash and cash equivalents, security deposits, term deposits and other financial assets.  
The impact of fair value on non current borrowings, non current security deposits and non current term deposits are not significant and therefore the impact of fair value is not considered for above disclosure.
51. **Fair value hierarchy:**  
The following is the hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:  
\*Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.



\*Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

\*Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

No financial assets/liabilities have been valued using level 1 level2 fair value measurements.

The following table presents fair value hierarchy of assets and liabilities measured at fair value on a recurring basis:

Particulars	(₹ in Lakhs)	
	31st March, 2019	31st March, 2018
<b>Level 1 (Quoted price in active markets)</b>	-	-
<b>Level 2</b>		
Financial assets measured at fair value through profit or loss	-	-
Financial liability measured at fair value through profit or loss	-	-
<b>Level 3</b>	-	
<b>Financial assets measured at fair value through profit or loss</b>	-	
Trade receivables	3733.28	3091.49
Cash and cash equivalents	264.30	251.31
Bank balances other than cash and cash equivalent	1.85	0.05
Loans and advances	6550.17	17253.94
Other financial assets	-	0.00
Other current assets	3227.83	2954.40

The carrying amounts of trade receivables, cash and cash equivalents and other bank balances, loans and advances, other financial assets and other current assets are considered to approximate their fair values due to their short term nature.

Financial liability measured at amortized cost		(₹ in Lakhs)	
Borrowings	25,570.95	24507.39	
Trade Payables	8,119.62	7523.05	
Other financial liabilities	5,360.91	4982.78	
Other current liabilities	5,248.68	4377.63	

The carrying amounts of borrowings, trade payables, other financial liabilities and other current liabilities are considered to approximate their fair values due to their short term nature. They are classified as level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs including own and counterparty credit risk.

## 52. Financial risk management objectives and policies:

The Company is exposed to various financial risks. These risks are categorized into market risk, credit risk and liquidity risk. The Company's risk management is coordinated by the Board of Directors and focuses on securing long term and short term cash flows. The Company does not engage in trading of financial assets for speculative purposes.

**(A) Market risk:**

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include borrowings and derivative financial instruments.

**(i) Interest rate risk:**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates.

**(ii) Foreign currency risk:**

The Company is exposed to foreign currency risk arising mainly on borrowing, export of finished goods and import of raw material. Foreign currency exposures are managed within approved policy parameters utilising forward contracts.

**(B) Credit risk:**

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Credit risk arises principally from the statutory deposits with regulatory agencies and also arises from cash held with banks and financial institutions. The maximum exposure to credit risk is equal to the carrying value of the financial assets. The objective of managing counterparty credit risk is to prevent losses in financial assets. The Company assesses the credit quality of the counterparties, taking into account their financial position, past experience and other factors.

The Company limits its exposure to credit risk of cash held with banks by dealing with highly rated banks and institutions and retaining sufficient balances in bank accounts required to meet a month's operational costs. The Management reviews the bank accounts on regular basis and fund drawdowns are planned to ensure that there is minimal surplus cash in bank accounts. The Company does not foresee any credit risks on deposits with regulatory authorities.

**(C') Liquidity risk:**

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company manages its liquidity risk by ensuring, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due.

**53. Capital management:**

For the purpose of the Company's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders. The primary objective of the Company's capital management is to maximize the shareholder value and to ensure the Company's ability to continue as a going concern.

The Company monitors gearing ratio i.e. total debt in proportion to its overall financing structure, i.e. equity and debt. Total debt mainly comprises of borrowings from banks, financial institutions and Unsecured Loans. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets.



Particulars	31st March, 2019
(i) Total equity	(23,131.14)
(ii) Total debt	25,570.95
(iii) Overall financing (i+ii)	2,439.81
(iv) Gearing ratio (ii/iii)	10.48

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2019, 31 March 2018.

#### 54. Corporate social responsibility:

- (A) The provisions stipulated under section 135 of the Companies Act 2013 are not applicable to the company for the year as the has been no profits for the last three years, negative net worth, and the turnover os below thew limit specefied negative net worth, and the turnover os below thew limit specefied
- (B) No expenditure has been paid to a related party, in relation to CSR expenditure as per Ind-AS 24, Related Party Disclosures.

#### 55. Disclosure under MSME Act,2006

The Principal amount due to suppliers registered under MSMED Act and remaining unpaid as at year end is ₹ Nil. However interest on late payment to such parties could not be ascertained due to identification of them was at very far end but there has been no claim lodged by any of them with the company.

#### 56. Amendments to IND AS:

Ministry of Corporate Affairs (“MCA”) has notified following amendments to Ind AS on March 30, 2019 which is effective for the annual period beginning on or after April 01, 2019:

##### (a) Ind AS 116 Leases:

Ind AS 116 will replace the existing leases standard, Ind AS 17 Leases. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. It introduces a single, on-balance sheet lessee accounting model for lessees. A lessee recognises right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. The standard also contains enhanced disclosure requirements for lessees.

The Company will recognize a lease liability measured at the present value of the minimum lease payments. The right-of-use asset is recognised at its carrying amount as if the Standard had been applied since the commencement date, but discounted using the lessee’s incremental borrowing rate as at April 1, 2019. In accordance with the standard, the Company will elect not to apply the requirements of Ind AS 116 to short-term leases and leases for which the underlying asset is of low value.

The Company will adopt Ind AS 116 effectively for the annual reporting period beginning April 1, 2019.

Except for the disclosure requirement, the new standard will not impact the company’s financial statements, as most of the Company’s leases are short term leases and the underlying assets is of low value.

**(b) Ind AS 12 - Appendix C, Uncertainty over Income Tax Adjustments**

The amendment requires an entity to determine probability of the relevant tax authority accepting the uncertain tax treatment that the Company have used in tax computation or plan to use in their income tax filings.

**(c) Amendment to Ind AS 12 – Income taxes**

The amendment clarifies that an entity shall recognize the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognized those past transactions or events.

**(d) Ind AS 19 - Plan amendment, curtailment or settlement**

The amendments require an entity to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement and to recognize in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognized because of the impact of the asset ceiling.

Based on preliminary assessment, the Company does not expect any significant impact on its financial statements on account of above amendments.

**57. Previous year figures have been regrouped/ reclassified to conform presentation as per Ind AS as required by Schedule III of the Act.**

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

Place: Mumbai  
Date: 7<sup>th</sup> May, 2019

**For and on behalf of Board of Directors**

**Purushottam Sonavane**  
**Director**  
**DIN.08405653**

**B. Girvanesh**  
Chief Financial Officer

**Sadhana Patil**  
**Director**  
**DIN.06565115**

**Suneel Sullere**  
Company Secretary  
ACS.42922



Additional Note No. 2, 3 & 4

**2] PROPERTY, PLANT & EQUIPMENT As on 31st March 2019**

Assets	GROSS BLOCK			DEPRECIATION			NET BLOCK			
	As on 01.04.2018	Addition	Deductions / Adjustments	As on 31.03.2019	Upto 01.04.2018	For the Year	Deduction / Adjustment	Upto 31.03.2019	As on 31.03.2018	As on 31.03.2019
<b>Tangible Assets</b>										
Freehold Land	1,696.59	-	-	1,696.59	-	-	-	-	-	1,696.59
Leasehold Land	199.23	-	-	199.23	32.79	6.39	-	39.17	160.06	166.44
Buildings	5,107.96	7.03	-	5,114.99	2,643.45	290.76	-	2,934.21	2,180.78	2,464.51
Plant & Machinery	7,364.74	16.27	-	7,381.01	3,758.71	279.54	-	4,038.25	3,342.76	3,606.03
Furniture & Fixtures	372.85	0.16	-	373.01	323.67	17.40	-	341.07	31.94	49.18
Vehicles	204.15	-	179.65	24.50	185.42	2.90	175.88	12.44	12.06	18.73
Office Equipments	25.09	0.53	-	26.22	23.64	0.54	-	24.18	2.04	2.05
Computer	202.86	2.47	-	205.33	180.00	2.43	-	182.43	22.90	22.86
<b>Total</b>	<b>15,174.07</b>	<b>26.46</b>	<b>179.65</b>	<b>15,020.88</b>	<b>7,147.69</b>	<b>599.96</b>	<b>175.88</b>	<b>7,571.76</b>	<b>7,449.12</b>	<b>8,026.38</b>
<b>Previous Year</b>	<b>15,635.97</b>	<b>83.55</b>	<b>545.45</b>	<b>15,174.07</b>	<b>6,445.05</b>	<b>731.88</b>	<b>29.23</b>	<b>7,147.70</b>	<b>8,026.37</b>	<b>9,190.92</b>

**2] PROPERTY, PLANT & EQUIPMENT As on 31st March 2018**

Assets	GROSS BLOCK			DEPRECIATION			NET BLOCK			
	As on 01.04.2017	Addition	Deductions / Adjustments	As on 31.03.2018	Upto 01.04.2017	For the Year	Deductions / Adjustments	Upto 31.03.2018	As on 31.03.2017	As on 31.03.2018
<b>Tangible Assets</b>										
Freehold Land	1,824.42	-	127.83	1,696.59	-	-	-	-	-	1,824.42
Leasehold Land	199.23	-	-	199.23	26.40	6.39	-	32.79	166.44	172.83
Buildings	5,519.78	5.80	417.62	5,107.96	2,334.46	338.23	29.23	2,643.45	2,464.50	3,185.32
Plant & Machinery	7,288.41	76.33	-	7,364.74	3,473.90	284.81	-	3,758.71	3,606.03	3,814.51
Furniture & Fixtures	372.85	-	-	372.85	261.47	62.20	-	323.67	49.18	111.38
Vehicles	204.15	-	-	204.15	147.20	38.22	-	185.42	18.73	56.95
Office Equipments	24.95	0.74	-	25.69	23.23	0.41	-	23.64	3.35	1.72
Computer	202.18	0.68	-	202.86	178.39	1.62	-	180.00	21.56	23.79
<b>Total</b>	<b>15,635.97</b>	<b>83.55</b>	<b>545.45</b>	<b>15,174.07</b>	<b>6,445.05</b>	<b>731.88</b>	<b>29.23</b>	<b>7,147.69</b>	<b>8,026.38</b>	<b>9,190.92</b>
<b>Previous Year</b>	<b>15,535.24</b>	<b>100.74</b>	<b>-</b>	<b>15,635.97</b>	<b>5,821.63</b>	<b>631.96</b>	<b>8.54</b>	<b>6,445.05</b>	<b>9,190.92</b>	<b>9,713.61</b>

**3] CAPITAL WORK IN PROGRESS As on 31st March 2019**

Assets	GROSS BLOCK			DEPRECIATION			NET BLOCK			
	As on 01.04.2018	Additions	Deductions / Adjustments	As on 31.03.2019	Upto 01.04.2018	For the Year	Deductions / Adjustments	Upto 31.03.2019	As on 31.03.2018	As on 31.03.2019
Leasehold Land	-	-	-	-	-	-	-	-	-	-
Buildings	-	-	-	-	-	-	-	-	-	-
Plant & Machinery	1,278.06	165.65	-	1,443.71	-	-	-	-	1,443.71	1,278.06
Furniture & Fixtures	-	-	-	-	-	-	-	-	-	-
Office Equipments	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>1,278.06</b>	<b>165.65</b>	<b>-</b>	<b>1,443.71</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,443.71</b>	<b>1,278.06</b>



**3] CAPITAL WORK IN PROGRESS As on 31st March 2019**

Assets	GROSS BLOCK		DEPRECIATION		NET BLOCK				
	As on	Additions / Deductions / Adjustments	As on	Upto	For the Year	Deductions / Adjustments	Upto	As on	As on
01.04.2018	1,270.46	-	31.03.2019	01.04.2018	-	-	31.03.2019	31.03.2019	1,270.46
Previous Year	1,270.46	7.60	1,278.06	-	-	-	-	1,278.06	1,270.46

**3] CAPITAL WORK IN PROGRESS As on 31st March 2018**

Assets	GROSS BLOCK		DEPRECIATION		NET BLOCK				
	As on	Additions / Deductions / Adjustments	As on	Upto	For the Year	Deductions / Adjustments	Upto	As on	As on
01.04.2018	-	-	31.03.2019	01.04.2018	-	-	31.03.2019	31.03.2019	-
Leasehold Land	-	-	-	-	-	-	-	-	-
Buildings	-	-	-	-	-	-	-	-	-
Plant & Machinery	1,270.46	7.60	1,278.06	-	-	-	-	1,278.06	1,270.46
Furniture & Fixtures	-	-	-	-	-	-	-	-	-
Office Equipments	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>1,325.73</b>	<b>7.60</b>	<b>1,278.06</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,278.06</b>	<b>1,270.46</b>
Previous Year	1,704.45	-	1,325.73	-	-	-	-	1,325.73	1,704.45

**4] INTANGIBLE ASSETS As on 31st March 2019**

Assets	GROSS BLOCK		DEPRECIATION		NET BLOCK				
	As on	Additions / Deductions / Adjustments	As on	Upto	For the Year	Deductions / Adjustments	Upto	As on	As on
01.04.2018	29.55	0.65	31.03.2019	01.04.2018	-	-	31.03.2019	31.03.2019	31.03.2018
Computer Software	29.55	0.65	30.20	23.29	1.31	-	24.60	5.60	6.26
<b>Total</b>	<b>29.55</b>	<b>0.65</b>	<b>30.20</b>	<b>23.29</b>	<b>1.31</b>	<b>-</b>	<b>24.60</b>	<b>5.60</b>	<b>6.26</b>
Previous Year	29.05	0.50	29.55	21.72	1.57	-	23.29	6.26	7.33

**4] INTANGIBLE ASSETS As on 31st March 2018**

Assets	GROSS BLOCK		DEPRECIATION		NET BLOCK				
	As on	Additions / Deductions / Adjustments	As on	Upto	For the Year	Deductions / Adjustments	Upto	As on	As on
01.04.2018	29.05	0.50	31.03.2019	01.04.2018	-	-	31.03.2019	31.03.2019	31.03.2019
Computer Software	29.05	0.50	29.55	21.72	1.57	-	23.29	6.26	7.33
<b>Total</b>	<b>29.05</b>	<b>0.50</b>	<b>29.55</b>	<b>21.72</b>	<b>1.57</b>	<b>-</b>	<b>23.29</b>	<b>6.26</b>	<b>7.33</b>
Previous Year	21.55	7.50	29.05	21.55	0.17	-	21.72	7.33	-





Additional Note No. 16

**16. A LONG TERM BORROWINGS**

Note: Terms of Borrowing

SN	Nature of Security	Original amt of borrowing (₹ In Lacs)	Tenor since Inception (In Years)	Terms of Repayment	Month in which last installment is due	Repayment schedule Installments (₹ In Lacs)	balance as on 31st March 2019	balance as on 31st March 2018	Prevailing Interest Per Annum
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	0.00	158.95	15%
2	Loan from other is secured by First charge (hypothecation) of all movable assest, 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	2558.48	3796.41	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 (exclusive all movable asstes charges to FMO on exclusive basis)	1125	8.5	Quarerly	Feb-19	51.13	0.00	1231.64	16.25%
	<b>Sub-Total</b>						2558.48	<b>3796.41</b>	
	<b>Total*</b>						2558.48	<b>3796.41</b>	

\* Included in Note 16 Current Secured Loans

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

Place: Mumbai  
Date: 7<sup>th</sup> May, 2019

**For and on behalf of Board of Directors**

**Purushottam Sonavane**  
Director  
DIN.08405653

**B. Girvanesh**  
Chief Financial Officer

**Sadhana Patil**  
Director  
DIN.06565115

**Suneel Sullere**  
Company Secretary  
ACS.42922

**Form AOC-1**

(Pursuant to first proviso to sub-section (3) of section 129 read with Rule 5 of the Companies (Accounts) Rules, 2014)

**Statement containing salient features of the financial statement of subsidiaries / associate companies / joint ventures****PART "A" : Subsidiaries**

(Information in respect of each subsidiary to be presented with amounts in ₹)

Sl.No.	Name of the Subsidiary :	Zenith Middle East FZ-LLC
1	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	31st March 2019
	Reporting currency and Exchange rate as on the date of the relevant Financial year in the case of foreign subsidiaries	AED
	Share Capital	AED 2216670
	Reserves & Surplus	AED (56852874.56)
	Total Assets	AED 46104.93
	Total Liabilities	AED 54682309.49
	Investments	-
	Turnover	-
	Profit / (Loss) before Taxation	AED (229786.81)
	Provision for Taxation	-
	Profit / (Loss) after Taxation	AED (229786.81)
	Proposed Dividend	-
	% of shareholding	100%

Sl.No.	Name of the Subsidiary :	Zenith (USA) Inc.
2	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	31st December 2018
	Reporting currency and Exchange rate as on the date of the relevant Financial year in the case of foreign subsidiaries	USD
	Share Capital	USD 30000
	Reserves & Surplus	USD (2024528)
	Total Assets	USD 4138948
	Total Liabilities	USD 6133476
	Investments	-
	Turnover	USD 7459832
	Profit before Taxation	USD 37315
	Provision for Taxation	USD 0.00
	Profit after Taxation	USD 37315
	Proposed Dividend	-
	% of shareholding	100%



**Notes:** The following information shall be furnished at the end of the statement:

1. Names of subsidiaries which are yet to commence operations.
2. Names of subsidiaries which have been liquidated or sold during the year.

### **Part B Associates and Joint Ventures**

Statement Pursuant to section 129(3) of the Company 2013 related to associate companies and joint ventures. The Company does not have any associate companies and joint ventures.

#### **For and on behalf of Board of Directors**

**Purushottam Sonavane**  
Director  
DIN.08405653

**Sadhana Patil**  
Director  
DIN.06565115

**B. Girvanesh**  
Chief Financial Officer

**Suneel Sullere**  
Company Secretary  
ACS.42922

Place: Mumbai  
Date: 7<sup>th</sup> May, 2019



## INDEPENDENT AUDITOR'S REPORT

To the Members of

### ZENITH BIRLA (INDIA) LIMITED

Report on the Audit of the Consolidated Ind AS Financial Statements

#### Qualified Opinion

We have audited the Consolidated Ind AS financial statements of **ZENITH BIRLA (INDIA) LIMITED** (hereinafter referred to as the "Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), which comprises the Consolidated Balance Sheet as at 31st March 2019, the consolidated statement of Profit and Loss (including other Comprehensive Income), the consolidated statement of changes in equity and the consolidated cash flow statement for the year then ended, and notes to the Ind AS financial statements, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as 'the consolidated Ind AS financial statements').

In our opinion and to the best of our information and according to the explanations given to us, subject to the effect of the matters described in the Basis for Qualified Opinion paragraph below, The aforesaid consolidated Ind AS financial statements give the information required by the Companies Act, 2013 ('the Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31st March 2019, of consolidated loss, consolidated changes in equity and its consolidated cash flows for the year ended on that date.

#### Basis for Qualified Opinion

1. The Company has not complied with the provision of section 74 or any Other relevant provisions of the Act, and the Companies (Acceptance of Deposits) Rules, 2014 with regard to non-repayment of deposits and interest on due date, maintenance of liquid assets to the extent required as well as not fully complying with the orders passed by the Company Law Board.
2. With reference to Note No 43 regarding the balance of Sundry Creditors, Debtors, Loans and Advances, Deposits, Currents Liabilities, inter Group, etc being not confirmed by the parties and hence our inability to state whether these balances are recoverable/payable to the extent stated.
3. Material uncertainty related to going concern:

With reference to Note No 49 which indicates that the company has accumulated losses exceeding the share capital and reserves and its Net worth has been fully eroded. These conditions indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. However the financial statements of the Company have been prepared on a going concern basis for the reasons stated in the said Note.

4. Interest payable to Micro, Small and medium enterprises parties, on delayed payments to them has neither been ascertained nor provided.

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the consolidated Ind AS financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the consolidated Ind AS financial statements under the provisions of the Act and the Rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



## Emphasis of Matter

We draw attention to the following:

- 1) The Outstanding balance of Rs.109.05 Crores from the Company's 100% subsidiary In United Arab Emirates (Zenith Middle East FZE) has been considered as irrecoverable and hence provided for as doubtful.
- 2) During the year the Company has entered into an agreement with M/S Tribus Real Estate Pvt. Ltd. for taking over the Company's bank outstanding as reflected earlier in the company's books on terms agreed to between the Company and Tribus Real Estate Pvt. Ltd irrespective of the amount settled with the banks. Consequently the outstanding of the banks in the books of the Company are transferred to Tribus Real Estate Pvt. Ltd and hence now classified as "Secured Loan from others" though the security for the loan continues to be in favor of the Banks

**Our opinion is not modified in respect of these matters.**

## Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated Ind AS financial statements of the current year. These matters were addressed in the context of our audit of the consolidated Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Description of Key Audit Matters:

### Going Concern Basis of Accounting

Key Audit Matters	Auditors Response Our procedures included:
The Company has accumulated losses exceeding its Share Capital and Reserves and its Net Worth has been fully eroded.	Discussion with management about their assessment of the Company's ability to continue as a going concern and management's plans to address the problems.
The Company has defaulted in repayment/servicing of its bank loans and interest thereon	Evaluating management's plans for future actions in relation to its going concern assessment, whether the outcome of these plans is likely to improve the situation and whether the management's plans are feasible in the circumstances.
The company has been unable to fully pay its public deposit holders	Evaluating the forecasted future cash flows prepared by the management.
Balances of Sundry Creditors, Debtors , Loans and Advances ,Deposits, Current liabilities etc are not confirmed by the parties and hence their recoverability/payability is uncertain	Perusing the agreements made with third parties for assignment and settlement of the Company's dues to banks and public deposit holders.
Labor problems at the company's main factory.	Verifying the financing plans proposed by the management as well as the strategic understanding with suppliers/customers.
All the above circumstances cast a doubt on the Company's ability to continue as a going concern.	Concluding, on the basis of evidence obtained, on the appropriateness' of management's use of the going concern basis of accounting in the preparation of the financial statements.



## Other Information

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the consolidated Ind AS financial statements and our auditors' report thereon.

Our opinion on the consolidated Ind AS financial statements does not cover the other information and we do not express any form of assurance /conclusion thereon.

In connection with our audit of the consolidated Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated Ind AS financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

## Management's Responsibility for the consolidated Ind AS Financial Statements

The Holding Company's management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these consolidated Ind AS financial statements that give a true and fair view of the state of affairs, loss and other comprehensive income, changes in equity and cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the consolidated Ind AS financial statements, the respective managements and Board of Directors of the Companies included in the group are responsible for assessing the ability of the group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the Companies included in the group are also responsible for overseeing the financial reporting process of the Group.

## Auditor's Responsibilities for the Audit of the Consolidated Ind AS financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Ind AS financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are



appropriate in the circumstances. Under Section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Groups ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated Ind AS financial statements, including the disclosures, and whether the consolidated Ind AS financial statements represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance of the holding company regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Ind AS financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### **Others Matters**

We did not audit the Financial Information of two wholly owned foreign subsidiaries included in the Consolidated Ind AS financial statements, whose Financial Information reflect total assets of Rs.18.31 Crores as at 31, March, 2019, total revenues of Rs.51.65Crores, and net cash flows amounting to Rs.1.88 Crores for the year ended on that date, as considered in the Consolidated Ind AS financial statements. The Consolidated Ind AS financial statements also include the Group's share of net loss of Rs. 0.86 Crores for the year ended 31, March, 2019, as considered in the consolidated Ind AS financial statements, in respect of the subsidiaries whose financial information have not been audited by us. This financial information is unaudited and has been furnished to us by the management.and our opinion disclosers included in respect of this subsidiary, is based solely on the unaudited financial information approved by the management. In our opinion and according to the information and explanations given to us by the managements, this financial information is not material to the Group.

Our opinion on the consolidated Ind AS financial statement, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matter with respect to our reliance on the financial information as certified by the Management.

### **Report on Other Legal and Regulatory Requirements**

1. As required by Section 143(3) of the Act, we report to the extent applicable, that:
  - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated Ind AS financial statements.



- b. In our opinion, proper books of account as required by law have been kept so far as it appears from our examination of those books.
- c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, (including other comprehensive income), the Consolidated Statement of Changes in Equity and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account.
- d. In our opinion, the aforesaid standalone Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act.
- e. On the basis of the written representations received from the directors of the Holding Company as on March 31, 2019 taken on record by the Board of Directors of the Holding Company, one of the director of the Group Companies incorporated in India, is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.
- f. With respect to the adequacy of the internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate Report in "Annexure A"
- g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on consideration of financial information of the subsidiaries as noted in "Other Matter's Paragraph:
  1. The Group has disclosed the impact of pending litigations as at 31st March, 2019 on its financial positions in its consolidated Ind AS financial statements refer Note no. 37 to the consolidated Ind AS financial statements;
  2. The Group did Not have any long-term Contracts including derivate contracts for which there were any material foreseeable losses.
  3. There has been no delay in transferring amounts, required to be transferred to the Investor Education and Protection Fund by the Holding Company; and its subsidiary Companies during the year ended March 31, 2019.

With respect to the matter to be included in the Auditors' Report under Section 197(16) of the Act, in our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

**For, Thakur, Vaidyanath Aiyar & Co.**  
**Chartered Accountants**  
**Firms Registration No. 000038N**

**Place: Mumbai**  
**Date: 7th May, 2019**

**C. V. Parameswar**  
**Partner**  
**Membership No.**  
**11541**





**Statement on impact of Audit Qualifications (for audit report with modified opinion) submitted along-with Annual Audited Financial Results (Consolidated)**

Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2019  
[ See regulation 33 of the SEBI(LODR)(Amendment) Regulations,2016]

			(₹ in lakhs)	
	SR. No.	Particulars	Audited Figures Rs in Lacs (as reported before adjusting for qualifications)	Adjusted Figures Rs in lacs (audited figures after adjusting for qualifications)
I	1.	Turnover/ Total Income	19741	19741
	2.	Total Expenditure	31099	31099
	3.	Net Profit/(Loss)	(11328)	(11328)
	4.	Earnings Per Share	(9.15)	(9.15)
	5.	Total Assets	23608	23608
	6.	Total Liabilities	47786	47786
	7.	Net Worth	(24178)	(24178)
	8.	Any other financial item(s)( as felt appropriate by the management)		

**II Audit Qualification( each audit qualification Separately):**

**a. Details of Audit Qualification:**

1. The Company has not complied with the provisions of the section 74 or any other relevant provisions of the Act and the Companies (Acceptance of Deposits) Rules, 2014 with regard to non repayment of deposits and interest on due date, maintenance of liquid assets to the extent required as well as not fully complying with the orders passed by the Company Law Board.
  2. With reference to Note No. 7 regarding the balance of Sundry Creditors, Debtors, Loans and Advances, Deposits, Current Liabilities , inter units etc being not confirmed by the parties/units and hence our inability to state whether these balance are recoverable/payable to the extent stated.
  3. With reference to Note No. 8 which indicates that the Company has accumulated losses exceeding the Share Capital and Reserves and its net worth has been fully eroded. These conditions indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. However the financial statements of the Company have been prepared on a going concern basis for the reasons stated in the said note.
  4. The outstanding of Rs.109.05 Cr. From the company's 100% subsidiary in Dubai (Zenith Middle East FZE) has been considered as irrecoverable and hence provided for as doubtful during the year.
  5. Interest payable to Micro, Small and Medium Enterprise parties on delayed payments to them has neither been ascertained nor provided.
- b. Type of Audit Qualification: Qualified/ Disclaimer of Opinion/ Adverse Opinion
- c. Frequency of Qualification  
Qualification no. 1 to 3 is repetitive.
- d. For Audit Qualification(s)where the impact is quantified by the auditor, Management



views:

The Subsidiary Company was following up with its customer for its receivables but due to financial meltdown in Dubai and Middle East Countries in the year under consideration they have found it difficult to recover outstanding amount recoverable from its customers as most of the Companies had got liquidated. In view of the same, the parent Company advanced to its subsidiary is doubtful of recovery and hence provision of the same has been made.

e. For Audit Qualification(s) where the impact is not quantified by the auditor:

- (i) Management's estimation on the impact of audit qualification:
- (ii) If management is unable to estimate the impact, reasons for the same:

For qualification on balances of sundry creditors, debtors, etc:

Reconciliation of balances of sundry creditors, debtors and other parties are an ongoing basis and the figures would be ascertained only when the reconciliation is finalised. Hence at this stage, impact of the same is not ascertainable.

For qualification on non compliance of section 74(2) of the Companies Act, 2013:

The company has taken on priority to clear the dues of deposit holders who are incapacitated and to comply with the orders of existing authorities. For the rest the company has already started the process of settling their dues through sale proceeds of the assets sold by MPID court of the other Company who has given NOC for using the amount towards repayment of the Fixed Deposits of the Zenith Birla (India) Limited and will complete it before the end of Financial Year 2019-20

For qualification on accounting ongoing concern basis:

On account of strategic understanding with suppliers/ customers, which is continuing, the Company is on revival mode and is operating some of its units. In view of the same going concern concept holds good.

For qualification on Interest payable to Micro, Small and Medium Enterprise:

The declaration received from various suppliers was late and identification of them as MSME was lagged at the end of the year. However the amount outstanding if any of those MSME have been cleared as on the year end but interest on the same could not be ascertained and there has been no claim loss with the Company by any of the MSME towards interest payable to them

(iii) Auditors' Comments on (I) or (II) above

No further comments

III Signatories:

- Director : (Purushottam D Sonavane)
- Chief Financial officer : (B. Girvanesh)
- Audit Committee Chairman : (Sadhana A Patil)
- Statutory Auditor : (C. V. Parameswar)  
( M/s Thakur, Vaidyanath Aiyar & Co. Chartered Accountants, Mumbai)

Partner

Place: Mumbai

Date: 07.05.2019



## Consolidated Balance sheet as at 31st March, 2019

(Amount Rs in Lakhs)

Sr. No.	Particulars	Note No.	As at 31st March 2019	As at 31st March 2018
<b>I. ASSETS</b>				
<b>NON-CURRENT ASSETS</b>				
(a)	Property, Plant & Equipment	2	7,449.12	8,026.38
(b)	Capital work in progress	3	1,443.71	1,278.06
(c)	Intangible Assets	4	5.60	6.26
(d)	Financial Assets			
(e)	(i) Investments	5	1.01	1.00
	(ii) Loans	6	157.91	166.39
(f)	Other Non-Current Assets	7	204.80	230.27
	<b>Total Non - Current Assets</b>		<b>9,262.15</b>	<b>9,708.36</b>
<b>CURRENT ASSETS</b>				
(a)	Inventories	10	96.62	396.10
(b)	Financial Assets			
	(i) Trade Receivables	11	3,605.51	11,600.48
	(ii) Cash and Cash Equivalents	12	452.56	431.16
	(III) Bank Balances other than (II) above	13	1.85	0.05
	(iv) Loans	6	6,740.12	7,001.30
	(v) Other Financial Assets	7	-	-
(c)	Other Current Assets	8	3,227.84	5,295.31
(d)	Current tax assets (Net)	9	220.94	194.73
	<b>Total - Current Assets</b>		<b>14,345.44</b>	<b>24,919.13</b>
	<b>Total Assets</b>		<b>23,607.59</b>	<b>34,627.49</b>
<b>II. EQUITY AND LIABILITIES</b>				
<b>EQUITY</b>				
(a)	Equity share capital	14	13,128.04	13,128.04
(b)	Other equity	15	(37,306.30)	(25,978.43)
	<b>Total - Equity</b>		<b>(24,178.26)</b>	<b>(12,850.39)</b>
<b>LIABILITIES</b>				
<b>A Non-Current Liabilities</b>				
(a)	Financial liabilities			
	(i) Borrowings	16	961.83	2,278.17
(b)	Provisions	20	661.11	639.18
(c)	Deferred tax liabilities (Net)	21	504.86	504.86
	<b>Total Non - Current Liabilities</b>		<b>2,127.80</b>	<b>3,422.21</b>
<b>B Current Liabilities</b>				
(a)	Financial liabilities			
	(i) Borrowings	16	25,162.50	25,050.77
	(ii) Trade payables	17	6,945.76	7,850.83
	(iii) Other financial liabilities	18	5,360.91	4,982.78
(b)	Other current liabilities	19	5,482.69	5,054.12
(c)	Provisions	20	2,011.28	465.34
(d)	Current tax liabilities (Net)	22	694.91	651.83
	<b>Total - Current Liabilities</b>		<b>45,658.05</b>	<b>44,055.67</b>
	<b>Total Equity and Liabilities</b>		<b>23,607.59</b>	<b>34,627.49</b>

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

Place: Mumbai  
Date: 7<sup>th</sup> May, 2019

For and on behalf of Board of Directors

**Purushottam Sonavane**  
Director  
DIN.08405653

**B. Girvanesh**  
Chief Financial Officer

**Sadhana Patil**  
Director  
DIN.06565115

**Suneel Sullere**  
Company Secretary  
ACS.42922

**Consolidated Statement of Profit and Loss for the year ended 31st March, 2019**

(Amount Rs in Lakhs)

Sr. No.	Particulars	Note No.	For the year ended 31st March 2019	For the year ended 31st March 2018
<b>I.</b>	<b>INCOME</b>			
	Revenue from operations	23	18,362.90	17,432.04
	Other income	24	1,377.86	1,675.72
	<b>Total Income</b>		<b>19,740.76</b>	<b>19,107.76</b>
<b>II.</b>	<b>EXPENSES</b>			
	Cost of Raw Materials and Components Consumed	25	11,043.13	13,471.04
	Purchases of Stock-in-Trade	26	745.99	481.16
	Changes in Inventories of Finished Goods, Semi-Finished Goods and Stock-in-Trade	27	68.32	706.89
	Excise duty		-	466.90
	Employee benefits expense	28	888.79	904.05
	Finance costs	29	728.94	768.80
	Depreciation and amortization expense	30	601.26	733.45
	Other expenses	31	17,019.31	5,622.77
	<b>Total Expenses</b>		<b>31,098.74</b>	<b>23,155.06</b>
<b>III.</b>	<b>Profit / (Loss) before exception items and tax</b>		<b>(11,357.98)</b>	<b>(4,047.30)</b>
<b>IV.</b>	<b>Exceptional items</b>		<b>658.88</b>	<b>60.03</b>
<b>V.</b>	<b>Profit / (Loss) before tax (III - IV)</b>		<b>(12,016.86)</b>	<b>(4,107.33)</b>
<b>VI.</b>	<b>Tax expense:</b>			
	(1) Current tax		-	-
	(2) Deferred tax		-	-
<b>XI.</b>	<b>Profit/(Loss) for the period (VII-X)</b>		<b>(12,016.86)</b>	<b>(4,107.33)</b>
<b>XII.</b>	<b>OTHER COMPREHENSIVE INCOME</b>			
	(i) Items that will not be reclassified to profit or loss			
	Related to employee benefits		38.32	71.90
	Foreign Translation Difference		650.67	-
	(ii) Income tax relating to items that will not be reclassified to profit or loss		-	-
	Total Other Comprehensive Income net of tax		<b>688.99</b>	<b>71.90</b>
	Total Comprehensive income for the year, net of tax (XI+XII)		<b>(11,327.87)</b>	<b>(4,035.43)</b>
	Earnings per equity share:			
	(1) Basic		(9.15)	(3.13)
	(2) Diluted		(9.15)	(3.13)

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: 11541Place: Mumbai  
Date: 7<sup>th</sup> May, 2019**For and on behalf of Board of Directors****Purushottam Sonavane**  
Director  
DIN.08405653**B. Girvanesh**  
Chief Financial Officer**Sadhana Patil**  
Director  
DIN.06565115**Suneel Sullere**  
Company Secretary  
ACS.42922



## Consolidated Cash Flow Statement for the year ended 31st March, 2019

Sr. No.	Particulars	For the year ended 31 march 2019	For the year ended 31 march 2018
			(₹ in Lakhs)
<b>A.</b>	<b>CASH FLOW FROM OPERATING ACTIVITIES:</b>		
	Net profit before exceptional item, taxation and prior period adjustments	(11,358.02)	(4,047.30)
	Adjustments for:		
	Depreciation and Amortization	601.26	733.44
	(Profit)/Loss on sale of Fixed Assets (Net)		-
	Provision for Gratuity and Leave Salary		-
	Prior period items	(658.88)	(60.03)
	Provision no longer required Written Back		-
	Exchange difference on translation (Net)		-
	Finance Costs	728.94	768.80
	Other Comprehensive Income	688.99	71.90
	<b>Sub-total</b>	<b>1,360.31</b>	<b>1,514.11</b>
	Operating Profit Before Working Capital Changes	(9,997.70)	(2,533.19)
	Adjustments for changes in working capital :		
	Inventories	(299.48)	898.31
	Trade Receivables	(7,994.97)	(1,232.07)
	Loan	(261.18)	
	Other Current Assets	(2,067.47)	-
	Trade Payables	905.07	3,280.22
	Provisions	(1,545.94)	-
	Other Financial Liabilities	(378.13)	-
	Loans to employees and others		-
	Loans in Financial Assets	(8.48)	
	Other Current Liabilities	(428.57)	-
	Current Tax Liabilities	(43.08)	-
	Provisions in Non -Current Liabilities	(21.93)	-
	Direct Taxes Paid (Net of Refund)	26.21	-
	Other Financial Assets		-
	Current Tax Assets		-
	Exceptional Item		-
	Sub-total	(12,117.94)	2,946.46
	Net Cash Flow From Operating Activities After Exceptional Item.....(A)	2,120.23	413.27
<b>B.</b>	<b>CASH FLOW FROM INVESTING ACTIVITIES:</b>		
	Payments made for Property, Plant and Equipment	27.11	(28.78)
	Payments made for CWIP	12.99	
	Payments made for Intangible Assets	-	-
	Proceeds from sale of Property, Plant and Equipment	(3.77)	516.22
	Other Non current assets	(25.47)	
	Interest Received		-
	<b>Sub-total</b>	<b>10.86</b>	<b>487.44</b>
	Net Cash used for Investing Activities..... (B)	<b>10.86</b>	<b>487.44</b>

**C. CASH FLOW FROM FINANCING ACTIVITIES:**

Proceeds from Borrowings		21.78	
Repayment of Borrowings	(1357.23)	-	
Interest Paid	(728.94)	(768.80)	
Investment			
<b>Sub-total</b>		<b>(2086.17)</b>	<b>(747.02)</b>
Net Cash used for Financing Activities.....(C)		<b>(2086.17)</b>	<b>(747.02)</b>
<b>Net Increase/(Decrease) in Cash &amp; Cash Equivalents (A+B+C)</b>		<b>23.20</b>	<b>153.69</b>
Cash and Cash Equivalents as at 01.04.2018	431.16	277.46	
Add: (Increase) / Decrease in Fixed Deposit accounts kept as margin money with banks	(1.80)	-	
Add: Decrease in Dividend accounts with bank		-	
	429.36	277.46	
Cash and Cash Equivalents as at 31.03.2019		452.56	431.15
Reconciliation of Cash and Bank Balances given in Note No. 9 of Balance Sheet is as follows:			
Cash and Bank Balances		454.41	431.21
Less:			
Balance in Fixed Deposit accounts with banks having a maturity period of more than three months		1.85	0.05
Cash and Cash Equivalents		452.56	431.16

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

Place: Mumbai

Date: 7<sup>th</sup> May, 2019

**For and on behalf of Board of Directors**

**Purushottam Sonavana**  
 Director  
 DIN.08405653

**B. Girvanesh**  
 Chief Financial Officer

**Sadhana Patil**  
 Director  
 DIN.06565115

**Suneel Sullere**  
 Company Secretary  
 ACS.42922



### Statement of Changes in Equity For the period ended 31st March, 2019

Sr. No.	Particulars	Nos.	Amount in ₹	Amount in ₹ Lakhs
	Equity shares of Rs. 10/- each Issued, Subscribed and Fully Paid up			
	As at April 1, 2017	131,280,448.00	1,312,804,480.00	13,128.04
	Change in Equity Share Capital during the year	-	-	-
	As at March 31, 2018	131,280,448.00	1,312,804,480.00	13,128.04
	Change in Equity Share Capital during the year	-	-	-
	As at March 31, 2019	131,280,448.00	1,312,804,480.00	13,128.04
	On 10-01-2011 the Company issued 1,08,10,000 Convertible Equity Share Warrants which were convertible into 1 Equity Share of Rs. 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 Share . On 25-03-2011 , 15,60,000 warrants were convertible into Equity Share before 09-07-2012.			

#### (B) OTHER EQUITY

For the year ended March 31, 2019					
Sr. No.	Particulars	Securities Premium Reserve	General Reserves	Retained Earnings	Total Other Equity
	<b>As at April 1, 2018</b>	<b>14,308.30</b>	<b>552.12</b>	<b>(40,838.83)</b>	<b>(25,978.42)</b>
Add:	Profit for the year	-	-	(12,016.86)	(12,016.86)
Add:	FDR Adjustments	-	-	-	-
Add:	Other Comprehensive Income	-	-	688.99	688.99
	Total Comprehensive Income	14,308.30	552.12	(52,166.70)	(37,306.29)
Less:	Issue of Bonus shares	-	-	-	-
Less:	Transfer to general reserves	-	-	-	-
	<b>As at March 31, 2019</b>	<b>14,308.30</b>	<b>552.12</b>	<b>(52,166.70)</b>	<b>(37,306.29)</b>

Sr. No.	Particulars	Securities Premium Reserve	General Reserves	Retained Earnings	Total Other Equity
	<b>As at April 1, 2017</b>	<b>14,308.30</b>	<b>494.88</b>	<b>(36,803.42)</b>	<b>(22,000.24)</b>
Add:	Profit for the year	-	-	(4,107.33)	(4,107.33)
Add:	FDR Adjustments	-	57.24	-	57.24
Add:	Other Comprehensive Income	-	-	71.90	71.90
	Total Comprehensive Income	14,308.30	552.12	(40,838.85)	(25,978.43)
Less:	Issue of Bonus shares	-	-	-	-
Less:	Transfer to general reserves	-	-	-	-
	<b>As at March 31, 2018</b>	<b>14,308.30</b>	<b>552.12</b>	<b>(40,838.85)</b>	<b>(25,978.43)</b>



Notes on consolidated financial statements for the year ended 31st March, 2019

## 1. General Information:

Zenith Birla (India) Limited (the Company) is a Public Limited Company incorporated in India having its registered office at Industry House, 5th Floor, 159, Churchgate Reclamation Mumbai-400 020, India. The Company is engaged in the manufacturing and selling of ERW And SAW Pipes.

Significant accounting policies followed by the Company

### (A) Basis of preparation of financial statements:

#### (i) Basis Of Accounting

- a) 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.
- b) The financial statement have been prepared under the historical cost conversion convention and on the accrual basis of accounting. The accounts of Parent company have been prepared in accordance of Indian Accounting Standards and those of foreign subsidiaries have been prepared in accordance with local laws and the applicable Accounting Standards/Generally accepted Accounting Principles.

#### (ii) Principles of Consolidation

- a) The financial statement 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
- b) The financial statement of the parent company and its subsidiaries have been consolidated using uniform accounting policies for like transactions and other events in similar circumstances
- c) The financial statements of foreign subsides is translated into Indian Rupees as under:
  - i) Assets and liabilities at the rate prevailing at the end of the period.
  - ii) Revenue and Expenditure at the yearly average exchange rates prevailing during the period

#### (i) Compliance with Ind AS:

These financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 and other relevant provisions of the Act. The financial statements up to year ended 31st March, 2017 were prepared in accordance with the accounting standards notified under Companies (Accounting Standard) Rules, 2006 (as amended) and other relevant provisions of the Act. The Company has adopted Ind-AS from 1st April, 2017.

#### (ii) Historical Cost Convention

The financial statements have been prepared on a historical cost basis ,except for the following assets and liabilities

- a) Certain Financial assets and liabilities that are measured at fair value
- b) Derivative Financial instruments

#### (iii) Functional and Presentation Currency

These financial statements are presented in Indian Rupees, this is also the functional currency of the company. All financial information are presented in Indian Rupees has been rounded off to two decimals in lacs.





#### **(iv) Current and Non current Classification**

All assets and Liabilities have been classified as Current and Non Current as per the company's normal operating cycle (12 months) and other criteria set out in schedule III to the Act.

#### **(B) Use of estimates:**

An estimate in accordance with Ind AS at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error. The preparation of financial statements in conformity with the generally accepted accounting principles requires estimates and assumptions to be made by the management that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Differences between actual results and estimates are recognized in the period in which the results are crystallized.

#### **(C) Revenue recognition:**

- (a) Revenue from the sale of goods is recognized upon the passage of title to the customers, which generally coincides with delivery. Effective from 1st July 2017, sales are recorded net of Goods and Service Tax (GST) whereas prior to 1st July 2017, sales were recorded gross of excise duty which formed part of expenses.
- (b) Export sales are accounted based on the dates of Bill of Lading.
- (c) Interest Income is accrued on time proportion basis over the period of loan / deposit / investment except in case of significant uncertainties.

#### **(D) Property, Plant and Equipment:**

- (a) All items of property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Cost may also include hedges of foreign currency purchases of property, plant and equipment. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associates with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.
- (b) Transition to Ind AS:

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognised as at 1st April 2017 and use that carrying value as the deemed cost of the property, plant and equipment.
- (c) Depreciation methods, estimated useful lives and residual value:
  - (i) Depreciation: The Company has ascertained the useful life of its various assets and charged depreciation in accordance with Schedule II of the Companies Act, 2013.
  - (ii) Leasehold Land is amortized over the period of lease.
  - (iii) The useful lives have been determined based on technical evaluation done by the management's expert in order to reflect the actual usage of the assets. The residual values are not more than 5% of the original cost of the asset. The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.
  - (iv) An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.
  - (v) Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in statement of profit and loss.

**(E) Intangible Assets:**

- (i) Computer Software and Technical Know-How are amortized over a period of 3 years from the date of acquisition.
- (ii) Transition to Ind AS:

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its intangible assets recognized as at 1st April 2017 and use that carrying value as the deemed cost of intangible assets.

**(F) Capital Work in Progress:**

Expenditure during construction period including development cost incurred on the projects under implementation are treated as pre-operative expenses pending allocation to the assets and are included under "Capital Work in Progress." These expenses are apportioned to fixed assets on commencement of commercial production.

**(G) Impairment of Assets:**

An asset is treated as impaired when the carrying cost of the asset exceeds its recoverable value. An impairment loss, if any, is charged to statement of profit and loss in the year in which an asset is identified as impaired. The impairment loss recognized in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

**(H) Valuation of Inventory:**

- (a) Raw Materials and components, semi-finished goods, finished goods, stores and spares, goods for trade are valued at cost or net realizable value whichever is lower. Cost formula used is weighted average cost. Cost comprises of cost of purchase, cost of conversion and other cost incurred in bringing the inventory to its present location and condition.
- (b) Goods / Materials in Transit are valued at cost to date.
- (c) Scrap is valued at its estimated realizable value.
- (d) Adequate provisions are made for obsolete inventory based on technical estimates made by the Company.

**(I) Foreign Currency Transactions:**

Transactions arising in foreign currencies during the year are converted at the rates closely approximating the rates ruling on the transaction dates. Liabilities and receivables in foreign currency are restated at the year end exchange rates. All exchange rate differences arising from conversion in terms of the above are included in the statement of profit and loss.

In case of items which are covered by forward exchange contracts, the difference between the year end rate and rate on the date of contract is recognised as exchange difference and the premium paid on forward contracts is recognised over the life of the contract.

**(J) Employee Benefits:**

- (i) Short-term obligations:

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The Liabilities are presented under current liabilities in the balance sheet.

- (ii) Other long-term employee benefit obligations:

The liabilities for earned leave are measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit



credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in statement of profit and loss.

(iii) Post-employment obligations:

- (a) Defined contribution plans: Company's contribution to the provident fund scheme is recognized during the year in which the related service is rendered.
- (b) Defined benefit plans: The liability or asset recognised in the balance sheet in respect of gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using projected unit credit method.
- (c) The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.
- (d) Re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.
- (e) Changes in present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.
- (f) Long Term compensated absences are provided on the basis of an actuarial valuation.

**(K) Research and Development Costs:**

Revenue expenditure, including overheads on research and development, is charged as an expense through the natural heads of account in the year in which incurred. Expenditure incurred at development phase, where it is reasonably certain that outcome of research will be commercially exploited to yield economic benefits to the Company, is considered as an Intangible assets and depreciation is provided on such assets as applicable.

**(L) Investments:**

Current investments are carried at lower of cost or fair value. Long term investments are carried at cost less provision for other than temporary decline in the value of such investments.

**(M) Borrowing Cost:**

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized during the period of time that is required to complete and prepare the assets for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale. Other borrowing costs are expensed in the period in which they are incurred.

**(N) Taxation:**

Income tax expense comprises Current tax and Deferred tax charge or credit. Provision for Current tax is made on the assessable income at the tax rate applicable to the relevant assessment year. Minimum alternative tax (MAT) paid in accordance with the tax laws, which gives rise to future economic benefits in the form of adjustment of future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax.

Accordingly, MAT is recognized as an asset in the balance sheet when it is probable that the future economic benefit associated with it will flow to the Company and the asset can be measured reliably. The deferred tax asset and/or deferred tax liability is calculated by applying substantively enacted rate as at balance sheet date. Deferred tax assets arising mainly on account of brought forward losses and unabsorbed depreciation is recognized if and only if there is virtual certainty backed by convincing evidence of its realization. At each balance sheet date, carrying amount of deferred tax assets is reviewed to reassure realization.



**(O) Share Issue Expenses:**

Issue expenses are adjusted against the Share Premium.

**(P) Government Grant/Loan:**

Capital grants for project capital subsidy are credited to capital reserves.

The Company has availed mandatory exemption under Ind AS 101 and accordingly, there is no change in accounting treatment on the amount carried forward on the date of transition for sales tax deferral loan / incentive.

**(Q) Provisions, Contingent Liabilities and Contingent Assets:**

Provisions involving a substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognized but are disclosed in the notes. Contingent Assets are neither recognized nor disclosed in the financial statements.



**Consolidated Notes forming part of the  
Financial Statements for the year ended 31st March 2019**

		Amount Rs. In lacs	
Note No.	Particulars	As at 31st March 2019	As at 31st March 2018
<b>2</b>	<b>PROPERTY, PLANT &amp; EQUIPMENT</b>		
	Gross Block	15,022.85	15,176.27
	Less : Acc. Depreciation	7,573.96	7,149.89
	<b>Net Block</b>	<u>7,449.12</u>	<u>8,026.38</u>
	<b>Note* Please refer note no. 2 Property, Plant &amp; Equipment</b>		
<b>3</b>	<b>CAPITAL WORK IN PROGRESS</b>		
	Capital Work-in-Progress	1,443.71	1,278.06
	<b>Total</b>	<u>1,443.71</u>	<u>1,278.06</u>
	<b>Note* Please refer note no. 3 Capital Work in Progress</b>		
<b>4</b>	<b>INTANGIBLE ASSETS</b>		
	Gross Block	30.20	29.05
	Less : Acc. Depreciation	24.60	22.79
	<b>Net Block</b>	<u>5.60</u>	<u>6.26</u>
	<b>Note* Please refer note no. 4 Intangible Assets</b>		
<b>5</b>	<b>INVESTMENT</b>		
	<b>Quoted Investments</b>		
<b>A)</b>	<b>In Equity Share-Quoted, Fully Paid up</b>		
	4,35,350 Birla Transasia Carpets Limited of Rs. 10/Each	63.70	63.70
	(4,35,350) less: Provision for diminution in value	<u>63.69</u>	<u>63.70</u>
	<b>Unquoted Investments</b>	<b>0.00</b>	<b>-</b>
<b>B)</b>	<b>In Equity Share of Subsidiary Company</b>		
	1000 Zenith (Usa), Inc. New York, A wholly owned Subsidiary company		
	(1000) Nominal value of Shares in Us \$ 30,000)	-	-
	2 UAE Dirham 2 Million of Zenith Middle East FZE, A wholly owned Subsidiary of the company		
	Further UAE Dirham 0.22 million is pending Allotment	<u>-</u>	<u>-</u>
		-	-



Amount Rs. In lacs

Note No.	Particulars	As at 31st March 2019	As at 31st March 2018
<b>C)</b>	<b>In Equity shares of Associate Company</b>		
	<b>Unquoted Fuly Paid Up</b>		
	39,000 Birla Energy Infra Limited of Rs.10/each (39000)	-	-
		-	-
<b>D)</b>	<b>Other Investment -Unquoted Fully Paid up</b>		
	236 US \$ 1,000 each of P.T. Horizon Syntex , Indonesia , continue to be held in the (236) name of erstwhile The India Tool Manufactures Limited and the same are still		<b>0.20</b>
	In process of being transferred in the name of the company pending receipt of the necessary approval from Reserve Bank of India	<b>19.31</b>	<b>19.31</b>
	less provision for diminution in value	<b>19.31</b>	<b>19.31</b>
		<b>0.00</b>	-
	2000 Tima CETP Co-op Society Ltd. Of Rs. 10/each (2000)	<b>0.20</b>	<b>0.20</b>
	2000 Thed Shamrao Vithal Co-Op Bank Ltd. Of Rs.25/Each (2000)	<b>0.50</b>	<b>0.50</b>
		<b>0.70</b>	<b>0.70</b>
<b>E)</b>	<b>In Government securities - Unquoted</b>		
	National Saving Certificate	<b>0.30</b>	<b>0.30</b>
		<b>0.30</b>	<b>0.30</b>
	<b>Total</b>	<b>1.00</b>	<b>1.00</b>
	<b>Aggregate amount of quoted investments</b>	<b>63.70</b>	<b>63.70</b>
	<b>Market value of quoted Investments</b>	<b>32.65</b>	<b>32.65</b>
	<b>Aggregate amount of unquoted investments</b>	<b>20.31</b>	<b>20.31</b>
	<b>Aggregate provision for diminution in value of investments</b>	<b>83.01</b>	<b>83.01</b>
<b>6</b>	<b>LOANS</b>		
	<b>Non-Current</b>		
	<b>Unsecured; considered good :</b>		
	Other Loans and Advance	<b>157.91</b>	166.39
	Other Loans and Advance (Considered Doubtful)	-	486.57
	Less : - Provision for Doubtful Advances	-	(486.57)
	Loans and Advance which have significant increase in Credit Risk	-	-
	Loans and Advance - credit impaired	-	-
	<b>Total Non - Current</b>	<b>157.91</b>	<b>166.39</b>



Amount Rs. In lacs

Note No.	Particulars	As at 31st March 2019	As at 31st March 2018
	<b>Current</b>		
	<b>Unsecured; considered good :</b>		
	Loans and advances to Related Parties	345.86	3,224.63
	Loan & Advance to Employees	27.76	16.86
	Loan & Advance to Inter Corporate Deposits	834.44	834.44
	Loan & Advance to Others	5,532.06	2925.37
	Loan & Advance to Others which have significant increase in credit risk	750.00	750.00
	Less :- Provision for Doubtful Advances	(750.00)	(750.00)
	<b>Total - Current</b>	<u>6,740.12</u>	<u>7,001.30</u>
<b>7</b>	<b>OTHER NON-CURRENT ASSETS</b>		
	<b>Non-Current</b>		
	<b>Unsecured; considered good :</b>		
	Deposits with Others	204.80	230.27
	<b>Total Non - Current</b>	<u>204.80</u>	<u>230.27</u>
	<b>Current</b>		
	<b>Unsecured; considered good :</b>		
	Deposits with Others	-	-
	<b>Total - Current</b>	<u>-</u>	<u>-</u>
<b>8</b>	<b>OTHER ASSETS</b>		
	<b>Non-Current</b>		
	<b>Unsecured; considered good :</b>		
	Capital Advances	-	-
	<b>Total Non - Current</b>	<u>-</u>	<u>-</u>
	<b>Current</b>		
	<b>Unsecured; considered good :</b>		
A)	Advances Paid to Suppliers/Services	22.78	3,217.23
B)	<b>Balances with Government Authorities :</b>		
	Deposits with Government Authorities	256.19	-
	TDS Receivable	76.47	-
	Cenvat Credit and export incentive receivable	34.62	-



Amount Rs. In lacs

Note No.	Particulars	As at 31st March 2019	As at 31st March 2018
	Value Added Tax Receivable	2,056.82	2,078.08
	Other Receivable	0.36	-
	Goods & Service Tax	768.86	-
	<b>Sub Total (B)</b>	<b>3,193.32</b>	<b>2,078.08</b>
<b>C)</b>	<b>Others :</b>		
	Pre-paid Expenses	11.74	-
	Pattern Under Development	-	-
	Interest accrued on fixed deposits and others	-	-
	<b>Sub Total (C)</b>	<b>11.74</b>	<b>-</b>
	<b>Total - Current</b>	<b>3,227.84</b>	<b>5,295.31</b>
<b>9</b>	<b>CURRENT TAX ASSETS (NET)</b>		
	Advance Income Tax	220.94	194.73
	<b>Total</b>	<b>220.94</b>	<b>194.73</b>
<b>10</b>	<b>INVENTORIES</b>		
	Raw Materials and Components	-	234.50
	Semi-Finished Goods	-	-
	Finished Goods	-	69.12
	Stores and Spare Parts	95.82	92.48
	Other (Scrap)	0.80	-
	<b>Total</b>	<b>96.62</b>	<b>396.10</b>
<b>11</b>	<b>TRADE RECEIVABLES</b>		
	<b>Unsecured, considered good :</b>		
	Outstanding for a period exceeding six months from the date they are due for payment		
	Considered good	2,493.62	10,640.68
	Receivables which have significant increase in credit risk	2,268.57	2,139.52
	Less: Provision for doubtful debts	(2,268.57)	(2,139.52)
	Debts outstanding for a period exceeding six months	<b>2,493.62</b>	<b>10,640.68</b>
	<b>Other considered good</b>	<b>1,111.89</b>	<b>959.80</b>
	<b>Total (Includes Rs. Nil due from related parties and previous year Amount Rs. Nil)</b>	<b>3,605.51</b>	<b>11,600.48</b>





Amount Rs. In lacs

Note No.	Particulars	As at 31st March 2019	As at 31st March 2018
<b>12</b>	<b>CASH AND CASH EQUIVALENTS</b>		
A)	Balances with Banks in Current Accounts	445.36	421.04
B)	Cash on Hand	7.20	10.12
	<b>Total</b>	<u>452.56</u>	<u>431.16</u>
<b>13</b>	<b>OTHER BANK BALANCES</b>		
A)	Balances in Margin Money Account	1.85	0.05
	<b>Total</b>	<u>1.85</u>	<u>0.05</u>
<b>14</b>	<b>EQUITY SHARE CAPITAL</b>		
<b>A)</b>	<b>AUTHORISED SHARE CAPITAL</b>		
	15,55,00,000 (15,55,00,000) Equity Shares of Rs. 10/- each	15,550.00	15,550.00
	<b>Total</b>	<u>15,550.00</u>	<u>15,550.00</u>
<b>B)</b>	<b>ISSUED, SUBSCRIBED &amp; PAID UP SHARE CAPITAL</b>		
	13,12,80,448 (13,12,80,448) Equity Shares of Rs. 10/- each	13,128.04	13,128.04
	<b>Total</b>	<u>13,128.04</u>	<u>13,128.04</u>
14.1	<b>The reconciliation of the number of shares outstanding is set out below:</b>	<b>No of Shares</b>	<b>No of Shares</b>
	Shares outstanding at the beginning of the year	131,280,448.00	131,280,448.00
	<b>Shares outstanding at the end of the year</b>	<b>131,280,448.00</b>	<b>131,280,448.00</b>
14.2	<b>The details of Shareholders holding more than 5% share</b>	<b>No of Shares % Held</b>	<b>No of Shares % Held</b>
	<b>Birla Bombay Pvt. Ltd.</b>	<b>8171397 6.22</b>	<b>8171397 6.22</b>
	<b>Harbhajansingh Malik Singh Rajpal</b>	<b>7406422 5.64</b>	<b>7432422 5.66</b>
14.3	On 10-01-2011 the Company issued 1,08,10,000 Convertible Equity Share Warrants which convertible into 1 Equity Share of Rs. 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 convertible into Equity Share before 09-07-2012.		



Amount Rs. In lacs

Note No.	Particulars	As at 31st March 2019	As at 31st March 2018
<b>15</b>	<b>OTHER EQUITY</b>		
A)	<b>Securities Premium</b>	<b>14,308.30</b>	14,308.30
B)	<b>General Reserves</b>	<b>552.12</b>	552.12
C)	<b>Retained Earnings</b>	-	
	Balance As per last Account	<b>(40,838.85)</b>	(36,803.42)
	Add: Profit / (Loss) for the current year	<b>(12,016.86)</b>	(4,107.33)
	Add: Amount Transferred to Other Units	-	-
	Add: Other Comprehensive Income	<b>688.99</b>	71.90
	<b>Closing Balance (Retained Earnings)</b>	<b>(52,166.72)</b>	<b>(40,838.85)</b>
	<b>Total (A to C)</b>	<b>(37,306.30)</b>	<b>(25,978.43)</b>
<b>16</b>	<b>BORROWINGS</b>		
	<b>Non-Current</b>		
A)	<b>Secured Loans</b>		
	<b>Term Loans :</b>		
	From Banks	-	1,390.59
	<b>Sub Total (A)</b>	<b>-</b>	<b>1,390.59</b>
B)	<b>Unsecured Loans</b>		
	From Others	<b>961.83</b>	887.58
	<b>Total Non - Current</b>	<b>961.83</b>	<b>2,278.17</b>
	<b>Current</b>		
A)	<b>Secured Loans</b>		
	From Banks (Refer note (a) & (b))	<b>23,400.27</b>	23,460.97
	<b>Subtotal (A)</b>	<b>23,400.27</b>	<b>23,460.97</b>
B)	<b>Unsecured Loans</b>		
	Deferred Payment Liabilities		-
	From Others	<b>1,762.23</b>	1,589.80
	<b>Subtotal (B)</b>	<b>1,762.23</b>	<b>1,589.80</b>
		-	
	<b>Total - Current</b>	<b>25,162.50</b>	<b>25,050.77</b>
	<b>Security and Salient Terms:</b>		



Amount Rs. In lacs

Note No.	Particulars	As at 31st March 2019	As at 31st March 2018
	(a) 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.		
	<b>Note* Please refer annexure no. 16 for Secured Loan &amp; Unsecured Loan</b>		
<b>17</b>	<b>TRADE PAYABLES</b>		
	<b>Current</b>		
	Micro, Small and Medium Enterprises	-	-
	Others (including 1.06 lakhs due t related parties)	6,945.76	7,850.83
	<b>Total - Current</b>	<u>6,945.76</u>	<u>7,850.83</u>
<b>18</b>	<b>OTHER FINANCIAL LIABILITIES</b>		
	<b>Current</b>		
	Current maturities of Fixed Deposits	2,199.09	2,265.33
	Interest payable on Fixed Deposit	3,161.07	2,716.70
	Security Deposits from Others	0.75	0.75
	<b>Total - Current</b>	<u>5,360.91</u>	<u>4,982.78</u>
<b>19</b>	<b>OTHER CURRENT LIABILITIES</b>		
	<b>Current</b>		
	Advances from Customers	3,174.67	3,394.45
	Unclaimed Dividend	-	-
	Payable to employees	170.26	157.24
	Statutory Liabilities	403.27	-
	Other Payable	1,734.49	1,502.43
	<b>Total - Current</b>	<u>5,482.69</u>	<u>5,054.12</u>
<b>20</b>	<b>PROVISIONS</b>		
	<b>Non-Current</b>		
	<b>Provision for Employee Benefits</b>		
	Gratuity	319.69	296.00
	Leave benefits	47.30	49.06
	Provision for Contingencies	294.12	294.12
	<b>Total Non - Current</b>	<u>661.11</u>	<u>639.18</u>



Amount Rs. In lacs

Note No.	Particulars	As at 31st March 2019	As at 31st March 2018
	<b>Current</b>		
A)	<b>Provision for Employee Benefits</b>		
	Provision for Employee Benefits	16.53	20.74
	Contribution to Provident Fund	3.26	3.14
	Gratuity	41.38	15.27
	Leave benefits	-	4.04
	<b>Sub Total</b>	<b>61.17</b>	<b>43.19</b>
		-	
B)	Provision for expenses	1,947.61	422.15
	Provision for Excise Duty corporate tax/Tds	2.50	-
		-	
	<b>Sub Total</b>	<b>1950.11</b>	<b>422.15</b>
	<b>Total - Current</b>	<b>2,011.28</b>	<b>465.34</b>
<b>21</b>	<b>DEFERRED TAX LIABILITIES</b>		
	<b>Deferred Tax Liability</b>		
	Related to fixed assets	504.86	671.15
	<b>Deferred Tax Assets</b>	-	
	Disallowances under the Income Tax Act, 1961	-	166.29
	<b>Total</b>	<b>504.86</b>	<b>504.86</b>
<b>22</b>	<b>CURRENT TAX LIABILITIES (NET)</b>		
	Provision for Wealth Tax	1.88	1.88
	Dividend Tax on Dividend	359.08	359.08
	Provision for Interest on Dividend Tax	333.95	290.86
	<b>Total</b>	<b>694.91</b>	<b>651.82</b>

**23 REVENUE FROM OPERATIONS**

Note No.	Particulars	For the year ended 31st March 2019	For the year ended 31st March 2018
	Sale of Products (Including excise duty)	15,538.34	16,145.94
	Other operating revenue	2,824.56	1,286.10
	<b>Revenue from operations</b>	<b>18,362.90</b>	<b>17,432.04</b>



Note No.	Particulars	For the year ended 31st March 2019	For the year ended 31st March 2018
<b>24</b>	<b>OTHER INCOME</b>		
	<b>Interest:</b>		
	From Others	0.93	0.49
	Excess Provision Written back	952.25	111.23
	Net Gain on Foreign Currency Traslation & Transaction	27.01	165.74
	Other Non Operating Income	397.66	1,398.26
	<b>Total</b>	<b>1,377.86</b>	<b>1,675.72</b>
<b>25</b>	<b>COST OF RAW MATERIALS AND COMPONENTS CONSUMED</b>		
	Opening Stock	234.50	405.87
	Add : Purchase	10,811.63	13,299.67
	Less : Sales	-	-
	Less : Closing Stock	-	(234.50)
	<b>Cost of Raw Materials and Components Consumed</b>	<b>11,046.13</b>	<b>13,471.04</b>
<b>26</b>	<b>PURCHASES OF STOCK-IN-TRADE</b>		
	Pipes	745.99	481.16
	<b>TOTAL</b>	<b>745.99</b>	<b>481.16</b>
<b>27</b>	<b>CHANGES IN INVENTORIES OF FINISHED GOODS, SEMI-FINISHED GOODS AND STOCK-IN-TRADE</b>		
	<b>Inventories at the beginning of the year</b>		
	Finished Goods/Stock -in -Trade	69.12	253.16
	Semi-Finished Goods	-	543.30
	Scrap etc.	-	8.63
		<b>69.12</b>	<b>805.09</b>
	<b>Inventories at the end of the year</b>		
	Finished Goods/Stock -in -Trade	-	69.12
	Semi-Finished Goods	-	-
	Scrap etc.	0.80	(0.01)
		<b>0.80</b>	<b>69.12</b>
	<b>Change in Inventories</b>		
	Finished Goods	-	184.04
	Semi-Finished Goods	-	543.30
	Stock-in-Trade	68.32	8.63
		<b>68.32</b>	<b>735.97</b>



Note No.	Particulars	For the year ended 31st March 2019	For the year ended 31st March 2018
	Variation in excise duty on closing and opening stock of Finished Goods	-	(29.08)
	<b>TOTAL</b>	<b>68.32</b>	<b>706.89</b>
<b>28</b>	<b>EMPLOYEE BENEFITS EXPENSE</b>		
	Salaries, Wages and Bonus	843.27	860.05
	Contribution to Provident and Other Funds	18.58	23.16
	Staff Welfare Expenses	26.94	20.84
	<b>Sub Total(A)</b>	<b>888.79</b>	<b>904.05</b>
<b>29</b>	<b>FINANCE COSTS</b>		
	Interest Expenses	724.68	60.94
	Bank Charges	4.26	707.86
	<b>Total</b>	<b>728.94</b>	<b>768.80</b>
<b>30</b>	<b>DEPRECIATION AND AMORTIZATION EXPENSES</b>		
	Depreciation on Tangible Assets	601.26	731.88
	Amortisation of Intangible Assets	-	1.57
	<b>Total</b>	<b>601.26</b>	<b>733.45</b>
<b>31</b>	<b>OTHER EXPENSES</b>		
<b>A)</b>	<b>Manufacturing Expenses</b>		
	Consumption of Stores and Spares	483.22	399.21
	Power, fuel and water	446.53	509.61
	Repairs and maintenance:		
	Buildings	1.91	14.30
	Plant and machinery	19.84	18.38
	Conversion, Octroi and Other manufacturing expenses	1,755.92	207.01
	<b>Sub Total (A)</b>	<b>2,707.42</b>	<b>1,148.51</b>
<b>B)</b>	<b>Selling and Distribution Expenses</b>		
	Freight, Forwarding, Handling Expenses & Others	154.08	64.73
	Commission	109.24	32.12
	<b>Sub Total (B)</b>	<b>263.32</b>	<b>96.85</b>
<b>C)</b>	<b>Establishment Expenses</b>		
	Rent	13.40	0.40
	Insurance	4.69	5.01
	Rates and taxes	45.63	80.25



Note No.	Particulars	For the year ended 31st March 2019	For the year ended 31st March 2018
	Miscellaneous expenses	2,382.41	744.79
	<b>Payment to Auditor</b>		
	Auditors' remuneration (excluding service tax)		
	As Auditor	9.00	9.00
	For Limited Review	1.50	2.00
	For Reimbursement of Expenses	0.82	0.01
	Cost Audit fees	-	
	Other Repairs	73.17	6.31
	Bad Debts, irrecoverable advances and claims written off	11,517.95	3,529.64
	<b>Sub Total (C)</b>	<b>14,048.57</b>	<b>4,377.41</b>
	<b>Total (A+B+C)</b>	<b>17,019.31</b>	<b>5,622.77</b>

**32. Earnings per share (EPS):**

Particulars	(Rs.in Lakhs)	
	31st March, 2019	31st March, 2018
<b>Net Profit / (Loss) after tax attributable to Equity Shareholders (A)</b>	<b>(12016.90)</b>	<b>(4107.34)</b>
No. of Equity Shares outstanding during the year for calculating Basic EPS <b>(B)</b>	<b>131280448</b>	131280448
No. of Equity Shares outstanding during the year for calculating Diluted EPS <b>(C)</b>	<b>131280448</b>	131280448
Nominal Value of Equity Shares (Rs)	10/-	10/-
Basic EPS (Rs) <b>(A / B)</b>	<b>(9.15)</b>	(3.13)
Diluted EPS (Rs) <b>(A / C)</b>	<b>(9.15)</b>	(3.13)

**33. Contingent liabilities and Commitments (to the extent not provided for)**

<b>(a)</b> Estimated amount of contracts remaining to be executed on capital account (net of advances), not provided for:	<b>NIL</b>	<b>NIL</b>
<b>(b) Contingent liabilities not provided for</b>		
1. Non Provision of Interest Post NPA Claims Not Acknowledged as Debts		17487.23
2. Disputed Demands on account		
a) Maharashtra VAT	17882.12	17356.88
b) Income Tax	3947.95	3947.95
<b>Sub Total</b>	<b>21830.07</b>	<b>21304.83</b>
<b>Total</b>	<b>21830.07</b>	<b>38792.06</b>

**(c)** The Company is a party to various legal proceedings in the normal course of business and does not expect the outcome of the proceedings to have any adverse effect on its financial conditions, results of operations or cash flows.

**34 Utilization of proceeds of public/ right issue as on 31st March, 2019 is as under:**

Description	Total Cost	Estimated	To be Deployed as on 31st March, 2019	(Rs.in Lakhs)
				To be Deployed as on 31st March, 2018
Land and Building	1000.00		<b>1000.00</b>	1000.00
Plant and Machinery(Imported&Indigenous)	8532.00		<b>8321.00</b>	8321.00
Miscellaneous Fixed Assets	3696.00		<b>3696.00</b>	3696.00
Contingencies	272.00		<b>272.00</b>	272.00
<b>Balance amount to be spent</b>	<b>13500.00</b>		<b>13289.00</b>	<b>13289.00</b>

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

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

The shareholders of the company at the Annual General Meeting held on 17th September, 2012 approved variation in utilization 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 as may be decided by the Board. Out of Rs. 13500 Lacs, Rs. 8036 Lacs will be utilized from the unutilized proceeds of public issue and balance Rs.5464 lacs will be from unutilized proceeds of GDR issue. The detail of utilization of proceeds of Rs. 13500 lakh is given here above.

**35 Subsidiaries**

(a) The consolidated financial statements presents the consolidated accounts of Zenith Birla (India) Limited with its following foreign subsidiary

Name of the subsidiary	Country of Incorporation	Proportion of Ownership Interest
Zenith USA	United States Of America	100%
Zenith Middle East FZE	United Arab of 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 company. Recognising this purpose ,the company has disclosed only such policies and notes from the individual financial statements, which fairly present the needed disclosures

(c) Summarised Financial Position of the subsidiaries

Particular	(Rs.in lakhs)			
	Zenith USA INC		Zenith Middle East FZE	
	As at 31.03.2019	As at 31.03.2018	As at 31.03.2019	As at 31.03.2018
Non -current assets	0.00	0.00	0.00	0.00
Current assets	1822.31	3270.62	8.68	9722.72
<b>Total Assets (A)</b>	<b>1822.31</b>	<b>3270.62</b>	<b>8.68</b>	<b>9722.72</b>





Non-current liabilities				
Current liabilities	2606.10	0.00	12.45	9685.56
<b>Total Liabilities (B)</b>	2606.10	4009.20	12.45	9685.56
<b>Net Assets(A-B)</b>	-783.79	-738.58	-3.77	37.16
The Company's Share of net assets (carrying amount of interest in joint venture)	100%	100%	100%	100%
Contingent liability	0.00	0.00	0.00	0.00
Commitments	0.00	0.00	0.00	0.00

(d) Summarised Financial Performance of subsidiaries

(Rs.in lakhs)

Particular	Zenith USA INC		Zenith Middle East FZE	
	As at 31.03.2019	As at 31.03.2018	As at 31.03.2019	As at 31.03.2018
Total revenue	5163.13	4106.66	2.36	0.11
Total expenses	5208.33	4127.75	43.29	0.00
Profit/Loss before tax	-45.20	-21.09	-40.93	0.11
Tax expenses	0.00	0.00	0.00	0.00
Profit/Loss for the year	-45.20	-21.09	-40.93	0.11
Other comprehensive income(OCI)	0.00	0.00	0.00	0.00
total comprehensive income for the year	-45.20	-21.09	-40.93	0.11
Company's share in profit/loss	100%	100%	100%	100%
company's share in OCI	100%	100%	100%	100%
Company's shares in total comprehensive income	100%	100%	100%	100%

e) Additional information of Consolidated Entities, as required under schedule III to the Companies Act,2013.

(Rs.in lakhs)

Particular	Net Assets		Share in Profit or loss		Share in other Comprehensive income		Share in total Comprehensive income	
	AS % of consolidated net assets	As at 31.03.2019	AS % of consolidated profit or loss	As at 31.03.2019	AS % of consolidated OCI	As at 31.03.2019	AS % of total comprehensive Income	As at 31.03.2019
<b>Parent</b>	95.67	-23131.12	99.28	-11930.73	100.00	688.99	99.24	-11241.74
Zenith USA INC	3.24	-783.79	0.38	-45.20	0.00	0.00	0.40	-45.20
Zenith Middle East FZE	0.02	-3.77	0.34	-40.93	0.00	0.00	0.36	-40.93
<b>Adjustment on account of consolidation</b>	1.07	-259.58	0.00		0.00		0.00	0.00
<b>Total</b>	100.00	-24178.26	100.00	-12016.86	100.00	688.99	100.00	-11327.87



Particular	Net Assets		Share in Profit or loss		Share in other Comprehensive income		Share in total Comprehensive income	
	AS % of consolidated net assets	As at 31.03.2018	AS % of consolidated profit or loss	As at 31.03.2018	AS % of consolidated OCI	As at 31.03.2018	AS % of total comprehensive Income	As at 31.03.2018
<b>Parent</b>	92.52	-11889.37	99.49	-4086.35	100.00	71.91	99.48	-4014.44
Zenith USA INC	5.75	-738.59	0.51	-21.09	0.00	0.00	0.52	-21.09
Zenith Middle East FZE	-0.29	37.16	0.00	0.11	0.00	0.00	0.00	0.11
<b>Adjustment on account of consolidation</b>	2.02	-259.59	0.00	0.00	0.00	0.00	0.00	0.00
<b>Total</b>	100.00	-12850.39	100.00	-4107.33	100.00	71.91	100.00	-4035.42

36. The title deeds for land (freehold and leasehold), building, residential flats, licenses, agreements and loan documents 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.
37. The outflow of the resources in respect of pending disputed matters in respect of Sales Tax, Income Tax, VAT and Excise Duty would depend on the ultimate outcome of the disputes lying before various authorities amounting to Rs. 22124.18 Lacs (previous year Rs. 21304.83 Lacs) However company has made the provisions of Rs. 294.11 Lacs. The Company has taken legal and other steps necessary to protect its position in respect of these claims.

### 38. Related party disclosures:

#### (A) Name of related parties and nature of relationships:

As per Ind AS 24, the disclosures of transactions with the related parties are given below.

Name of the Related Party	Relationship
1. Godavari Corporation Pvt Ltd	Enterprise Owned or significantly influenced by Key Managerial personnel or their relatives where transactions have taken place.
2. Birla Global Corporate Pvt Ltd	
3. Nirved Traders Pvt Ltd	
4. Shearson Investment & trading co pvt ltd	
5. Birla International Pvt Ltd	
6. Birla electricals ltd	
7. Khopoli Investments Ltd	
8. Asian Distributors private Limited	
9. Melstar Information Technologies Ltd	
10. Sparion Infrastructure Pvt Ltd	
11. Birla Viking Travels Ltd.	
12. Birla Transia Carpets Ltd.	
13. Idv Technologies Pvt.ltd.	
14. Esspal Infotech Pvt.ltd	
15. Voilet Finance Pvt.ltd.	
16. Alosm Infotech Pvt. Ltd.	
17. Erene Microorganic Chemicals Pvt.Ltd.	
18. Suneel Sullere	Key Management Personnel



19. Ram Sahay Jagetiya	
20. B. Girvanesh	
21. Durgesh Jadhav	
22. Bhalchandra shinde	
23. Pratiksha sonawane	
24. Sanjivani shinde	
25. Sadhna patil	
26. Purshottam sonawane	

(B) Net Balance of Receivable, Payable, Deposits, Loan etc. where Transaction have Taken Place		Balance Carried to Balance Sheet (Net)		Balance Carried to Balance Sheet (Net)	
		as at 31-03-2019		as at 31-03-2018	
		Receivable	Payable	Receivable	Payable
(i) Key Management Personnel		-	6.74	-	-
(ii) Enterprises Owned or significantly influenced by key management personnel or their relatives.	1. Melstar Information Technologies Ltd			2.56	-
	2. Asian Distributors Pvt. Ltd			108.44	
	3. Birla International Pvt Ltd			291.34	
	4. Godavari Corporation Pvt Ltd			543.17	-
	5. Khopoli Investments Ltd.			18.17	-
	6. Birla Electrical Ltd.				

Note: Related party relationship is as identified by the Company and relied upon by the Auditors.

- \* 1. The increase is due to revaluation of the foreign currency .
- 2. Full provision for doubtful advance has been made against this amount

**(c) Transactions during the year ended 31st March, 2019 with related parties :**

Particulars	(Rs.in Lakhs)			
	Key Management Personnel		Enterprise owned and significantly influenced by Key Management personnel or their relatives	
	31/03/2019	31/03/2018	31/03/2019	31/03/2018
Advance Given/Payment			1.47	15.00
Advance Received			196.82	
Services Received:			4.13	
Sale of Goods	-	-		
Job Work Income	-	-		
Remuneration	38.11	20.08		

As per Ind AS 24, the disclosures of transactions with the related parties are given below.

**(D) Disclosure in respect of material transaction with related parties during year included in (B) above:**



(Rs.in Lakhs)

Particulars	(Rs. in Lacs)	
	2018-19	2017-18
1. Advance Given		
Asian Distributors Pvt. Ltd		15.00
Godavari Corporation Pvt. Ltd	0.97	
Birla Global Corporate Ltd	0.50	
2. Sale of Goods		
Zenith (USA) Inc.		
Zenith Dye intermediate Limited		
3. Job Work Income		
4. Services received		
Godavari Corporation Private Limited	4.13	
5. Advance Received		
Melstar Information Technologies Ltd.	17.44	
Asian Distributors Ltd.	179.38	
6. Remuneration Paid	38.11	20.08

**39. 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.**

**40. Segment Reporting:**

(a) Primary Business Segments:

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

(b) Secondary Segment - (Geographical):

(Rs.in Lakhs)

Particulars	2018-19	2017-18
<b>Segment Revenue</b>		
a) In India	14575.27	15001.10
b) Outside India	5165.49	4106.66
<b>Total Income from operations</b>	<b>19740.76</b>	<b>19107.76</b>
<b>Segment Assets :- Carrying Cost of Assets by Location of Assets</b>		
a) In India	21776.58	21728.41
b) Outside India	1831.00	12899.05
c) Unallocated Assets	0.00	0.00
<b>Total</b>	<b>23607.58</b>	<b>34627.46</b>
<b>Additional to Assets and Intangible Assets</b>		
a) In India	40.10	28.78
b) Outside India	0.00	0.00
<b>Total</b>	<b>40.10</b>	<b>28.78</b>



#### 41. Disclosures in respect of Derivatives Instruments:

i Derivative instruments outstandings as at 31st March 2019 Rs. NIL.(Previous year Rs NIL)

ii Foreign currency exposure that are not hedged by forward contracts as at 31st March,2019.

Particulars	Amount (USD) 2018-19	Amount (USD) 2017-18
1. Term Loan	4,811,593.49	4,654,208.40
2. Debtors	1,519,250.49	2,985,534.45
3. Other Payables	-	-
4. Other Receivables	15765488.29 *	15,765,488.29

\* Full provision for doubtful advance has been made against this amount

42. The Company has recognised exchange differences arising on long term foreign currency monetary items in line with para 29A of IND AS 21

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 2018-19 amounting to Rs.152.66 lacs, (Previous Year Rs 7.60lacs) 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.

43. Balances of Sundry Creditors, Debtors, Loans and Advances, Deposits and Current Liabilities are as per books of accounts in absence of confirmation and reconciliation thereon.

44. The company has declared a lockout at its Khopoli Unit since November. 2013

45. The Company has entered into an agreement with M/S Tribus Real Estate Pvt. Ltd. for taking over the company's bank outstanding as reflected earlier in the company books on terms agreed to between the Company and Tribus Real Estate Pvt. Ltd. Consequently the outstanding of the banks in the books of the company are transferred to TribusReal Estate Pvt.Ltd. and hence now classified as "secured loan from others".The security on the loans continue to be in favor of the banks

46. Consortium of banks has taken action under Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act 2002 in February,2014 and called upon the company to repay the amount of Rs 193.19 Crores towards the dues as on 31.01.2014 within sixty days. Thereafter the consortium of banks have taken symbolic possession on 29.05.2014 of the immovable assets at the Khopoli unit and filed a case for taking physical possession ,which will be reviewed afresh by Invent Assets Securitisation and Reconstruction Private Limited since the loan has been assigned to them by bank on 31-03-2018

47. Interest amounting to Rs. 3.63 crores (previous Year Rs 3.63 crores) during the year on ICD's given by the company is not considered as income due to realisability not being certain.

48. Debit balances aggregating Rs.4.40 crores (Previous year Rs 35.30 crores) considered unrealizable have been written off as a prudent measure

49. The accumulated losses till 31st March, 2019 ,has exceeded the share capital value including other reserves, thereby the net worth of the company has been completely eroded. However on account of strategic understanding with suppliers/customers the company is on the revival mode and is operating some of the units. In view of the same the going concern concept holds good.

**50. Fair values of financial assets and financial liabilities:**

The fair value of other current financial assets, cash and cash equivalents, trade receivables, trade payables, short term borrowings and other financial liabilities approximate the carrying amounts because of the short term nature of these financial instruments.

The amortised cost using effective interest rate (EIR) of non current financial assets consisting of security and term deposits are not significantly different from the carrying amount.

Financial assets that are neither past due nor impaired includes cash and cash equivalents, security deposits, term deposits and other financial assets.

The impact of fair value on non current borrowings, non current security deposits and non current term deposits are not significant and therefore the impact of fair value is not considered for above disclosure.

**51. Fair value hierarchy:**

The following is the hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

\*Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

\*Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

\*Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

No financial assets/liabilities have been valued using level 1 and level2 fair value measurements.

The following table presents fair value hierarchy of assets and liabilities measured at fair value on a recurring basis:

Particulars	(Rs.in Lakhs)	
	31st March, 2019	31st March, 2018
<b>Level 1</b> (Quoted price in active markets)	-	-
<b>Level 2</b>		
Financial assets measured at fair value through profit or loss	-	-
Financial liability measured at fair value through profit or loss	-	-
	-	
<b>Level 3</b>	-	
Financial assets measured at fair value through profit or loss	-	
Trade receivables	3733.28	3091.49
Cash and cash equivalents	264.30	251.31
Bank balances other than cash and cash equivalent	1.85	0.05
Loans and advances	6550.17	17253.94
Other financial assets	-	0.00
Other current assets	3227.83	2954.40



Particulars	(Rs.in Lakhs)	
	31st March, 2019	31st March, 2018
The carrying amounts of trade receivables, cash and cash equivalents and other bank balances, loans and advances, other financial assets and other current assets are considered to approximate their fair values due to their short term nature.		
Financial liability measured at amortized cost		
Borrowings	25,570.95	24507.39
Trade Payables	8,119.62	7523.05
Other financial liabilities	5,360.91	4982.78
Other current liabilities	5,248.68	4377.63

The carrying amounts of borrowings, trade payables, other financial liabilities and other current liabilities are considered to approximate their fair values due to their short term nature. They are classified as level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs including own and counterparty credit risk.

## 52. Financial risk management objectives and policies:

The Company is exposed to various financial risks. These risks are categorized into market risk, credit risk and liquidity risk. The Company's risk management is coordinated by the Board of Directors and focuses on securing long term and short term cash flows. The Company does not engage in trading of financial assets for speculative purposes.

### (A) Market risk:

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include borrowings and derivative financial instruments.

#### (i) Interest rate risk:

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates.

#### (ii) Foreign currency risk:

The Company is exposed to foreign currency risk arising mainly on borrowing, export of finished goods and import of raw material. Foreign currency exposures are managed within approved policy parameters utilising forward contracts.

### (B) Credit risk:

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Credit risk arises principally from the statutory deposits with regulatory agencies and also arises from cash held with banks and financial institutions. The maximum exposure to credit risk is equal to the carrying value of the financial assets. The objective of managing counterparty credit risk is to prevent losses in financial assets. The Company assesses the credit quality of the counterparties, taking into account their financial position, past experience and other factors.



The Company limits its exposure to credit risk of cash held with banks by dealing with highly rated banks and institutions and retaining sufficient balances in bank accounts required to meet a month's operational costs. The Management reviews the bank accounts on regular basis and fund drawdowns are planned to ensure that there is minimal surplus cash in bank accounts. The Company does not foresee any credit risks on deposits with regulatory authorities.

**(C) Liquidity risk:**

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company manages its liquidity risk by ensuring, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due.

**53. Capital management:**

For the purpose of the Company's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders. The primary objective of the Company's capital management is to maximize the shareholder value and to ensure the Company's ability to continue as a going concern.

The Company monitors gearing ratio i.e. total debt in proportion to its overall financing structure, i.e. equity and debt. Total debt mainly comprises of borrowings from banks, financial institutions and Unsecured Loans. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets.

Particulars	31st March, 2019	31st March, 2018
(i) Total equity	(12,868.46)	(12,850.40)
(ii) Total debt	26,107.81	27,328.94
(iii) Overall financing (i+ii)	13,239.35	14,478.54
(iv) Gearing ratio (ii/iii)	1.97	1.89

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2019, 31 March 2018

**54. Corporate social responsibility:**

(A) The provisions stipulated under section 135 of the Companies Act 2013 are not applicable to the company for the year as there has been no profits for the last three years, negative net worth, and the turnover is below the limit specified

negative net worth, and the turnover is below the limit specified

(B) No expenditure has been paid to a related party, in relation to CSR expenditure as per Ind-AS 24, Related Party Disclosures.

**55 Disclosure under MSME Act, 2006**

The Principal amount due to suppliers registered under MSME Act and remaining unpaid as at year end is Rs Nil. However interest on late payment to such parties could not be ascertained due to identification of them was at very far end but there has been no claim lodged by any of them with the company.

**56 AMENDMENTS TO IND AS:**

Ministry of Corporate Affairs ("MCA") has notified following amendments to Ind AS on March 30, 2019 which is effective for the annual period beginning on or after April 01, 2019:





**(a) Ind AS 116 Leases:**

Ind AS 116 will replace the existing leases standard, Ind AS 17 Leases. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. It introduces a single, on-balance sheet lessee accounting model for lessees. A lessee recognises right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. The standard also contains enhanced disclosure requirements for lessees.

The Company will recognize a lease liability measured at the present value of the minimum lease payments. The right-of-use asset is recognised at its carrying amount as if the Standard had been applied since the commencement date, but discounted using the lessee's incremental borrowing rate as at April 1, 2019. In accordance with the standard, the Company will elect not to apply the requirements of Ind AS 116 to short-term leases and leases for which the underlying asset is of low value.

The Company will adopt Ind AS 116 effectively for the annual reporting period beginning April 1, 2019.

Except for the disclosure requirement, the new standard will not impact the company's financial statements, as most of the Company's leases are short term leases and the underlying assets is of low value.

**(b) Ind AS 12 - Appendix C, Uncertainty over Income Tax Adjustments**

The amendment requires an entity to determine probability of the relevant tax authority accepting the uncertain tax treatment that the Company have used in tax computation or plan to use in their income tax filings.

**(c) Amendment to Ind AS 12 – Income taxes**

The amendment clarifies that an entity shall recognize the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognized those past transactions or events.

**(d) Ind AS 19 - Plan amendment, curtailment or settlement**

The amendments require an entity to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement and to recognize in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognized because of the impact of the asset ceiling.

Based on preliminary assessment, the Company does not expect any significant impact on its financial statements on account of above amendments.

**57.** Previous year figures have been regrouped/ reclassified to conform presentation as per Ind AS as required by Schedule III of the Act.

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

Place: Mumbai  
Date: 7<sup>th</sup> May, 2019

**For and on behalf of Board of Directors**

**Purushottam Sonavane**  
Director  
DIN.08405653

**B. Girvanesh**  
Chief Financial Officer

**Sadhana Patil**  
Director  
DIN.06565115

**Suneel Sullere**  
Company Secretary  
ACS.42922



Additional Note No.-2, 3 & 4 For Consolidated Accounts  
**2] PROPERTY, PLANT & EQUIPMENT As on 31st March 2019**

Assets	GROSSBLOCK			DEPRECIATION			NETBLOCK			
	As on 01.04.2018	Addition	Deductions / Adjustments	As on 31.03.2019	Upto 01.04.2018	For the Year	Deduction / Adjustment	Upto 31.03.2019	As on 31.03.2019	As on 31.03.2018
<b>Tangible Assets</b>										
Freehold Land	1,696.59	-	-	1,696.59	-	-	-	-	1,696.59	1,696.59
Leasehold Land	199.23	-	-	199.23	32.79	6.39	-	39.17	160.06	166.44
Buildings	5,107.96	7.03	-	5,114.99	2,643.45	290.76	-	2,934.21	2,180.78	2,464.51
Plant & Machinery	7,364.74	16.27	-	7,381.01	3,758.71	279.54	-	4,038.25	3,342.76	3,606.03
Furniture & Fixtures	373.08	0.16	-	373.24	323.90	17.40	-	341.30	31.94	49.18
Vehicles	204.15	-	179.65	24.50	185.42	2.90	175.88	12.44	12.06	18.73
Office Equipments	2766	0.53	-	28.19	25.61	0.54	-	26.15	2.04	2.05
Computer	202.86	2.47	-	205.33	180.00	2.43	-	182.43	22.90	22.86
<b>Total</b>	<b>15,176.27</b>	<b>26.46</b>	<b>179.65</b>	<b>15,023.08</b>	<b>7,149.89</b>	<b>599.96</b>	<b>175.88</b>	<b>7,573.96</b>	<b>7,449.12</b>	<b>8,026.38</b>
<b>Previous Year</b>	<b>15,635.97</b>	<b>83.55</b>	<b>545.45</b>	<b>15,174.07</b>	<b>6,445.05</b>	<b>731.88</b>	<b>29.23</b>	<b>7,147.70</b>	<b>8,026.37</b>	<b>9,190.92</b>

**2] PROPERTY, PLANT & EQUIPMENT As on 31st March 2018**

Assets	GROSSBLOCK			DEPRECIATION			NETBLOCK			
	As on 01.04.2017	Addition	Deductions / Adjustments	As on 31.03.2018	Upto 01.04.2017	For the Year	Deductions / Adjustments	Upto 31.03.2018	As on 31.03.2018	As on 31.03.2017
<b>Tangible Assets</b>										
Freehold Land	1,824.42	-	127.83	1,696.59	-	-	-	-	1,696.59	1,824.42
Leasehold Land	199.23	-	-	199.23	26.40	6.39	-	32.79	166.44	172.83
Buildings	5,519.78	5.80	417.62	5,107.96	2,334.46	338.23	29.23	2,643.45	2,464.50	3,185.32
Plant & Machinery	7,288.41	76.33	-	7,364.74	3,473.90	284.81	-	3,758.71	3,606.03	3,814.51
Furniture & Fixtures	373.08	-	-	373.08	261.70	62.20	-	323.90	49.18	111.38
Vehicles	204.15	-	-	204.15	147.20	38.22	-	185.42	18.73	56.95
Office Equipments	26.92	0.74	-	27.66	25.20	0.41	-	25.61	3.35	1.72
Computer	202.18	0.68	-	202.86	178.39	1.62	-	180.00	21.56	23.79
<b>Total</b>	<b>15,638.17</b>	<b>83.55</b>	<b>545.45</b>	<b>15,176.27</b>	<b>6,447.25</b>	<b>731.88</b>	<b>29.23</b>	<b>7,149.89</b>	<b>8,026.38</b>	<b>9,190.92</b>
<b>Previous Year</b>	<b>15,535.24</b>	<b>100.74</b>	<b>-</b>	<b>15,638.17</b>	<b>5,821.63</b>	<b>631.96</b>	<b>8.54</b>	<b>6,447.25</b>	<b>9,190.92</b>	<b>9,713.61</b>



3] CAPITAL WORK IN PROGRESS As on 31st March 2019										
Assets	GROSSBLOCK			DEPRECIATION			NETBLOCK			
	As on	Additions	Deductions/ Adjustments	As on	Upto	For the Year	Deductions/ Adjustments	Upto	As on	As on
	01.04.2018	-	-	31.03.2019	01.04.2018			31.03.2019	31.03.2019	31.03.2018
Leasehold Land	-	-	-	-	-	-	-	-	-	-
Buildings	-	-	-	-	-	-	-	-	-	-
Plant & Machinery	1,278.06	165.65	-	1,443.71	-	-	-	-	1,443.71	1,278.06
Furniture & Fixtures	-	-	-	-	-	-	-	-	-	-
Office Equipments	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>1,278.06</b>	<b>165.65</b>	<b>-</b>	<b>1,443.71</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,443.71</b>	<b>1,278.06</b>
<b>Previous Year</b>	<b>1,270.46</b>	<b>7.60</b>	<b>-</b>	<b>1,278.06</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,278.06</b>	<b>1,270.46</b>
3] CAPITAL WORK IN PROGRESS As on 31st March 2018										
Assets	GROSSBLOCK			DEPRECIATION			NETBLOCK			
	As on	Additions	Deductions/ Adjustments	As on	Upto	For the Year	Deductions/ Adjustments	Upto	As on	As on
	01.04.2018	-	-	31.03.2019	01.04.2018			31.03.2019	31.03.2019	31.03.2019
Leasehold Land	-	-	-	-	-	-	-	-	-	-
Buildings	-	-	-	-	-	-	-	-	-	-
Plant & Machinery	1,270.46	7.60	-	1,278.06	-	-	-	-	1,278.06	1,270.46
Furniture & Fixtures	-	-	-	-	-	-	-	-	-	-
Office Equipments	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>1,325.73</b>	<b>7.60</b>	<b>-</b>	<b>1,278.06</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,278.06</b>	<b>1,270.46</b>
<b>Previous Year</b>	<b>1,704.45</b>	<b>-</b>	<b>378.72</b>	<b>1,325.73</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,325.73</b>	<b>1,704.45</b>
4] INTANGIBLE ASSETS As on 31st March 2019										
Assets	GROSSBLOCK			DEPRECIATION			NETBLOCK			
	As on	Additions	Deductions/ Adjustments	As on	Upto	For the Year	Deductions/ Adjustments	Upto	As on	As on
	01.04.2018			31.03.2019	01.04.2018			31.03.2019	31.03.2019	31.03.2018
Computer Software	29.55	0.65	-	30.20	23.29	1.31	-	24.60	5.60	6.26
<b>Total</b>	<b>29.55</b>	<b>0.65</b>	<b>-</b>	<b>30.20</b>	<b>23.29</b>	<b>1.31</b>	<b>-</b>	<b>24.60</b>	<b>5.60</b>	<b>6.26</b>
<b>Previous Year</b>	<b>29.05</b>	<b>0.50</b>	<b>-</b>	<b>29.55</b>	<b>21.72</b>	<b>1.57</b>	<b>-</b>	<b>23.29</b>	<b>6.26</b>	<b>7.33</b>
4] INTANGIBLE ASSETS As on 31st March 2018										
Previous Year	GROSSBLOCK			DEPRECIATION			NETBLOCK			
	As on	Additions	Deductions/ Adjustments	As on	Upto	For the Year	Deductions/ Adjustments	Upto	As on	As on
	01.04.2018			31.03.2019	01.04.2018			31.03.2019	31.03.2019	31.03.2019
Computer Software	29.05	0.50	-	29.55	21.72	1.57	-	23.29	6.26	7.33
<b>Total</b>	<b>29.05</b>	<b>0.50</b>	<b>-</b>	<b>29.55</b>	<b>21.72</b>	<b>1.57</b>	<b>-</b>	<b>23.29</b>	<b>6.26</b>	<b>7.33</b>
<b>Previous Year</b>	<b>21.55</b>	<b>7.50</b>	<b>-</b>	<b>29.05</b>	<b>21.55</b>	<b>0.17</b>	<b>-</b>	<b>21.72</b>	<b>7.33</b>	<b>-</b>

**16. A LONG TERM BORROWINGS (Additional Note No. 16)**

Note: Terms of Borrowing

SN	Nature of Security	Original amt of borrowing (₹ In Lacs)	Tenor since Inception (In Years)	Terms of Repayment	Month in which last installment is due	Repayment schedule Installments (₹ In Lacs)	balance as on 31st March 2019	balance as on 31st March 2018	Prevailing Interest Per Annum
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	0.00	158.95	15%
2	Loan from other is secured by First charge (hypothecation) of all movable assest, 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	2558.48	2405.82	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 (exclusive all movable asstes charges to FMO on exclusive basis)	1125	8.5	Quarerly	Feb-19	51.13	0.00	1231.64	16.25%
	<b>Sub-Total</b>						2558.48	<b>3796.41</b>	
	<b>Total*</b>						2558.48	<b>3796.41</b>	

\* Included in Note 16 Current Secured Loans

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

Place: Mumbai

Date: 7<sup>th</sup> May, 2019**For and on behalf of Board of Directors****Purushottam Sonavana****Director****DIN.08405653****B. Girvanesh**

Chief Financial Officer

**Sadhana Patil****Director****DIN.06565115****Suneel Sullere**

Company Secretary

ACS.42922





**ZENITH BIRLA (INDIA) LTD**

CIN: L29220MH1960PLC011773

Regd. Office: 5th Floor, Industry House, 159, Churchgate Reclamation, Mumbai - 400020

Tel: 022-66168400, Fax: 022-22047835 I

Email: shares@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 SEVENTH ANNUAL GENERAL MEETING of the Company on Friday, the 27th September, 2019 at 11.30 a.m. at 2nd Floor, Library Hall, IMC Building, IMC Marg, Churchgate, Mumbai – 400020.

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: 5th Floor, Industry House, 159, Churchgate Reclamation, Mumbai - 400020

Tel: 022-66168400, Fax: 022-22047835 I

Email: shares@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:

1. Name..... of.....  
Email:..... Signature.....or failing him/her,

1. Name..... of.....  
Email:..... Signature.....or failing him/her,

1. Name..... of.....  
Email:..... 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 SEVENTH Annual General Meeting of the company, to be held on Friday, the 27th September, 2019 at 11:30 a.m. at 2nd Floor, Library hall, IMC Building, IMC Marg, Churchgate, Mumbai – 400020 and at any adjournment thereof, in respect of such resolutions are:

Resolution Number	Resolution	Vote (Optional see note 2) (Please mention no. of Shares)		
		For	Against	Abstain
<b>Ordinary Business:</b>				
1.	To receive, consider and adopt:			
a.	the Audited Standalone Financial Statements of the Company for the financial year ended March 31, 2019, together with the Reports of the Board of Directors and the Auditors thereon; and			
b.	the Audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2019, together with the Report of the Auditors thereon.			
2.	Re-appointment of M/s. Thakur Vaidyanath Aiyar & Co as Statutory Auditor of the Company			
<b>Special Business:</b>				
3.	Ratification of Cost Auditors remuneration:			
4.	Appointment of Mr. Purushottam Sonavane as a Director of the Company			
5.	Appointment of Mrs. Sanjivani Shinde as an Independent Director of the Company			
6.	Appointment of Mrs. Sadhana Patil as an Independent Director of the Company			
7.	Appointment of Mrs. Minal Pote as Whole Time Director of the Company			

Signed this.....day of....., 2019

Signature of Shareholder:

Affix Re.1 Reveue 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 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.



**ZENITH BIRLA (INDIA) LTD**

CIN: L29220MH1960PLC011773

Regd. Office: 5th Floor, Industry House, 159, Churchgate Reclamation, Mumbai - 400020

Tel: 022-66168400, Fax: 022-22047835 |

Email: shares@zenithsteelpipes.com | Website: www.zenithsteelpipes.com

**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](http://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/-**

**Suneel Sullere**

**Company Secretary.**

**ACS: 42922**





## 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](http://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.

# WHY ZBIL

- ◆ Pioneers in the manufacture of ERW pipes in India
- ◆ Imported machinery from M/S Mannesmann A.G. Germany
- ◆ Producer of a wide range of quality products: ERW Black & G.I. pipes and Spiral Pipes along with types of coatings for various kinds of critical & non critical applications
- ◆ Awarded with various Export Excellency Awards (awards)
- ◆ Single Largest exporter of galvanized pipes to US from India
- ◆ Capability to plan & execute large sized orders for client specific requirements (e.g. executed the single largest order to supply 16,000 MT ERW pipes for Saudi - Iraq Border)
- ◆ Global supplier of ERW pipes to more than 83 countries for various prestigious projects
- ◆ Extensive dealer network across India
- ◆ Provides value for money
- ◆ Reliable source of quality pipes
- ◆ Trusted brand for more than 50 years in the global market

## BEST MATERIALS

Reliable Source of  
quality Pipes.

## PROFESSIONAL STANDARDS

Work with us involves a  
carefully planned series  
of steps, centered around  
a schedule we stick  
to and daily  
communication.

## PIONEERS IN THE MANUFACTURE OF ERW PIPES IN INDIA

Established in 1960, commenced  
commercial production in 1962. The  
first in India to produce ERW pipes.



## COURIER / REGISTERED POST / SPEED POST



### WE HAVE EXECUTED SEVERAL DOMESTIC & INTERNATIONAL PRESTIGIOUS PROJECTS, TO NAME A FEW:

1. Barricade Fencing Project at White House, Washington, USA.
2. Saudi-Iraq Border Fencing Project 16100 Metric tons
3. Kuwait-Iraq Border Fencing Project 2500 MT
4. Burj Dubai Development – The Resident Phase – I, II & III
5. World Trade Centre, Dubai
6. Emirates Aviation College Extension Deira, Dubai.
7. Supplied Black & Galvanized Pipes for Burj Khalifa Tower Project, Dubai.
8. D.Y. Patil Stadium, Nerul, Mumbai, India.
9. Magarpatta, Pune, India.
10. Irrigation & Public Health Department, Himachal Pradesh, India 12650 Metric Tons.
11. L&T for Transmission of water in Tamilnadu, India TWAD 26000 M Tons.

### EXPORT EXCELLENCE AWARDS



If Undelivered, Please return to

**ZENITH BIRLA (INDIA) LTD.**

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