



THE YASH BIRLA GROUP

ZENITH BIRLA (INDIA) LIMITED



Annual Report 2012 - 2013

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CORPORATE INFORMATION

- **Board of Directors**

Shri Yashovardhan Birla	(Chairman)
Shri M.S. Arora	(Managing Director) resigned w.e.f. 24.07.2013
Shri Augustine P. Kurias	(Independent Director)
Shri Pushkar M. Natu	(Executive & Non-Independent Director) appointed w.e.f. 24.07.2013
Shri Jignesh Bipin Mehta	(Independent Director) appointed w.e.f. 14.08.2013
Shri P.V.R. Murthy	(Non Executive & Non-Independent Director) resigned w.e.f. 14.08.2013
Shri D. V. Kapur	(Independent Director) resigned w.e.f. 24.07.2013
Shri Anoj Menon	(Independent Director) resigned w.e.f. 27.05.2013

- **Company Secretary & Compliance Officer**

Mrs. Harsha Kedia - Resigned w.e.f.25.09.2012
Ms. Karishma Palejwala- Resigned w.e.f. 25.05.2013
Mr. Vimal Prakash Dubey- Appointed w.e.f. 18.06.2013

- **Auditor**

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

- **Bankers**

State Bank of India
Punjab National Bank
Bank of Baroda
Oriental Bank of Commerce
Bank of India
Axis Bank
Shamrao Vittal Co-operative Bank

- **Works**

- **Khopoli Unit**

Tal. Khopoli
Dist Raigad
Maharashtra 410203

- **Murbad Unit**

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

- **Tarapur Unit**

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

- **Kanchi Puram Unit**

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

- **Trichy Unit**

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

- **Registered Office**

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

- **Corporate Office**

Vedant Commercial Complex,
Building No. S-2, 2nd floor, Vartak Nagar,
Pokhran Road No. 1, Thane (W)-400 606,
Tel: 022-67933000, Fax: 022-67933111

- **Registrars & Share Transfer Agents**

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



NOTICE

Notice is hereby given that the Fifty First Annual General Meeting of the members of **ZENITH BIRLA (INDIA) LIMITED** will be held on Tuesday, 24th day of September, 2013 at 3.30 p.m. at Hall of Culture, Discovery of India Building, Nehru Centre, Dr. Anne Besant Road, Worli, Mumbai-400 018, to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at March 31, 2013, Profit and Loss Account for the year ended on that date and the reports of the Board of Directors and Auditors thereon.
2. To appoint a director in place of Shri Augustine Kurias who retires by rotation and being eligible, offers himself for re-appointment.
3. To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:
“**RESOLVED THAT** M/s. Thakur Vaidyanath Aiyar & Co, Chartered Accountants, Mumbai (Firm Registration Number: 000038N) be and are hereby appointed as the Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting until 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:

4. TO CONSIDER AND APPROVE THE APPOINTMENT OF SHRI PUSHKAR M. NATU AS DIRECTOR OF THE COMPANY

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

“**RESOLVED THAT** Shri Pushkar M. Natu, who was appointed as an additional Director of the Company by the Board of Directors and who ceases to hold office under section 260 of the Companies Act, 1956 and in respect of whom the Company has received a notice Section 257 in writing, his candidature for the office of Director, be and is hereby elected and appointed as Director of the Company.”

5. TO CONSIDER AND APPROVE THE APPOINTMENT OF SHRI JIGNESH MEHTA AS DIRECTOR OF THE COMPANY

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

“**RESOLVED THAT** Shri Jignesh Mehta, who was appointed as an additional Director of the Company by the Board of Directors and who ceases to hold office under section 260 of the Companies Act, 1956 and in respect of whom the Company has received a notice Section 257 in writing his candidature for the office of Director, be and is hereby elected and appointed as Director of the Company liable to retire by rotation.”

6. TO CONSIDER AND APPROVE THE APPOINTMENT OF SHRI PUSHKAR M. NATU AS WHOLE TIME DIRECTOR OF THE COMPANY FOR A PERIOD OF 3 YEARS

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

“**RESOLVED THAT** pursuant to provisions of sections 198, 269, 309, 316 and all other applicable provisions, if any of the Companies Act, 1956, and subject to the approval of the Central Government, and such alterations and modifications, if any, that may be effected by the Central Government in granting such approvals, consent of the Company be and is hereby accorded to appointment of Shri Pushkar M. Natu as Whole- time Director of the Company for a period of 3 years with effect from 14.08.2013 on the following terms, conditions & remuneration as approved by the remuneration committee of the Board of Directors of the Company.

I. SALARY/ PERQUISITES/BENEFITS/ALLOWANCE

1. Shri. Pushkar M. Natu shall be entitled to a salary, perquisites, allowance, benefits not exceeding ₹ 30 Lakhs per annum.
2. Perquisites, benefits and allowance includes House Rent Allowance, Furnishing Allowance, House Maintenance, gas, electricity, water, Medical Re-imburement, Leave Travel Concession for self & family, Car Maintenance and Drivers allowance, etc. and any other perquisites, benefits & allowances as per the policy / rules of the Company that may be in force. Allowances and perquisites shall be valued as per the Income Tax Rules, wherever applicable and in the absence of any such Rules, the perquisites shall be evaluated at actual costs to the Company.



“**RESOLVED FURTHER THAT** in the event of their being loss or an Inadequacy of profit for any financial year, the aforesaid remuneration payable to Shri Pushkar M. Natu shall be the minimum remuneration payable to him.”

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to alter and/or vary the terms and conditions of the said appointment and/or agreement in such manner as may be agreed to between the Board of Directors and Shri Pushkar M. Natu from time time to time, as deemed expedient or necessary and the terms of agreement shall be suitably modified to give effect to such alteration and/or variation.”

RESOLVED FURTHER THAT, Shri Pushkar M. Natu, Whole-time Director of the Company shall not be subject to retirement by rotation.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to take such steps and to do all other acts, deeds, matters and things as may be necessary, expedient or desirable to give effect to the above resolution.

7. TO CONSIDER AND APPROVE THE ISSUE OF WARRANTS OF THE COMPANY TO THE PROMOTER AND PROMOTER GROUP ON PREFERENTIAL ALLOTMENT BASIS:

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

“**RESOLVED THAT** pursuant to the provisions of Section 81 (1A) and all other applicable provisions, if any, of the Companies Act, 1956 (including any amendment(s) thereto or any statutory modification(s) or re-enactment thereof for the time being in force), Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (“SEBI Regulations”) as in force, the regulations/guidelines, if any, issued by the Government of India, the Reserve Bank of India and any other applicable laws, rules and regulations (including any amendment(s) thereto or re-enactment(s) thereof for the time being in force) and the relevant provisions of the Memorandum and Articles of Association of the Company and Listing Agreement entered into by the Company with the Stock Exchanges where shares of the Company are listed, and subject to such approvals, consents, permissions and sanctions as may be required from the Government of India, the Reserve Bank of India, Securities and Exchange Board of India, Stock Exchanges and any other relevant statutory, governmental authorities or departments, institutions or bodies (“Concerned Authorities”) in this regard and further subject to such terms and conditions or modifications thereto as may be prescribed or imposed by any of the Concerned Authorities while granting such approvals, sanctions and permissions as may be necessary (“Approvals”) and any such conditions and / or modifications as may be prescribed, stipulated or imposed by any such Approvals and / or which may be agreed to or considered necessary by the Board of Directors of the Company (hereinafter referred to as “the Board”, which term shall include any Committee constituted by the Board or any person(s) authorized by the Board to exercise the powers conferred on the Board by this Resolution), the consent, permission and approval of the Company be and is hereby accorded to the Board to create, issue, offer and allot, from time to time in one or more tranches, on a preferential allotment basis, upto 1,96,92,069 (One Crore Ninety Six Lakhs Ninety Two Thousand and Sixty Nine) warrants to the Promoter and Promoter Group of the Company (hereinafter referred to as “allottees”) entitling the warrant holders to subscribe in one or more tranches for one equity share of the face value of ₹10/- each fully paid up, at a price calculated in accordance with Regulation 76(1) of Chapter VII of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 which shall be higher of the following:

1. The average of the weekly high and low of the closing prices of the related shares quoted on the Stock Exchanges during the 26 weeks preceding the relevant date.
- OR
2. The average of the weekly high and low of the closing prices of the related shares quoted on the Stock Exchanges during the two weeks preceding the relevant date.

The allottees being as follows:

Promoter and Promoter Group:

S. No.	Name of Promoter	No. of Warrants
1.	Asian Distributors Pvt. Ltd.	98,46,035
2.	Birla Bombay Pvt. Ltd.	98,46,034
	TOTAL	1,96,92,069

**RESOLVED FURTHER THAT:**

- I. The Equity Shares to be issued and allotted by the Company on conversion of warrants in the manner aforesaid shall be subject to the provisions of the Memorandum and Articles of Association of the Company.
- II. The Equity Shares shall rank pari passu in all respects with the existing Equity Shares of the Company, including entitlement to dividend.

RESOLVED FURTHER THAT:

- I. The warrant holders shall be entitled to apply for and obtain in their sole discretion for every warrant, one equity share of ₹ 10/- each fully paid up at a price calculated in accordance with Regulation 76(1) of Chapter VII of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, which option shall be exercised by the warrant holder at any time before the expiry of 18 months ("term of the warrants") of such issue by giving a notice of at least 10 days.
- II. The warrant holders are entitled to exercise the warrants in full or in part or may decline to exercise the option to convert the warrants, in which case the unexercised warrants shall be deemed to have lapsed at the end of their term.
- III. In consideration of the warrants being subscribed, the aforesaid allottees shall pay to the Company an amount representing 25 % of the issue price of the Equity Shares at the time of allotment of the Warrants. The balance 75% shall be payable at the time of allotment of the Equity Shares pursuant to the exercise of the option of conversion of the warrants. The Board shall forfeit such amount in respect of any such warrants in respect of which the allottees do not exercise their option to convert the same into Equity Shares.
- IV. The warrant by itself shall not give the holder thereof any rights of shareholder of the Company. Further, these warrants are non-transferable and shall not be listed on the Stock Exchange(s).
- V. The Board shall be entitled to determine, vary, modify or alter any of the terms and conditions of the issue and allotment of Equity Shares and warrants, including reduction of the size of the issue, as it may deem expedient.

RESOLVED FURTHER THAT the Relevant Date for the preferential issue, in relation to the Warrants, for the purpose of determining the issue price of Equity Shares (to be allotted on exercise / conversion of the warrants) will be the date thirty days prior to the date of Annual General Meeting which is in accordance with Regulation 71 of Chapter VII of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009.

RESOLVED FURTHER THAT for the purpose of giving effect to the above, the Board be and is hereby authorized on behalf of the Company to take all such actions and do all such deeds, matters and things as it may, in its absolute discretion, deem necessary, desirable or expedient including in relation to the issue or allotment of aforesaid securities and (including the equity shares arising on exercise of the warrants) and listing thereof with the Stock Exchange(s) as appropriate and to resolve and settle all question, doubts and difficulties that may arise in the proposed issue, offer and allotment of any of the securities, utilization of the issue proceeds and to do all such acts, deeds and things in connection therewith and incidental thereto as the Board in its absolute discretion deems fit, without being required to seek any further consent or approval of the members or otherwise to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this resolution.

RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of the powers herein conferred by this resolution to any director or directors or to any committee of directors or any other officer or officers of the Company to give effect to the aforesaid resolution."

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

**Place: Mumbai
Date: 29th August, 2013**

**Vimal Prakash Dubey
Company Secretary**



Notes:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND, AND TO VOTE ON A POLL INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT APPOINTING PROXY SHOULD, HOWEVER BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY-EIGHT HOURS BEFORE COMMENCEMENT OF THE MEETING.
2. The relative Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 relating to Special Business under Item No. 4 to 7 is annexed hereto.
3. Corporate members intending to send their authorized representatives to attend the meeting are requested to send a certified copy of the Board Resolution authorizing their representative to attend and vote in their behalf at the meeting.
4. Pursuant to Clause 49 of the Listing Agreement the details of the Directors seeking appointment / re- appointment at the ensuing Annual General Meeting is provided in the Corporate Governance Report.
5. In case of joint holders, attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.
6. The Register of Members and Share Transfer Books of the Company will remain close from 18th September, 2013 to 24th September, 2013 (both days inclusive).
7. Members who hold shares in physical form in multiple folios in identical names or joint accounts in the same order of names are requested to send the share certificates to the Company's Registrars and Transfer Agents, M/s. Big share Services Pvt. Ltd. for consolidation into single folio.
8. Members are requested to promptly notify immediately any change in their addresses and/or the Bank Mandate details to the Company's Registrars and Share Transfer Agents for shares held in physical form and to their respective Depository Participants for shares held in electronic form.
9. Members are requested to:
 - a. Bring their copies of the Annual Report at the time of attending the Annual General Meeting.
 - b. Complete the attendance slip and deliver the same at the entrance of the meeting hall.
 - c. send their questions at-least 10 days in advance before the Annual General Meeting about any further information on accounts so as to enable the Company to answer their question satisfactorily.

10. Important communication – Support Green Initiative

Ministry of Corporate Affairs, New Delhi ("MCA") has taken a "**Green Initiative**" in the Corporate Governance by permitting paperless compliances by companies vide its **Circular No. 17/2011 dated April 21, 2011 and Circular No.18/2011 dated April 29, 2011** that the service of documents by a company can be made through electronic mode instead of sending the physical copy of the document(s) to its shareholders. Keeping in view the underlying theme and the circulars issued by MCA, we propose to send henceforth all communications /documents including the Notice calling the General Meeting/ Notice of Postal Ballot, audited financial statements, directors' report, auditors' report etc. via electronic mode on the Email ID registered by shareholders with their Depository Participant (DP) or with the Company's Registrar & Transfer Agent (RTA).

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

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



EXPLANATORY STATEMENT AS REQUIRED UNDER SECTION 173 OF THE COMPANIES ACT, 1956.**Item No: 4****TO CONSIDER AND APPROVE THE APPOINTMENT OF SHRI PUSHKAR M. NATU AS DIRECTOR OF THE COMPANY**

Shri Pushkar M. Natu was appointed as an additional Director of the Company w.e.f. 24.07.2013 by the Board of Directors of the Company. According to the provisions of Section 260 of the Companies Act, 1956, he holds the office as Director only up to the date of ensuing Annual General Meeting.

As required by Section 257 of the Companies Act, 1956, a notice has been received from member signifying his intention to propose appointment of Shri Pushkar M. Natu as Director. The Board considers it desirable and that the Company should continue to avail itself of his services.

Except, Shri Pushkar M. Natu & Shri Yashovardhan Birla, no other Directors of the Company are concerned or interested in the proposed resolution.

Item No: 5**TO CONSIDER AND APPROVE THE APPOINTMENT OF SHRI JIGNESH MEHTA AS DIRECTOR OF THE COMPANY**

Shri Jignesh Mehta was appointed as an additional Director of the Company w.e.f. 14.08.2013 by the Board of Directors of the Company. According to the provisions of Section 260 of the Companies Act, 1956, he holds the office as Director only up to the date of ensuing Annual General Meeting.

As required by Section 257 of the Companies Act, 1956, a notice has been received from member signifying his intention to propose appointment of Shri Jignesh Mehta as Director. The Board considers it desirable and that the Company should continue to avail itself of his services.

Except, Shri Jignesh Mehta, no other Directors of the Company are concerned or interested in the proposed resolution.

Item No. 6**TO CONSIDER AND APPROVE THE APPOINTMENT OF SHRI PUSHKAR M. NATU AS WHOLE TIME DIRECTOR OF THE COMPANY FOR A PERIOD OF 3 YEARS**

Based on the recommendation of the Remuneration Committee, Shri Pushkar M. Natu, additional Director, has been appointed by the Board as whole-time Director of the Company for a period of 3 years to look after the affairs of the Company on day to day basis. Since Shri Pushkar Natu is having status of Non Indian Residence (NRI), in addition to approval of shareholders, his appointment as Whole-time Director would require the approval of Central Government.

Shri Pushkar M. Natu, aged 52 years is M.B.A.. He has more than 17 years of experience in the field of Marketing, Export and General Management. The Company would be benefited from his rich and varied experience.

Briefly, the terms and conditions of the appointment and remuneration of Shri Pushkar M. Natu are as follows:

1. He shall carry out such duties as may be entrusted to him subject to the supervision of the Board of Directors.
2. The appointment shall be for a period of 3(Three) years w.e.f. 14.08.2013
3. Remuneration:
 1. Shri. Pushkar M. Natu shall be entitled to a salary, perquisites, allowance, benefits not exceeding ₹ 30 Lakhs per annum.
 2. Perquisites, benefits and allowance includes House Rent Allowance, Furnishing Allowance, House Maintenance, gas, electricity, water, Medical Re-imburement, Leave Travel Concession for self & family, Car Maintenance and Drivers allowance, etc. and any other perquisites, , benefits & allowances as per the policy / rules of the Company that may be in force. Allowances and perquisites shall be valued as per the Income Tax Rules, wherever applicable and in the absence of any such Rules, the perquisites shall be evaluated at actual costs to the Company.

Copy of the terms and conditions governing the appointment is available for inspection by members during business hours on any working day before the date of annual general meeting.



None of the Director of the Company, except Shri Pushkar M. Natu and Shri Yashovardhan Birla, Directors, is in any way concerned or interested in this resolution.

Item no. 7

Issuance of warrants of the Company to the Promoter(s) and Promoters Group on preferential allotment basis:

It is proposed to allot upto 1,96,92,069 (One Crore Ninety Six Lakhs Ninety Two Thousand and Sixty Nine) equity share warrants to the Promoter and Promoter Group of the Company on a preferential basis. The proceeds of the issue are proposed to be utilized to part finance Company's capital expenditure for expansion and modernization activities and working capital requirements for the expansion and modernization projects. The proposed preferential issue is in accordance with the Regulations for Preferential Issue contained in Chapter VII of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009, entitling the warrant holders to apply for equivalent number of fully paid equity shares of the Company having a face value of ₹ 10/- per share.

The issue of equity shares will be at a price not less than the higher of the following:

- (i) the average of the weekly high and low of the closing prices of the Company's shares quoted on Exchanges during the 26 weeks preceding the 'Relevant Date'.

OR

- (ii) The average of the weekly high and low of the closing prices of the Company's shares quoted on Exchanges, during the two weeks preceding the 'Relevant Date'.

The 'Relevant Date' for determining the issue price of the equity shares will be the date thirty days prior to the date of Annual General Meeting which is in accordance with Regulation 71 of Chapter VII of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009.

An upfront payment of 25% of the price of warrant shall be paid by the allottees before the allotment of the convertible warrants and the same will be adjusted against the issue price of the respective equity shares at the time of conversion.

The said Warrants shall be converted within a period not exceeding eighteen months from the date of allotment of the Warrants, in one or more tranches, in accordance with the SEBI Regulations and other relevant guidelines as may be prevailing at the time of allotment of shares, and that the Warrants so issued or allotted shall give rise (on conversion/ exercise of right) to not more than 1,96,92,069 (One Crore Ninety Six Lakhs Ninety Two Thousand and Sixty Nine) Equity Shares of ₹ 10/- each fully paid-up. If the entitlement against the warrants to apply for the equity shares is not exercised within the specified period of 18 months, such entitlement shall lapse and the amount paid on allotment of such warrants shall stand forfeited pro-rata. The proposed allottees have given a letter to apply for the allotment of warrants when they are issued.

The shares to be issued shall be subject to the lock in period as set out in the Regulations. However, the locked in equity shares may be transferred to and amongst the Promoter and Promoter group subject to conditions of lock-in in the hands of transferees for the remaining period and after complying with SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 as may be applicable.

Disclosures pursuant to SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009:

i. Object of Issue:

The funds raised through the proposed issue of Warrants shall be used for meeting Company's long term working capital requirements, capital expenditure for expansion and modernization activities and other corporate purposes, as may be required from time to time.

ii. Intention of the Promoter and Promoter Group to subscribe to the issue:

Promoter and Promoter Group intend to subscribe upto 1,96,92,069 (One Crore Ninety Six Lakhs Ninety Two Thousand and Sixty Nine) Warrants. The names of the Promoter and Promoter Group and the number of warrants agreed to be subscribed by them are provided in the resolution.

**iii. Pre and Post Shareholding Pattern:**

The shareholding pattern of the Company, before and after the preferential issue assuming allotment of equity shares upon full conversion of all the Warrants, shall be as under:

Category	Pre-Issue Shareholding Pattern*		Shareholding Pattern post conversion of Warrants*	
A. Promoter and Promoter Group	81,81,086	6.23	2,78,73,155	18.46
B. Public Shareholding				
Financial Institutions/Bank/Mutual Funds	35,83,529	2.73	35,83,529	2.38
Foreign Institutional Investors	-	-	-	-
Bodies Corporate	3,18,14,087	24.23	3,18,14,087	21.07
Resident Individuals	8,57,44,471	65.31	8,57,44,471	56.80
Clearing Member	1,96,209	0.16	1,96,209	0.13
NRI	17,59,637	1.34	17,59,637	1.16
Trusts	1,429	-	-	-
Shares underlying GDRs	-	-	-	-
Total	13,12,80,448	100	15,09,72,517	100

* Based on the beneficiary positions in the shares of the Company as of 29th August, 2013, as provided by the Depositories. Post-Issue Shareholding Pattern may change due to change in the beneficiary position.

iv. Proposed time within which the allotment shall be completed:

As required under the SEBI Regulations, the allotment of warrants shall be completed within 15 days of the date of passing of the above resolution. Provided that where the allotment is pending on account of pendency of any approval from any regulatory authority or Central Government, the allotment would be completed within 15 days from the date of such approval.

v. Identity of the Allottees:

Name of the proposed allottees	Pre-Issue Equity Shareholding		Post-Issue Equity Shareholding	
	No. of Shares	% of holding	No. of Shares	% of holding
Asian Distributors Pvt Ltd	5,47,014	0.41	1,03,93,049	7.91
Birla Bombay Pvt Ltd	80,000	0.06	99,26,034	7.56

The aforesaid proposed allottees belong to promoter and Promoter Group. The issue of equity shares as aforesaid will not result in any change in the Management/Control of the Company.

vi. Lock-in-requirements:

In terms of the SEBI Regulations for Preferential Issues, the Equity Shares allotted on exercise of the option of conversion of the Warrants proposed to be allotted to the Promoter and Promoter Group shall be locked-in for a period of three years from the date of their allotment or such other period as prescribed in the SEBI Regulations, provided that in any case, not more than 20% of the total capital of the Company, including capital brought in by way of preferential issue, shall be subject to lock-in of three years from the date of allotment.

Further, the entire pre-preferential allotment shareholding of the proposed allottees, shall also be under lock-in from the relevant date upto a period of six months from the date of preferential allotment.

vii. Other terms of Issue of Warrants

1. The proposed allottee of the Warrants shall on or before the date of allotment of Warrants, pay an amount equivalent to at least 25% of the total consideration per Warrant.
2. The holder(s) of each Warrant will be entitled to apply for and obtain allotment of one equity share against such Warrant at any time after the date of allotment of warrants but on or before the expiry of 18 months from the date of allotment of warrants, in one or more tranches. At the time of exercise of entitlement, the Warrant holder shall pay the balance of the consideration towards the subscription to each equity share.



3. If the entitlement against the Warrants to apply for equity shares is not exercised within the aforesaid period, the entitlement of the Warrant holders to apply for the equity shares of the Company along with the rights attached thereto shall expire and any amount paid on such Warrants shall stand forfeited.
4. Upon receipt of the requisite payment as above, the Board (or a Committee thereof) shall allot one equity share against each Warrant by appropriating ₹10/- per equity share towards equity share capital and the balance amount paid against each Warrant towards the securities premium amount.
5. The Warrant by itself till converted into equity shares, does not give to the holder(s) thereof any rights of shareholder of the Company.
6. The equity shares issued as above shall be subject to the provisions of the Memorandum and Articles of Association of the Company and shall rank pari passu in all respects with the existing fully paid up equity shares of the Company.

The allotment of Warrants does not require making of a public offer in terms of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997. The aforesaid allottee(s) shall be required to comply with the relevant provisions of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997, as applicable, consequent to the allotment of shares on conversion of Warrants as proposed above.

In view of the above, it is proposed to issue upto 1,96,92,069 (One Crore Ninety Six Lakhs Ninety Two Thousand and Sixty Nine) number of Warrants (convertible into equivalent number of equity shares of ₹ 10/- each fully paid-up) to the Promoter and Promoter Group, on a preferential basis, at a price including premium determined in accordance with the criteria given under the SEBI Regulations.

A copy of the certificate from the Statutory Auditors of the Company, M/s. Thakur, Vaidyanath Aiyar & Co., Chartered Accountants, certifying that the issue of the Warrants is being made in accordance with the requirements of SEBI Regulations for Preferential Issues, will be available for inspection at the Registered Office of the Company situated at Dalamal House, 1st Floor, 206 J.B. Marg, Nariman Point, Mumbai 400 021, during the office hours on all working days (except Saturdays) between 11.00 a.m. and 1.00 p.m. upto 24th September, 2013.

The consent of the Shareholders is being sought pursuant to the provisions of Section 81 (IA) and other applicable provisions of the Companies Act, 1956, if any, and in terms of the provisions of the Listing Agreements executed by the Company with the Stock Exchanges in India where the Company's shares are listed.

The Board recommends the resolution for your approval. None of the Directors, except Shri Yashovardhan Birla and Pushkar Natu, are interested in the said resolution.

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

**Place: Mumbai
Date: 29th August, 2013**

**Vimal Prakash Dubey
Company Secretary**



DIRECTORS' REPORT

To the Members,

Your Directors have pleasure in presenting the Fifty First Annual Report together with the Audited Statements of Accounts of your Company for the year ended 31st March, 2013.

1. FINANCIAL RESULTS

(₹ in lacs)

PARTICULARS	Year ended 31.03.2013	Year ended 31.03.2012
Gross Income	31606.55	52776.26
Less : Excise Duty	2346.63	4354.43
Net Income	29259.92	48421.83
Profit/(Loss) before Interest, Depreciation and Taxation	- 412.18	3936.55
Interest and Finance Expenses	-3504.57	3164.36
Profit/(Loss) before Depreciation and Taxation	-3916.75	772.19
Depreciation	-548.83	508.17
Profit/(Loss) for the Year before Taxation	-4465.58	264.02
Less: Provision for Taxation :		
Current Tax	-	50.00
Deferred Tax	-	59.53
Wealth Tax	0.68	0.78
Tax in respect of earlier years	2.88	-
	3.56	110.31
Profit for the year (PAT)	-4469.14	153.71

2. FINANCIAL HIGHLIGHTS

During the year under review, the net income of the Company has reduced to ₹ 29259.92 lacs as compared to ₹48421.83 lacs of previous year due to decline in sales. Loss after Tax for the financial year stood at ₹ 4469.14 lacs as against the profit of ₹ 153.71 lacs of previous year.

3. DIVIDEND

Your Directors have not recommended dividend for the year ended March 31, 2013 considering the fund requirement for future business expansion.

4. EXPORT PERFORMANCE

Exports turnover reduced to ₹ 3591.53 lacs for the year ended 31st March, 2013 as compared to ₹ 15188.01 lacs of previous year.

5. EXPANSION PROJECT

Your Company has set up Spiral saw Mill near Trichi and execution of orders from L&T taken up.

6. SUBSIDIARY COMPANY

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



PARTICULARS UNDER SECTION 212 OF THE COMPANIES ACT, 1956

The Ministry of Corporate Affairs, Government of India, vide General Circular No. 2/2011 dated February 8, 2011, has granted a general exemption from compliance with section 212 of the Companies Act, 1956, subject to fulfillment of conditions stipulated in the circular. The Company has satisfied the conditions stipulated in the circular and hence is entitled to the exemption. The financial data of the subsidiaries have been furnished under 'Annexure I to the Consolidated notes' forming part of the Annual Report. Consolidated Financial Statements of the Company and its subsidiaries for the year ended March 31, 2013, together with reports of Auditors thereon and the statement pursuant to Section 212 of the Companies Act, 1956, form part of the Annual Report. The Annual Accounts and the related detailed information of subsidiary companies will be made available to the Members of the Company and subsidiary companies seeking such information at any point of time. The Annual Accounts of the subsidiary companies will also be available for inspection by any member at the registered/head office of the Company and that of the subsidiary concerned.

7. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

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

8. CORPORATE GOVERNANCE

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

9. DIRECTORS RESPONSIBILITY STATEMENT

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

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

10. COST AUDIT

As per the Order of the Central Government and in pursuance of section 233B of the Companies Act, 1956, your Company carries out an audit of its cost records.

The Ministry of Corporate Affairs (MCA) has introduced The Companies (Cost Audit Report) Rules, 2011 vide its notification no. GSR 430(E) dated June 3, 2011. These rules make it mandatory for industries to appoint a Cost Auditor within 90 days of the commencement of the financial year.

Based on the Audit Committee recommendations at its meeting held on 27th May 2013, the Board has approved the appointment of M/S Y.R. Doshi & Co., Cost Accountants as Cost Auditors for conducting Cost Audit for the Financial year 2013-14, subject to approval of the Central Government.

The cost audit report for financial year end 31st March, 2013 will be filed with Central Government in due course.

**11. AUDITOR'S REMARK**

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

1	In our opinion and according to the information and explanations given to us, in respect of compliance by the Company with the provisions of Section 58A and 58AA or any other relevant provisions of the Act and the Companies (Acceptance of Deposits) Rules, 1975, with regard to the deposits accepted from the public, we have to state that these have not been complied with in respect to non payments of deposits and interest on due date, maintenance of liquid assets to the extent required as per rule 3A of the Companies (Acceptance of Deposit) Rules, 1975 accepting fresh deposits after the default, as well as not intimating the appropriate authorities of such defaults.	The Company suffered heavily due to imposition of Anti Dumping Duty by USA resulting in major financial crunch. Hence, the Company could not meet its commitment on due date. However, the Company is exploring ways and means to comply with the requirements.
2	The Company has an in house internal audit system. To make it commensurate with the size and nature of its business, the scope and coverage needs to be strengthened.	The Company had full fledged Internal Audit Department, but due to sudden demise of Chief Internal Auditor, the internal audit department could not take up the audit in all areas. However, the Company is appointing external agency as Internal Auditor who will cover all areas.
3	According to the records of the Company examined by us and the information and explanations given to us, there have been instances of the Company not arranging funds for meeting its commitment to the banks for paying the liability of the Letters of credit on due dates since August 12 resulting in default in payment to the banks from August 2012, and as on 31.03.2013 the Company's liability to the banks for the Letters of credit which have fallen due is to the tune of ₹ 8384.03 lacs. However, the Company has operated within the total overall limit sanctioned by the banks taking together the Fund based and Non Fund based limit by interchanging the utilisation of funds with the mutual understanding with the banks.	The Company suffered heavily due to imposition of Anti Dumping Duty by USA resulting in major financial crunch. Hence, the Company could not meet its commitment on due date. Even though there has been over drawl in the cash credit account due to non- payment of LCs on due dates but the Company had un-utilized LC limit to the same extent of such over drawn cash credit limit such that the Company's outstanding was within the total sanctioned limit of fund based and non- fund based taken together.

12. DIRECTORS

In terms of the provisions of the Companies Act, 1956 and the Articles of Association of the Company, Shri A.P. Kurias, Director of the Company retires by rotation at the forthcoming Annual General Meeting and is eligible for re-appointment.

13. FIXED DEPOSITS

During the year under review, the Company has invited fresh Fixed Deposits from its shareholders and general public. As on 31st March, 2013, the Company has fixed deposit of ₹ 2815.80 Lacs.

- (i) The total number of depositors of the Company whose deposits have not been paid by the Company after the date on which the deposit became due for repayment : 1,287
- (ii) The total amount due to depositors and remaining unpaid: ₹ 539.00 lacs

14. AUDITORS

M/s. Thakur Vaidyanath Aiyar & Co., Chartered Accountants, who were appointed as the Statutory Auditors of the Company by the Members at their previous AGM, shall be retiring on conclusion of the forthcoming AGM and are eligible for re-appointment. Members are requested to consider their re-appointment from the conclusion of forthcoming AGM upto the conclusion of AGM for the financial year 2013-14 at a remuneration to be decided by the Board of Directors or



Committee thereof. The Company has received confirmation from M/s. Thakur Vaidyanath Aiyar & Co., to the effect that their appointment, if made, will be within the limits of Section 224(1B) of the Companies Act, 1956.

15. PARTICULARS OF EMPLOYEES

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

16. PERSONNEL

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

17. ACKNOWLEDGEMENTS

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

For and on behalf of the Board

Place: Mumbai
Date: 24th July, 2013

Yashovardhan Birla
Chairman

**ANNEXURE TO DIRECTORS` REPORT**

(Information under Section 217 (1) (e) of the Companies Act 1956, read with Companies (Disclosure of Particulars in Report of Board of Directors) Rules, 1988 and forming part of the Directors` Report for the year ended 31st March 2013)

A. CONSERVATION OF ENERGY:**a) Energy Conservation Measures Taken:**

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

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

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

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

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

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

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

FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY			
A.	POWER AND FUEL CONSUMPTION	CURRENT YEAR 2012-13	PREVIOUS YEAR 2011-12
1	Electricity		
	a) Purchases Unit	5280120	8626628
	Total Amount (₹)	39473936	55615860
	Rate / Unit (₹)	7.48	6.44
	b) Own Generation		
	i) Through coal based thermal Power plant unit	0	0
	Unit per kg. of Coal	0	0
	Cost/Unit	0	0
	ii) Through furnace oil generator unit	0	0
	Units per kg. of Furnace oil	0	0
	Cost/Unit	0	0
	iii) Through furnace oil generator unit	0	4520
	Units per kg. of Diesel oil	0	0.98
	Cost/Unit	0	38.40
2	Coal Quantity (MT)	0	0
	Total Cost (₹)	0	0
	Average rate/MT (₹)	0	0
3	Lignite Quantity (MT)	0	0
	Total Cost (₹)	0	0
	Average rate/MT (₹)	0	0
4	LPG Qunatity (MT)	0	0
	Total Cost (₹)	0	0
	Average rate/MT (₹)	0	0
5	Furnace oil Quantity (KL)	766.14	1215.068
	Total Cost (₹)	32569987	46422792
	Average rate/KL (₹)	42512	38206
6	Diesel Quantity (Ltrs)	216587.7	6874
	Total Cost (₹)	10816062	266195
	Average rate/Litre (₹)	49.94	38.73
7	Other/Internal Generation	0	0



B	Electricity Consumption per unit of Production	CURRENT YEAR	PREVIOUS YEAR
		2012-13	2011-12
	Pipe Production (MT)	37479.6	81142
	Total Consumption Unit	5323114	8631148
	Consumption Unit/Kg	0.14	0.11

B. TECHNOLOGY ABSORPTION:

Efforts made in Technology Absorption as per Form B.

FORM "B"

Research and Development (R & D)

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

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

2. Future Plan of Action

To develop further new value added products.

3. Expenditure on R & D

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

4. Technology Absorption, Adaptation and Innovation: NIL

C) FOREIGN EXCHANGE EARNINGS AND OUTGO:

- Activities relating to Export** – Exports are vital part of Zenith's overall business. Export accounts for substantial portion of Zenith sales/ revenue. Activities include customer visits and correspondence, participations in exhibitions, B to B marketing, coordination with Plant for execution of orders, arrange shipments, follow up of payment receipts, coordination with government for exports related documentation.
- Initiatives taken to increase exports** – focus on new markets emphasize on downstream market.
- Development of new export markets for products and services** – visit new territories to explore opportunities in Africa, Middle East, Europe
- Export plans** – to continue to maintain our strength in exports.
- Total Foreign Exchange used and earned** – as under:

(₹ In lacs)

	2012-13	2011-12
Total Foreign Exchange Earnings (earned)	3591.93	15188.01
Total Foreign Exchange Outgo (used)	33.69	1420.25

D) PARTICULARS OF EMPLOYEES:

Information as per Section 217 (2A) of the Companies Act, 1956 read with companies (particulars of employees) Rules, 1975 forms part of the Directors Report for the year ended 31st March 2013:

Employed throughout the year:

Sr. No.	Name	Qualification	Age	Designation	Experience (Years)	Date of Commencement of Employment	Gross Remuneration (₹ in Lacs)	Last Employment held
I	M.S.Arora	B.E. (Mech)	51	Managing Director	26	15.03.2007	130.47	Man Industries Ltd



MANAGEMENT'S DISCUSSION AND ANALYSIS REPORT

GLOBAL ECONOMY

The global economic environment deteriorated in the second half of 2012 with concerns over fiscal sustainability in Europe, and increased risk aversion around the world. Hardening credit constraints and risk aversion have transferred financial sector difficulties to the real economy. For developing countries in general, the contagion has been broad-based, with higher funding costs and sharply weakened capital flows, although that does not yet seem to have affected India. Global economic conditions are fragile, and there remains great uncertainty as to how markets will evolve over the medium term.

INDIAN ECONOMY

In India, the slowdown in GDP growth witnessed over the last two quarters is likely to extend into the coming fiscal year because of the weakness in investment. In FY 2012-13 and FY 2013-14, GDP growth is forecast to reach around 4.5-5.5 percent, as significant slowdown from the 7.5-8 percent growth in the run-up to the global financial crisis. The slowdown is at least partly caused by structural problems (power projects facing delays due to the lack of coal and gas feedstock, mining and the telecom sectors hit by corruption scandals, unavailability of land and infrastructure). Tighter macroeconomic policies, slow growth in the core OECD (Organization for Economic Co-operation & Development) countries and worries in core sector.

INDUSTRY STRUCTURE

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

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

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

OPPORTUNITIES & THREATS

Opportunities:

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

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

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

Threats/risks:

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



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

OUTLOOK:

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

As one of the petitioners has filed a case against order of ITC, USA, as stated above, many customers are shy of doing the trade with our Company till the disposal of the petition.

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

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

INTERNAL CONTROL SYSTEMS:

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

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

FINANCIAL PERFORMANCE:

During the year under review, the net income of the Company has reduced to ₹ 29259.92 lacs as compared to ₹ 48421.83 lacs of previous year due to decline in sales on account of the various factors enumerated above including the levy of anti dumping duty by USA which has affected the exports drastically. This loss of revenue also affected the cash flow of the Company resulting into overdrawal of the limits sanctioned by banks to the Company temporarily. The Company is working on the way and means to regularize the overdraft with the co-operation and consensus of the bankers. Loss after Tax for the financial year stood at ₹ 4469.14 lacs as against profit of ₹ 153.71 lacs of previous year.

HUMAN RESOURCES:

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



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

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

HEALTH & SAFETY:

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

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

Cautionary Statement:

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



REPORT ON CORPORATE GOVERNANCE

Company's Philosophy on Corporate Governance:

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

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

Board of Directors

a) Composition of Board:

As on 31st March, 2013, the Board of Directors has 6 (six) members, out of which 3 (three) are an Independent Director, 2 (two) are Non-Executive, Non-Independent Directors and 1(one) is Executive, Non-Independent Director. The composition of the Board was in conformity with Clause 49 of the Listing Agreements.

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

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

Name of Directors	Category of Directorship	No. of shares held as on 31.03.2013	*No. of other directorships as on 31.3.2013	#No. of other Committee positions		No. of Board Meetings attended during the year	Attendance at the 50 th Annual General Meeting held on 17.09.2012
				Chairman	Member		
Shri Yashovardhan Birla, Chairman	Non-Executive Non-Independent	1,05,984	13	1	-	4	Yes
Shri M.S.Arora, Managing Director (resigned w.e.f. 24.07.2013)	Executive, Non-Independent	Nil	3	-	1	5	No
Dr. D. V. Kapur (resigned w.e.f.24.07.2013)	Non-Executive, Independent	Nil	5	4	1	6	Yes
Shri Augustine P. Kurias	Non-Executive, Independent	Nil	1	2	-	5	No
Shri P.V.R. Murthy (resigned w.e.f 14.08.2013)	Non-Executive, Non-Independent	Nil	12	-	9	6	Yes
Shri Anoj Menon (resigned w.e.f 27.05.2013)	Non-Executive, Independent	Nil	3	3	2	5	Yes
Shri Pushkar M. Natu (appointed as an additional Director w.e.f. 24.07.2013)	Executive, Non-Independent	Nil	N.A.	N.A.	N.A.	N.A.	N.A.

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

Represents Memberships / Chairmanships of Audit Committee and Shareholders'/Investors' Grievance Committee. None of the Directors of the Company except Shri Yashovardhan Birla and Shri Pushkar M. Natu are related to each other.



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

19TH April, 2012, 25th May 2012, 13th August 2012, 19th September 2012, 9th November, 2012 and 12th February 2013.

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

b) Non – Executive Directors’ Compensation and disclosures:

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

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

Name of the Director	Shri Augustine P. Kurias	Shri Pushkar M. Natu	Shri Jignesh Mehta
Date of Birth	28.08.1932	12.11.1961	11.01.1967
Date of Appointment	27.10.1999	24.07.2013	14.08.2013
Qualification	M.A. (Eco), C.A.I.I.B	B.Com, M.B.A.	B.com
Expertise in specific functional area	Shri A.P. Kurias, aged 79 years is M.A. (Eco), C.A.I.I.B by qualification. he is a retired banker with more than 40 years of experience in banking industry. He has worked with RBI, IDBI in various capacities including CGM & Principal of Bankers Training College of RBI. He has also served on Board of various public sector banks and financial institutions.	Shri Pushkar Natu, aged 51 years is a B.Com & M.B.A.,. He is having 17 years of experience in the field of marketing, export and general management.	Shri jignesh Mehta, aged 46 years is a B.Com by qualification. He is having 15 Years of experience in the field of Liaisoning with several departments in Central Government and state Government.
Directorship held in other companies	Birla Precision Technologies Limited	Zenith (U.S.A.) inc.	1. Birla Power solutions Ltd 2. Birla Research and Life sciences Ltd. 3. Birla Edutech Ltd 4. Birla Cotsyn Ltd
Committee positions held in other companies (C = Chairman; M = Member)	Audit Committee 1. Birla Precision Technologies Limited. (C) Shareholders’/ Investors’ Grievance Committee: 1. Birla Precision Technologies Limited. (C)	NIL	Audit Committee 1. Birla Power Solutions Ltd.(C) 2. Birla Cotsyn Ltd.(M)
No. of Shares held in the Company	NIL	NIL	NIL

Note :

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

d) Other Provisions as to Board and Committee:

The Board meets at least once a quarter to review the quarterly performance and the financial results. Meetings are generally scheduled well in advance and the notice of each Board Meeting is given in writing to each Director. All the items in the agenda are accompanied by notes giving comprehensive information on the related subject and in certain matters such as financial/business plans, financial results, detailed presentations are made. The agenda and the relevant notes are



sent in advance separately to each Director and only in exceptional cases, the same is tabled at the meeting. The Board is also free to recommend the inclusion of any matter for discussion in consultation with the Chairman.

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

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

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

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

e) Code of Business Conducts and Ethics:

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

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

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

All Directors and Senior Management personnel of the Company have affirmed compliance with the provisions of the Zenith Code of Business Conduct & Ethics for the financial year ended 31st March 2013.

A declaration signed by the Managing Director of the Company is given below:

Pursuant to Clause 49 of the Listing Agreement with Stock Exchanges, I hereby certify that the Company has obtained from all the members of the Board and Senior Management Personnel, affirmation that they have complied with the Code of Business Conduct and Ethics for year ended 31st March 2013.

Sd/-
M. S. Arora
Managing Director

Place : Mumbai
Date : 24.07.2013

Audit Committee

a) Composition, Meetings and attendance during the year:

During the year under review the Audit Committee consisted of three members, all being Independent, Non-Executive Directors. All the members of the Audit Committee have adequate accounting and financial knowledge.

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

During the year ended 31st March, 2013, the Committee met 4 times on 25th May 2012, 13th August 2012, 9th November 2012 and 12th February 2013.

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

Name of the Member	Category	No. of Meetings Attended
Shri A. P. Kurias (Chairman)	Independent Non-Executive	3
Dr. D. V. Kapur	Independent Non-Executive	4
Shri Anoj Menon	Independent Non-Executive	3



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

b) Terms of Reference, Role and Scope:

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

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

Shareholders'/Investors' Grievance Committee:

The Investor Grievance Committee is empowered to oversee (a) Transfers of shares, (b) issue of duplicate/new/sub-divided and consolidated Share Certificates and (c) Shareholders'/Investors' Grievance and its redressal. The Committee has met 37 times in the accounting period.

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

Name of the Member	Category	Position in Committee	No. of Meetings attended
Shri A. P. Kurias	Independent Non-Executive Director	Chairman	37
Shri M.S.Arora	Executive Director	Member	37

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

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

Type of Complaints	No. of Complaints		
	Received	Resolved	Pending
Non receipt of Certificates after transfer / after exchange	33	33	-
Non receipt of Demat rejected Certificates/ De-mat Credit	5	5	-
Non receipt of Dividend Warrants	23	23	-
Non receipt of Annual Report	16	16	-
Non receipt of Bonus Shares	5	5	-
SEBI	6	6	-
Total	88	88	-

Remuneration and Selection Committee

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



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

Name of Members & Designation in Committee	Category in the Board	No.of Meeting held	No. of Meetings attended during the FY.2012-13
Shri A.P. Kurias, Chairman	Independent,non Executive Director	1	1
Shri Yashovardhan Birla	Non Independent, non Executive Director	1	-
Shri Anoj Menon	Independent,non Executive Director	1	1
Shri D.V. Kapur	Independent,non Executive Director	1	-

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

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

There are no stock options issued by the Company.

One meeting of the Committee was held during year 2012-13 on 25th May 2012 and was attended by Mr. D.V. Kapur, and Mr. Anoj Menon, members of the Remuneration Committee.

Remuneration Policy

Non Executive Directors

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

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

Detail of the sitting fees paid to all Non Executive Directors for financial year 2012-13 is as follows:

Name of Director	Sitting Fees paid during 1 st April, 2012 to 31 st March, 2013 (₹ In Lakhs)
Shri Yashovardhan Birla	0.60
Dr. D. V. Kapur	1.60
Shri Augustine P. Kurias	1.10
Shri P.V.R.Murthy	1.20
Shri Anoj Menon	1.30

Executive Directors

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



Detail of the remuneration paid to Managing Director for financial year 2012-13 is as follows:

Name of Director	Salary (₹ In Lacs)	Perquisites and Allowances (₹ In Lacs)	Commission (₹ In Lacs)	Retirement Benefits (₹ In Lacs)	Period of contract	Notice period
Shri M. S. Arora – Managing Director	116.83	8.45	-	5.19	9th July 2012 to 9th July 2015	3 months notice from either side

There is no separate provision for payment of severance fees.

Subsidiary Company

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

Brief of the Company's subsidiary companies as on March 31, 2013 are as under:

Sr. No.	Name of the Subsidiary	Date of Incorporation	Country in which incorporated
1.	Zenith (USA) Inc.	June 18, 1970	USA
2.	Zenith Middle East FZE	July 19, 2006	Dubai - UAE

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

General Body Meetings

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

Year	AGM	Location	Day, Date & Time
2011-2012	50 th	Hall of Culture, Discovery of India Building, Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai – 400 018	Monday, 17.09.2012 at 3.30 p.m.
2010-2011	49 th	Hall of Culture, Discovery of India Building, Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai – 400 018	Tuesday, 20.09.2011 at 3.30 p.m.
2009-2010	48 th	Hall of Culture, Discovery of India Building, Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai – 400 018	Monday, 02.08.2010 at 3.30 p.m.

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

Date of AGM	Particulars of Special Resolutions passed
2011-2012	1. Reappointment of Shri M. S. Arora, Managing Director of the Company for another term of 3 years.
2010-2011	2. Raising of Funds through Further Issue of Securities for amount not exceeding ₹ 150 crores. 3. Waiver of recovery of excess remuneration of ₹ 10.58 Lacs paid to Shri M. S. Arora, Managing Director during year 2010-11. 4. Increase in remuneration of Shri M.S. Arora, Managing Director not exceeding ₹ 1.25 Crores and Commission at the rate not exceeding 5% of net profit w.e.f. 1 st April 2011 till expiry of term i.e 9 th July 2012.
2009-2010	1. Alteration of Articles of Association of the Company for Increased authorized share capital of the Company to ₹ 355.50 Crores 2. Waiver of recovery of excess remuneration of ₹ 27.18 Lacs paid to Shri M.S. Arora, Managing Director during year 2009-10 3. Increase in remuneration of Shri M.S. Arora, Managing Director not exceeding ₹ 1.10 Crore and Commission at the rate not exceeding 5% of net profit w.e.f. 1 st April 2010 till expiry of term i.e 9 th July 2012



(C) Whether the Special Resolution were put through postal ballot during year 2012-13 – No

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

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

Disclosures

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

Means of Communication:

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

Website: The financial results are also posted on the Company's Website www.zenithsteelpipes.com The Company's website provides information about its business and the Section on "Investor's Information" serves to inform and service the Shareholders allowing them to access information at their convenience.

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

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

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

**General Shareholder's Information:**

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

- | | | |
|---|--|--|
| 1 | Annual General Meeting proposed to be held
Day, Date & Time | : Tuesday, 24 th September, 2013 at 3.30 p.m. |
| | Venue | Hall of Culture, Discovery of India Building, Nehru Centre,
Dr. Annie Besant Road, Worli, Mumbai 400018 |
| 2 | Financial Calendar for the year 2013-14 (Proposed) | |
| | Accounting Year | : April 1, 2013 to March 31, 2014 |
| | First Quarter Results | : Second week of August, 2013 |
| | Second Quarter Results | : Second week of November, 2013 |
| | Third Quarter Results | : Second week of February, 2014 |
| | Fourth Quarter and Annual Results | : Last week of May, 2014 |
| | Mailing of Annual Report | July/August, 2014 |
| | Annual General Meeting | On or before 30 th September, 2014 |
| 3 | Book Closure Date | : From Wednesday, 18 th September 2013 to Tuesday, 24 th
September, 2013 (both days inclusive). |
| 4 | Registered Office | : Dalamal House, 1 st Floor, 206, J. B. Marg, Nariman Point,
Mumbai – 400 021. |
| 5 | Listing of Equity Shares
On the Stock Exchange | : 1. Bombay Stock Exchange Ltd.
P. J. Towers, Dalal Street,
Mumbai 400 023.
2. National Stock Exchange of India Ltd.
Exchange Plaza, Bandra-Kurla Complex,
Bandra (East), Mumbai 400 051. |

Note: Listing Fees for the year 2013-14 has been paid to Bombay Stock Exchange Limited and the National Stock Exchange of India Limited.

- | | |
|--|---|
| Listing of Global Depository Receipts:
ISIN Code
US98935G1085 | : Luxembourg Stock Exchange
11, Avenue de la Porte-Neuve, L-2227, Luxembourg
Overseas Depository
The Bank of New York Mellon Corporation
101 Barclay Street New York NY 10286 USA
Domestic Custodian
Hongkong and Shanghai Banking Corporation Ltd
Plot No. 139-140 B, Western Express Highway,
Sahar Road Junction, Vile Parle (East),
Mumbai – 400 057 |
|--|---|

Note: Listing Fees for the calendar year 2013 has been paid by the Company to the Luxembourg Stock Exchange.

- | | | |
|---|--------------------|--|
| 6 | i. Stock Exchange | Bombay Stock Exchange Ltd.
P.J. Towers, Dalal Street,
Mumbai 400 023 |
| | Stock Code | 531845 |
| | ii. Stock Exchange | National Stock Exchange of India Ltd.
Exchange Plaza,
Bandra-Kurla Complex, Bandra(East)
Mumbai 400 051. |



Stock Code	ZENITHBIR
iii. ISIN No. for the Company's Equity Shares in Demat form	INE318D01020
iv. Depositories connectivity	NSDL and CDSL

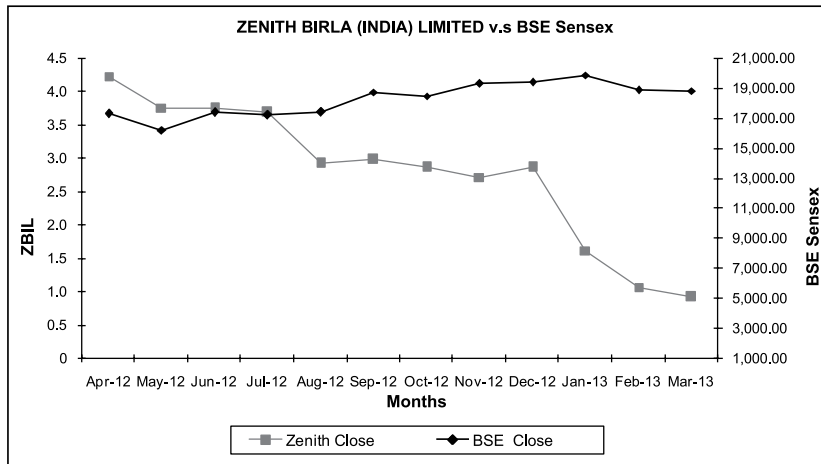
7. Stock Price Data :Market Price Data: High, Low during each month in the financial year.

Monthly High/ Low of market price of the Company's shares traded on the Bombay Stock Exchange Ltd. (BSE) and National Stock Exchange of India Limited (NSE) during the financial year ended 31st March, 2013 is furnished below:

Months	NSE		BSE		Months	NSE		BSE	
	High (₹)	Low (₹)	High (₹)	Low (₹)		High (₹)	Low (₹)	High (₹)	Low (₹)
April, 2012	4.75	4.00	4.65	4.03	October, 2012	3.50	2.65	3.30	2.70
May, 2012	4.50	3.70	4.50	3.61	November, 2012	2.90	2.45	2.94	2.47
June, 2012	3.95	3.55	4.00	3.60	December, 2012	3.05	2.65	3.09	2.52
July, 2012	4.55	3.55	4.40	3.55	January, 2013	3.05	1.60	3.05	1.60
August, 2012	3.90	2.80	3.83	2.80	February, 2013	1.70	0.85	1.70	0.86
September, 2012	3.15	2.80	3.19	2.83	March, 2013	1.35	0.85	1.34	0.88

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

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



8. Registrar & Share Transfer Agents

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

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

9. Share Transfer System

The Board has delegated the authority for approving transfer, transmission etc. of Company's securities to the Shareholders / Investors Grievance Committee, who in turn has authorized the Company Secretary and officials of the Secretarial

Department to carry this work. The share transfer formalities are completed on a weekly basis. The Shares sent for transfer in physical form are sent to Registrars and Share Transfer Agents, and returned between 15 to 30 days from the date of receipt, if Documents are in order in all respects. Shares under objections are returned within 2 weeks

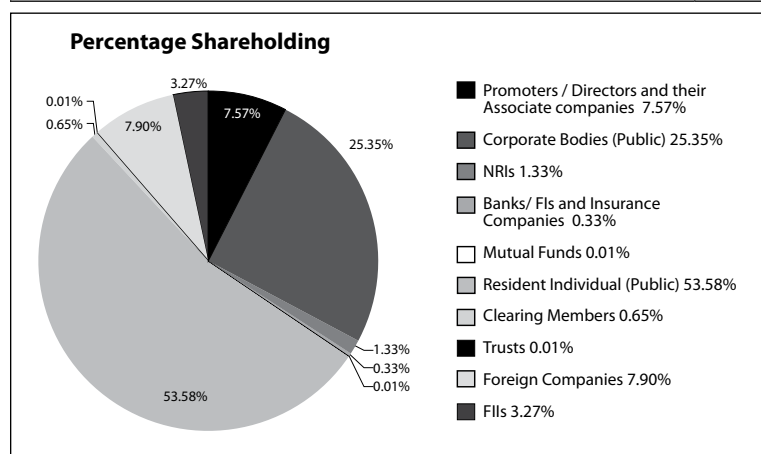
In compliance with Clause 47(c) of the Listing Agreement, the Company obtains a certificate from practicing Company Secretary on a half-yearly basis confirming that all certificates have been issued within one month from the date of lodgments for transfer, sub-division, consolidation etc.

10 Distribution of Shareholding as on 31st March, 2013

No. of Equity Shares held	Total No. of Shareholders	No. of Shares held	Percentage Shareholding
1 to 500	66892	4804088	3.6594
501 to 1000	4392	3480503	2.6512
1001 to 2000	2925	4408346	3.3580
2001 to 3000	1232	3167318	2.4126
3001 to 4000	580	2107131	1.6051
4001 to 5000	522	2498026	1.9028
5001 to 10000	1009	7478568	5.6966
10001 and above	1064	103336468	78.7143
Total	78616	131280448	100.0000

11. Categories of Shareholding as on 31st March, 2013

Categories	No. of Shareholders	No. of shares held	Percentage Shareholding
Promoters / Directors and their Associate companies	14	9934837	7.57
Corporate Bodies (Public)	666	33283767	25.35
NRIs	337	1741489	1.33
Banks/ FIs and Insurance Companies	48	426361	0.33
Mutual Funds	6	3665	0.01
Resident Individual (Public)	77498	70340634	53.58
Clearing Members	37	865996	0.65
Trusts	8	1429	0.01
Foreign Companies	1	10382472	7.90
FIs	1	4299798	3.27
Total	78616	131280448	100.00





12. Dematerialization of shares and liquidity:
98.83% of the total Equity Capital is held in dematerialized form with NSDL and CDSL as on 31.03.2013. Trading in Equity Shares of the Company is permitted only in dematerialized form as per notification issued by Securities and Exchange Board Of India (SEBI).
13. Outstanding GDRs : 5,21,082 Global Depository Receipts (GDRs) represented by 1,56,32,472 equity shares were outstanding as on 31st March, 2013.
14. Plant Location
- a) Khopoli Unit
Tal. Khopoli
Dist. Raigad,
Maharashtra-410203
 - b) Tarapur Unit
G-38/39, M.I.D.C.
Tarapur -401506
Dist. Thane
Maharashtra- 401506
 - c) Murbad Unit
Survey (Gut) No. 440/441,
Nhave, Kakadpada,
Murbad District, Thane,
Maharashtra
 - d) Kancheepuram Unit
Padalam Sugar Mill road, S.No. 99/3A-3J, 4,5,6, &
103/4/5/6 ,Kolambakkam Village, Madhuranthakam Taluka,
Kancheepuram Dist-603308
 - e) Trichy Mobile Unit
SH No. 71, Survey No. 782, Village: Kalugar Thogainmala,
Taluka: Kulithalai, Dist: Karur-639 120, Tamil Nadu
15. Address for Correspondence
- i) Investor Correspondence
Shri Vinay Desai
Secretarial Assistant
S-2,Vedant Commercial Complex, Vartak Nagar,
Pokharan Road No.I, Thane (West)-400606
Tel No. 022-6793300 Extn:3024
e.mail: share@zenithsteelpipes.com
 - ii) For Compliance related query
Mr. Vimal Prakash Dubey
Company Secretary & Compliance Officer
S-2,Vedant Commercial Complex, Vartak Nagar,
Pokharan Road No.I, Thane (West)-400606
Tel No. 022-6793300 Extn:3062
Fax No.67931111
e.mail: vimald@zenithsteelpipes.com

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

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



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

Date of dividend declaration	For the year ended	Due for transfer to Investor Education and Protection Fund
25.08.2006	2005-06	01.10.2013
14.09.2007	2006-07	20.10.2014
28.01.2008 (Interim)	2007-08	04.03.2015
15.09.2008 (final)	2007-08	21.10.2015
24.09.2009	2008-09	30.10.2016
02.08.2010	2009-10	07.09.2017

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

Compliance with non mandatory requirements

Remuneration Committee

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

Certificate by the Chief Executive Officer (CEO) and Chief Financial Officer (CFO) pursuant to Clause 49 of the Listing Agreement on the Audited Financial Statement for the year 2012-13

We, M.S.Arora – CEO & Managing Director and Saharsh Daga – CFO of the Company hereby certify that:-

- a) We have reviewed the Financial Statements and Cash Flow Statement for the year ended on 31st March, 2013 and that to the best of our knowledge and belief:
 - I. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - II. these statements together present a true & fair view of the Company's affairs and are in compliance with existing Accounting Standards, applicable Laws and Regulations.
- b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year, which are fraudulent, illegal or violative of the Company's Code of Conduct.
- c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and they have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps they have taken or propose to take to rectify these deficiencies.
- d) We have indicated to the Statutory Auditors, Internal Auditors and Audit Committee:
 - I. significant changes in internal control over financial reporting during the year;
 - II. significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - III. instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system.

For Zenith Birla (India) Limited

Place : Mumbai
Date : 27th May, 2013

M. S. Arora
Managing Director

Saharsh Daga
Chief Financial Officer



Auditors' Certificate regarding compliance of conditions of Corporate Governance

To the Members of Zenith Birla (India) Limited

We have examined the compliance of conditions of Corporate Governance by Zenith Birla (India) Limited, for the year ended 31st March 2013, as stipulated in Clause 49 of the Listing Agreement(s) of the said Company with stock exchanges in India.

The compliance of conditions of Corporate Governance is the responsibility of the Company's management. Our examination was carried out in accordance with the Guidance Note on Certification of Corporate Governance (as stipulated in Clause 49 of the Listing Agreement), issued by the Institute of Chartered Accountants of India and was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

We certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement(s).

We 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 Thakur, Vaidyanath Aiyar & Co.
Chartered Accountants
Firm Registration Number: 000038N

C. V. Parameswar
Partner
M.No.: 11541

Place : **Mumbai,**

Date : **27th May, 2013**



INDEPENDENT AUDITOR'S REPORT

To the Members of ZENITH BIRLA(INDIA) LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of ZENITH BIRLA (INDIA) LIMITED ("the Company"), which comprise the Balance Sheet as at March 31, 2013, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

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

Opinion

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

- a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
- b) In the case of the Statement of Profit and Loss, of the loss for the year ended on that date; and
- c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

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



- d) In our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;
- e) On the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
- f) Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

For **Thakur, Vaidyanath Aiyar & Co.**

Chartered Accountants
Firm Registration Number: 000038N

C. V. Parameswar

Partner

M.No.: 11541

Place: Mumbai

Date : 27th May, 2013



ANNEXURE TO AUDITORS' REPORT

REFERRED TO IN PARAGRAPH I UNDER THE HEADING OF "REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS "OF OUR REPORT OF EVEN DATE.

1. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets.
(b) The fixed assets are physically verified by the Management according to a phased programme designed to cover all the items over a period of three years, which in our opinion, is reasonable having regard to the size of the Company and nature of its assets. Pursuant to the programme, a portion of fixed assets has been physically verified by the management during the year and no material discrepancies between the book records and physical inventory has been noticed.
(c) In our opinion and according to the information and explanations given to us, a substantial part of fixed assets has not been disposed off by the Company during the year.
2. (a) The inventory (excluding stocks with third parties) has been physically verified by the management during the year. In respect of inventory lying with third parties, these have been confirmed by them. In our opinion, the frequency of verification is reasonable.
(b) In our opinion, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
(c) On the basis of our examination of inventory records, in our opinion, the Company is maintaining proper records of inventory. As informed to us no material discrepancies were noticed on physical verification.
3. (a) The Company has granted unsecured loans to three companies covered in the register maintained under Section 301 of the Act. The maximum amount involved during the year was ₹ 2044.96 lacs and year end balance was ₹ 1645.60 lacs.
(b) In our opinion and according to the information and explanations given to us, the rate of interest and other terms and conditions of such loans are not prima facie prejudicial to the interest of the Company.
(c) As explained to us no amount of principal and interest has become due during the year.
(d) In view of our comment in (c) above, para 4(iii)(d) of the Order is not applicable to the Company.
(e) The Company has taken unsecured interest free loan from one company covered in the register maintained under Section 301 of the Act. The maximum amount outstanding anytime during the year was ₹ 45 lacs and the year end balance was ₹ 45 lacs.
(f) In our opinion and according to the information and explanation given to us the terms and conditions of such loan are not prima facie prejudicial to interest of the Company
(g) In respect of the aforesaid loan, as explained to us no amount of principle has become due during the year.
4. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory, fixed assets and for the sale of goods and services. Further, on the basis of our examination of the books and records of the Company, and according to the information and explanations given to us, we have neither come across nor have been informed of any continuing failure to correct major weaknesses in the aforesaid internal control system.
5. (a) In our opinion and according to the information and explanations given to us, the particulars of contracts or arrangements referred to in Section 301 of the Act have been entered in the register required to be maintained under that section.
(b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements and exceeding the value of ₹ Five lacs in respect of any party during the year have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.



6. In our opinion and according to the information and explanations given to us, in respect of compliance by the Company with the provisions of Section 58A and 58AA or any other relevant provisions of the Act and the Companies (Acceptance of Deposits) Rules, 1975, with regard to the deposits accepted from the public, we have to state that these have not been complied with in respect to non payments of deposits and interest on due date, maintenance of liquid assets to the extent required as per rule 3A of the Companies (Acceptance of Deposit) Rules, 1975 accepting fresh deposits after the default, as well as not intimating the appropriate authorities of such defaults.
7. The Company has an in house internal audit system. To make it commensurate with the size and nature of its business, the scope and coverage needs to be strengthened.
8. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Accounting Records) Rules, 2011 prescribed by the Central Government under section 209 (1) (d) of the Companies Act, 1956 and are of the opinion that prima facie the prescribed cost records have been maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
9. (a) According to the information and explanation given to us and the records of the Company examined by us, in our opinion except for dues in respect of Dividend Distribution Tax, the Company is generally regular in depositing the undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Wealth Tax, Service Tax, Excise Duty, Custom Duty, Cess and other material statutory dues as applicable with the appropriate authorities. Dividend Distribution Tax amounting to ₹ 359.08 lacs plus interest thereon amounting to ₹ 107.72 lacs remained in arrears as at the last day of the financial year, for a period exceeding six months from the date they became payable.
- (b) According to the information and explanation given to us and the records of the Company examined by us, there were no disputed dues in respect of Income Tax, Wealth Tax, Service Tax and Cess. The particulars of dues of customs duty, excise duty and sales tax as at March 31, 2013, which have not been deposited on account of disputes, are as follows:

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

10. The Company has incurred loss only during the current year and the accumulated loss as at March 31, 2013 does not exceed fifty percent of its net worth. The Company has incurred cash losses in the current financial year but not incurred cash losses in the immediately preceding financial year.
11. According to the records of the Company examined by us and the information and explanations given to us, there have been instances of the Company not arranging funds for meeting its commitment to the banks for paying the liability of the Letters of credit on due dates since August 12 resulting in default in payment to the banks from August 2012, and as on 31.03.2013 the Company's liability to the banks for the Letters of credit which have fallen due is to the tune of ₹ 8384.03 lacs. However, the Company has operated within the total overall limit sanctioned by the banks taking together the Fund based and Non Fund based limit by interchanging the utilisation of funds with the mutual understanding with the banks
12. The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. In our opinion, the Company is not a chit fund or a nidhi/mutual benefit fund/society. Therefore clause 4(xiii) of the Companies (Auditor's report) Order, 2003 is not applicable to the Company.
14. In respect of shares, securities, debentures and other investments dealt or traded by the Company, proper records have been maintained in respect of the transactions and contracts and timely entries have been made therein. All the investments are held by the Company in its own name.



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

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

C. V. Parameswar
Partner
M.No.: 11541

Place: Mumbai
Date : 27th May,2013



BALANCE SHEET AS AT 31ST MARCH, 2013

Particulars	Note No.	(₹ in Lacs)	
		As at 31 March, 2013	As at 31 March, 2012
I. EQUITY AND LIABILITIES			
1. Shareholders' Funds			
Share Capital	1	13,128.04	13,128.04
Reserves and Surplus	2	12,429.04	16,899.18
Money received against Share Warrants		494.88	494.88
		<u>26,051.96</u>	<u>30,522.10</u>
2. Non-Current Liabilities			
Long-Term borrowings	3	2,839.42	4,741.30
Deferred Tax Liabilities (Net)	4	504.86	504.86
Other Long-Term Liabilities	5	912.73	899.92
Long-Term Provisions	6	961.26	970.75
		<u>5,218.27</u>	<u>7,116.83</u>
3. Current Liabilities			
Short Term Borrowings	7	17,594.20	8,772.25
Trade Payables	8	14,767.16	19,876.06
Other Current Liabilities	9	6,557.26	3,418.48
Short-Term Provisions		3,827.11	2,432.48
		<u>42,745.73</u>	<u>34,499.27</u>
TOTAL		<u><u>74,015.96</u></u>	<u><u>72,138.20</u></u>
II. ASSETS			
Non-Current Assets			
1. Fixed Assets			
(i) Tangible Assets		10,828.17	9,074.84
(ii) Intangible Assets		12.93	17.24
(iii) Capital work-in-progress		2,015.60	3,511.58
Non-Current Investments	12	264.49	264.49
Long-Term Loans and Advances	13	4,403.86	4,169.36
		<u>17,525.05</u>	<u>17,037.51</u>
2. Current Assets			
Inventories	14	10,963.35	13,191.66
Trade receivables	15	5,854.16	8,347.79
Cash and Cash Equivalents	16	9,122.08	9,349.21
Short-Term Loans and Advances	17	30,551.32	24,212.03
		<u>56,490.41</u>	<u>55,100.69</u>
TOTAL		<u><u>74,015.96</u></u>	<u><u>72,138.20</u></u>

Significant Accounting Policies

Notes on Financial Statements

I to 43

As per our attached report of even date

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

By Order of the Board

M.S. Arora
Managing Director

P.V.R. Murthy
Director

C.V. Parameswar

Partner
Membership No: 11541
Mumbai, 27th May, 2013

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2013**

(₹ in Lacs)

Particulars	Note No.	For the year ended 31 March 2013	For the year ended 31 March 2012
I. INCOME			
Revenue From Operations (gross)	19	29,662.39	50,490.86
Less : Excise Duty		2,346.63	4,354.43
		27,315.76	46,136.43
II. Other Income	20	1,944.16	2,285.40
III. Total Revenue (I + II)		29,259.92	48,421.83
IV. EXPENSES			
Cost of Materials consumed	21	15,149.88	28,245.19
Purchase of Stock in Trade	22	8,968.59	7,976.36
Changes in Inventories of Finished Goods			
Work-in-Progress and Stock-in-Trade	23	794.40	1,041.30
Employee Benefits expenses	24	1,598.95	1,567.37
Finance Costs	25	3,504.57	3,164.36
Depreciation and Amortization Expenses		548.83	508.17
Other Expenses	26	3,160.28	5,655.06
Total Expenses		33,725.54	48,157.81
V. PROFIT BEFORE TAX		(4,465.58)	264.02
VI. Tax Expenses			
Current Tax		-	50.00
Deferred Tax		-	59.53
Wealth Tax		0.68	0.78
Tax in respect of earlier years		2.88	-
		3.56	110.31
VII. PROFIT FOR THE YEAR (V -VI)		(4,469.14)	153.71
Earning per Equity Share of face value of ₹ 10 each			
Basic and Diluted (in ₹)		(3.40)	0.12
Significant Accounting Policies			
Notes on Financial Statements	I to 43		

As per our attached report of even date
FOR THAKUR,VAIDYANATH AIYAR & CO.
Chartered Accountants
Firm Registration No.: 000038N

By Order of the Board
M.S. Arora
Managing Director

P.V.R. Murthy
Director

C.V. Parameswar
Partner
Membership No: 11541
Mumbai, 27th May, 2013



CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2013

(₹ in Lacs)

	For the year ended 31 March 2013	For the year ended 31 March 2012
A. CASH FLOW FROM OPERATING ACTIVITIES :		
Net Profit before Tax as per Profit and Loss Account	(4,465.58)	264.02
Add/(Deduct):		
Depreciation and Amortisation expense	548.83	508.17
(Profit)/ Loss on Sale / Discard of Assets (Net)	(3.49)	1.91
Finance Cost	3,504.57	3,164.36
Interest Income	(1,237.36)	(1,197.11)
Dividend Income	(0.06)	(0.06)
Net gain on sale of Investment (Net)	-	(0.15)
	2,812.49	2,477.12
Operating Cash Profit before Working Capital Changes	(1,653.13)	2,741.14
Add/(Deduct):		
Trade and other Receivables	(2,581.55)	(5,024.97)
Inventories	2,228.31	2,945.35
Trade and Payables	(167.39)	1,947.69
	(520.63)	(131.93)
CASH GENERATED FROM OPERATIONS	(2,173.76)	2,609.21
Add: Tax Payments	(46.26)	(300.60)
NET CASH FLOW FROM OPERATING ACTIVITIES	(2,220.02)	2,308.61
B. CASH FLOW FROM INVESTING ACTIVITIES :		
Inflow		
Sale of Fixed Assets	415.37	2.87
Sale of Current Investments (Net)	-	100.00
Dividend from Current Investments	0.06	0.06
Net gain on sale of Investment (Net)	-	0.15
Inter Corporate Deposits and Loans (Including Interest) (Net)	(174.48)	1,174.75
	240.95	1,277.83
Outflow		
Acquisition of Fixed Assets	1,431.22	1,794.02
Investment in other Long Term Investments	-	-
Purchase of Current Investments (Net)	-	-
Inter Corporate Deposits and Loans (Including Interest) (Net)	-	-
	1,431.22	1,794.02
NET CASH FLOW FROM INVESTING ACTIVITIES	(1,190.27)	(516.19)



(₹ in Lacs)

	For the year ended 31 March 2013	For the year ended 31 March 2012
C. CASH FLOW FROM FINANCING ACTIVITIES :		
Inflow		
Increase in Share Capital after ignoring non Cash	-	2,022.35
Borrowings (Net of repayments)	<u>7,137.57</u>	-
	7137.57	2022.35
Outflow		
Finance Charges (Net)	3,651.53	3,122.52
Dividend paid	-	
Borrowings (Net of repayments)		
Share Issue Expenses		-
	<u>3,651.53</u>	<u>3,122.52</u>
NET CASH FLOW FROM FINANCING ACTIVITIES	3,486.04	(1,100.17)
NET INCREASE/ (DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)	75.75	692.25
CASH AND CASH EQUIVALENTS AS AT THE BEGINNING OF THE YEAR	7,953.27	7,261.02
CASH AND CASH EQUIVALENTS AS AT YEAR END	8,029.02	7,953.27
<u>Reconciliation of Cash and Cash Equivalents as at year end:-</u>		
Cash and Cash Equivalents as per Note No. 17	9,122.08	9,349.21
Less: Balance in Fixed Deposit accounts kept as margin money with the bankers	(1,093.06)	(1,395.94)
	<u>8,029.02</u>	<u>7,953.27</u>

As per our attached report of even date

FOR **THAKUR,VAIDYANATH AIYAR & CO.**Chartered Accountants
Firm Registration No.: 000038N**C.V. Parameswar**Partner
Membership No: 11541
Mumbai, 27th May, 2013

By Order of the Board

M.S. Arora
Managing Director**P.V.R. Murthy**
Director



NOTES TO THE FINANCIAL STATEMENTS

		(₹ in Lacs)	
		As at 31 March 2013	As at 31 March 2012
I. SHARE CAPITAL			
AUTHORISED:			
15,55,00,000 Equity Share of ₹. 10/- each (15,55,00,000)		15,550.00	15,550.00
ISSUED, SUBSCRIBED & FULLY PAID UP			
13,12,80,448 Equity Share of ₹. 10/- each (13,12,80,448)		13,128.04	13,128.04
TOTAL		13,128.04	13,128.04
I.1 The reconciliation of the number of shares outstanding is set out below:			
	No. of Shares	No. of Shares	
Shares outstanding at the beginning of the year	131,280,448	131,280,448	
Shares outstanding at the end of the year	131,280,448	131,280,448	
I.2 The details of Shareholders holding more than 5% share			
	No. of Share	% held	No. of Share % held
Bank of New York Mellon	10382472	7.91	15632472 11.91
Focus Shares & Securities Pvt Ltd.	7500000	5.71	- -
Shearson Investment Trading Company Pvt.Ltd.	2481193	1.89	11923193 9.08
Godavari Corporation Pvt.Ltd.	1354632	1.03	7464926 5.69
I.3 2,16,20,529 Equity Shares out of the Issued, Subscribed and Paid up Share (2,16,20,529) capital were allotted as Bonus Share in the last five years by capitalisation of Securities Premium and Reserves.			
I.4 1,36,70,315 Equity Shares out of the Issued, Subscribed and Paid up Share (1,36,70,315) capital were allotted during the last five years pursuant to a scheme of amalgamation without payment being received in cash.			
I.5 5,59,17,060 Equity Shares out of the Issued, Subscribed and Paid up Share (5,59,17,060) capital were allotted in the last five years on conversion/exercise of warrants and against Global Depository Receipts.			
I.6 On 10-01-2011 the Company issued 1,08,10,000 Convertible Equity Share Warrants which were convertible into 1 Equity Share of ₹ 10 each at a price calculated in accordance with SEBI regulation. 25% of the issue price was payable at the time of allotment of warrants and the balance 75% at the time of allotment of Equity Shares. On 25-03-2011, 15,60,000 warrants were converted into Equity Shares. The remaining 92,50,000 warrants were convertible into Equity Share before 09-07-2012. The company is taking steps to seek extension for conversion of warrants.			
2. RESERVES AND SURPLUS			
Securities Premium Reserve			
Balance as per last account		14,308.30	14,308.30
General Reserve:			
Balance as per last account		91.29	91.29
Surplus in Statement of Profit and Loss			
Balance as per last account		2,499.59	2,345.88
Add: Net Profit for the current year		(4,469.14)	153.71
Closing Balance		(1,969.55)	2,499.59
TOTAL		12,429.04	16,899.18

**NOTES TO THE FINANCIAL STATEMENTS**

(₹ in Lacs)

	As at 31 March 2013	As at 31 March 2012
3. LONG TERM BORROWINGS		
Secured (Refer Note)		
Term Loans		
From Banks	181.61	194.91
From Others	1,432.25	2,165.62
Long term maturities of finance lease obligations	27.46	-
SUB TOTAL A	1,641.31	2,360.53

NOTE: Terms of Borrowing

	Nature of Security	Original Amount of Borrowing ₹/ Lacs	Tenor at inception (in years)	Terms of Repayment	Month in which last Instalment is due	Repayment Schedule Instalments ₹/ Lacs	Balance as on 31st March, 2013 ₹/ Lacs	Balance as on 31st March, 2012 ₹/ Lacs	Prevailing Interest Rate Per Annum
	Secured								
1	Term Loan from Bank is secured by mortgage of Thane Office Building against which the loan has been taken.	300.00	10	Monthly	Dec-14	1.15	199.01	210.47	15%
2	Loan from others is secured by First charge (hypothecation) of all movable assets, including Specific Plant & 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 & Machinery.	4500.00	8.5	Quarterly	Jul-15	153	2302.48	2779.50	3 Month Libor + 3.25%
3	Long Term maturities of Finance lease obligations are secured by hypothecation of specific vehicles against which the loan has been taken	33.76	3-4	Monthly	Jun -16	0.97	32.25	5.63	12.25%
	Sub-Total						2533.74	2995.60	
	Less: Current Maturities of Long Term Debt (Refer Note 9(a))						892.43	635.07	
	Total						1641.31	2360.53	

(₹ in Lacs)

	As at 31 March 2013	As at 31 March 2012
Unsecured		
Deferred payment Liabilities	150.00	150.00
Deposits	1,048.11	2,230.77
Loans and Advances from related parties (Refer Note No. 36)	-	-
SUB TOTAL B	1,198.11	2,380.77
TOTAL A + B	2,839.42	4,741.30



NOTES TO THE FINANCIAL STATEMENTS

		(₹ in Lacs)	
		As at 31 March 2013	As at 31 March 2012
4. DEFERRED TAX LIABILITY (NET)			
Deferred Tax Liability			
On account of Depreciation		671.85	671.85
Deferred Tax Assets			
Disallowance under the Income Tax Act, 1961		166.99	166.99
TOTAL		504.86	504.86
5. OTHER LONG TERM LIABILITIES			
Others		912.73	899.92
TOTAL		912.73	899.92
6. LONG TERM PROVISIONS			
Provision for Employee Benefits (Refer Note No. 34)			
Gratuity		400.86	415.41
Leave Encashment		81.90	76.84
Provision for Contingencies		478.50	478.50
TOTAL		961.26	970.75
7. SHORT TERM BORROWINGS			
Secured			
Loans repayable on demand			
From Banks		16,345.51	6,662.90
From Others			
Foreign Currency Loans - Buyers Credit		1,246.43	1,167.48
7.1 Loans repayable on demand from Banks are secured by hypothecation of inventories and /or book debts and export incentives recoverable etc. and collaterally secured by way of first charge on the fixed assets.			
7.2 Foreign Currency Loan- Buyers Credit is secured by first charge on the assets purchased from the loan.			
Unsecured			
Loans and Advances from related parties. (Refer Note No. 35)		2.26	941.87
TOTAL		17,594.20	8,772.25
8. TRADE PAYABLES			
Micro, Small and Medium Enterprises (*)		-	-
Others (including ₹ 3976.73 Lacs due to related parties. Refer Note no. 35)		14,767.16	19,876.06
TOTAL		14,767.16	19,876.06

(*) There are no Micro and Small enterprises to whom the Company owes amounts which are outstanding as at 31st March 2013. This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 (MSME) has been determined on the basis of and to the extent information is available with the Company. No interest is paid / payable during the year to any enterprise registered under the MSME.

**NOTES TO THE FINANCIAL STATEMENTS****(₹ in Lacs)**

	As at 31 March 2013	As at 31 March 2012
9. OTHER CURRENT LIABILITIES		
Current Maturities of Long Term Debts	892.41	635.07
Current Maturities of Deposit	2,292.02	1,089.07
Interest accrued but not due on borrowings	17.64	164.60
Unclaimed Dividends	40.18	40.27
Advance from Customers	674.02	386.88
Interest payable on Fixed Deposit	336.17	116.22
Other payables *	2,304.82	986.37
TOTAL	6,557.26	3,418.48

*includes ₹1460 lacs advances against sales of land, ₹134.24 lacs Export obligation steel.

There is no amount due and outstanding as on 31st March, 2013, to be credited to Investors Education and Protection Fund.

10. SHORT TERM PROVISIONS

Provision for Employee Benefits (Refer Note No. 34)

Gratuity	8.26	8.87
Leave Encashment	1.59	1.59
Salary & Reimbursements	47.34	47.64
Contribution to Provident Fund	1.73	3.42
Provision for Wealth Tax	2.48	3.89
Dividend Tax on Dividend	359.08	359.08
Provision for Excise Duty	355.63	441.29
Creditors for Services	501.93	501.93
Provision for outstanding expenses	2,403.77	959.63
Provision Others *	145.30	105.14
TOTAL	3,827.11	2,432.48

* includes ₹107.72 lacs provision for interest on dividend tax



NOTES TO THE FINANCIAL STATEMENTS

11. FIXED ASSETS

DESCRIPTION	GROSS BLOCK				DEPRECIATION BLOCK			NET BLOCK		
	As at 01 April 2012	Additions/ Adjustment	Deductions/ Adjustment	Balance as at 31 March 2013	Balance as at 01 April 2012	Adjustment /Deductions	For the year	Upto 31 March 2013	Balance as at 31 March 2013	Balance as at 31 March 2012
TANGIBLE ASSETS										
OWN ASSETS:										
1. Freehold Land	1,824.42	-	-	1,824.42	-	-	-	-	1,824.42	1,824.42
2. Leasehold Land	199.23	-	-	199.23	21.84	-	2.28	24.12	175.11	177.39
3. Buildings	4,938.94	75.35	-	5,014.29	920.20	-	128.33	1,048.53	3,965.76	4,018.74
4. Plant and Equipment	4,797.20	2,601.89	409.84	6,989.25	2,225.48	0.02	341.05	2,566.51	4,422.74	2,571.72
5. Furniture, Fixtures	388.51	1.31	-	389.83	130.82	-	24.11	154.93	234.90	257.69
6. Vehicles	189.50	29.04	5.44	213.10	80.13	3.38	18.06	94.81	118.29	109.37
7. Office Equipments	22.91	1.47	-	24.38	5.90	-	1.07	6.97	17.41	17.01
8. Computer	193.05	0.64	-	193.69	165.99	-	11.76	177.75	15.94	27.06
Sub Total	12,553.76	2,709.70	415.28	14,848.19	3,550.36	3.40	526.66	4,073.62	10,774.57	9,003.40
LEASED ASSETS:										
Improvement on Lease hold Premises	89.30	-	-	89.30	17.86	-	17.86	35.72	53.58	71.44
Sub Total	89.30	-	-	89.30	17.86	-	17.86	35.72	53.58	71.44
Total (A)	12,643.07	2,709.70	415.28	14,937.49	3,568.22	3.40	544.52	4,109.34	10,828.17	9,074.84
INTANGIBLE ASSETS										
Computer Software	21.55	-	-	21.55	4.31	-	4.31	8.62	12.93	17.24
Total (B)	21.55	-	-	21.55	4.31	-	4.31	8.62	12.93	17.24
Total (A+B)	12,664.62	2,709.70	415.28	14,959.04	3,572.53	3.40	548.83	4,117.96	10,841.10	9,092.08
Previous Year	12,541.10	139.51	16.00	12,664.61	3,075.58	11.22	508.17	3,572.53	9,092.08	
Capital Work-in-Progress									2,015.60	3,511.58

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

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

(c) Refer Note No. 32 is regard to pending transfer of title.

**NOTES TO THE FINANCIAL STATEMENTS**

	(₹ in Lacs)	
	As at 31 March, 2013	As at 31 March, 2012
12. NON CURRENT INVESTMENTS		
TRADE INVESTMENT		
In Equity Shares - Quoted, fully paid up		
4,35,350 Birla Transasia Carpets Limited of ₹ 10/-each	63.69	63.69
(4,35,350) Less: Provision for diminution in value	63.69	63.69
	-	-
In Equity Shares of Subsidiary Company		
Unquoted fully paid up		
1,000 Zenith (USA), Inc. New York, a wholly owned Subsidiary Company (1,000) (Nominal value of Shares in US \$ 30,000)	2.28	2.28
2 UAE Dirham 2 Million of Zenith Middle East FZE, a wholly owned Subsidiary (2) of the Company, Further UAE Dirham 0.22 Million is pending allotment.	257.31	257.31
In Equity Shares of Associate Company		
Unquoted fully paid up		
39,000 Birla Energy Infra Limited of ₹ 10/- each (39000)	3.90	3.90
OTHER INVESTMENT - Unquoted fully paid up		
236 US \$ 1,000 each of P.T. Horizon Syntex, Indonesia, continue to be held in the (236) name of erstwhile The Indian Tool Manufacturers Limited and the same are still in process of being transferred in the name of the Company pending receipt of the necessary approval from Reserve Bank of India	19.31	19.31
Less: Provision for diminution in value	19.31	19.31
	-	-
2,000 TIMA CETP Co-Op Society Ltd. of ₹ 10/- each (2000)	0.20	0.20
2,000 The Shamrao Vithal Co-op Bank Ltd. of ₹ 25/- each (2000)	0.50	0.50
In Government Securities - Unquoted		
National Savings Certificates	0.30	0.30
TOTAL	264.49	264.49
Aggregate amount of Quoted Investments	-	-
Market Value of Quoted Investments	220.72	284.94
Aggregate amount of Unquoted Investments	264.49	264.49
Aggregate provision for diminution in value of Investments	83.00	83.00
13. LONG TERM LOANS AND ADVANCES		
(Unsecured, Considered good)		
Capital Advances	3,819.38	3,811.66
Security Deposits	338.35	150.67
Advance Income Tax (Net of Provision)	205.62	166.52
Other Loans and Advances (includes deposits received and advances recoverable)	40.51	40.51
	4,403.86	4,169.36
Other Loans and Advances Considered Doubtful	160.48	160.48
Less: Provision for doubtful advances	160.48	160.48
	-	-
TOTAL	4,403.86	4,169.36



NOTES TO THE FINANCIAL STATEMENTS

		(₹ in Lacs)	
		As at 31 March, 2013	As at 31 March, 2012
14. INVENTORIES			
	(at lower of Cost and Net Realisable value)		
	Raw Materials	672.24	1,324.19
	Raw Materials-in-process	654.59	658.67
	Raw Material in Transit	396.31	912.52
	Semi-Finished Goods	2,777.06	3,026.91
	Finished Goods	2,693.66	3,484.87
	Stock-in-Trade	1,319.60	1,286.36
	Stores and Spare Parts	640.35	766.18
	Others (Scrap)	1,810.54	1,731.96
	TOTAL	10,963.35	13,191.66
15. TRADE RECEIVABLES			
	Outstanding for a period exceeding six months from the date they become due for payment (unsecured)		
	(a) Considered good	2,323.25	3,391.35
	(b) Considered doubtful	150.00	150.00
	Less: Provision for doubtful debts	150.00	150.00
		-	-
	Other Receivables (unsecured)		
	Considered good	3,530.91	4,956.44
	*(including ₹ 2327.41 Lacs due to related parties. Refer Note no. 35)		
	TOTAL	5,854.16	8,347.79
16. CASH AND CASH EQUIVALENTS			
	Balances with Banks	7,977.80	7,814.45
	Unclaimed Dividend	40.19	40.27
	Margin Money *	1,093.06	1,395.94
	Cheques, Drafts on hand	-	91.36
	Cash on hand	11.03	7.19
	TOTAL	9,122.08	9,349.21
	*Includes FDR of ₹ 178.85 lacs with maturity of more than 12 months. Margin money against Bank LCs, Public FD etc.		
17. SHORT TERM LOANS AND ADVANCES			
	(Unsecured and Considered good)		
	Loans and Advances to related parties (Refer Note No. 35)	7,114.99	5,750.64
	Balance with Port Trust, Customs and Excise	611.38	613.52
	Advance to Suppliers	6,082.69	3,633.40
	Advance to Employees	68.41	67.56
	Inter Corporate Deposit	7,872.98	7,307.71
	Export Incentive Receivable	145.23	469.49
	VAT recoverable	1,844.66	1,915.05
	Advances Others *	6,810.99	4,454.66
	TOTAL	30,550.82	24,212.03
	* includes ₹ 2141.50 lacs assignment of debts and ₹ 1869.50 lacs advances recoverable etc.		
18. Contingent Liabilities and Commitments (to the extend not provided for)			
	1. Guarantees given by the Bank on behalf of the Company	2,720.17	3,973.60
	2. Estimated amount of Contracts remaining to be executed on Capital Account and not provided for (net of advances)	3,372.23	4,151.43
	TOTAL	6,092.40	8,125.03

**NOTES TO THE FINANCIAL STATEMENTS**

	(₹ in Lacs)	
	For the year ended 31 March 2013	For the year ended 31 March 2012
19. REVENUE FROM OPERATIONS		
Sale of Products	28,645.22	47,394.22
Other Operating Revenues		
Sale of Scrap	760.09	1,563.63
Export Incentives	257.08	1,533.01
	<u>1,017.17</u>	<u>3,096.64</u>
TOTAL	<u><u>29,662.39</u></u>	<u><u>50,490.86</u></u>
20. OTHER INCOME		
Interest Income	1,237.36	1,197.11
Dividend Income	0.06	0.06
Net gain on sale of Investments	-	0.15
Surplus on Sale of Fixed Assets	3.49	-
Excess provision written back (Net)	9.22	2.01
Net Gain on Foreign Currency Translation and Transaction	481.64	879.95
Other Non-Operating Income	212.39	206.12
	<u>1,944.16</u>	<u>2,285.40</u>
TOTAL	<u><u>1,944.16</u></u>	<u><u>2,285.40</u></u>
21. COST OF MATERIALS CONSUMED		
Hot Rolled Steel	13,306.84	24,952.07
G.P. Coil	-	1,048.52
Zinc and Zinc Alloy	560.33	2,220.39
Others	1,282.71	24.21
	<u>15,149.88</u>	<u>28,245.19</u>
TOTAL	<u><u>15,149.88</u></u>	<u><u>28,245.19</u></u>
22. PURCHASE OF STOCK IN TRADE		
H.R/C.R/G.P Coil and GI Sheet	8,670.19	5,509.53
Steel Products	-	934.21
M.S. Pipe, Tube and Bar	197.36	712.13
Other (Pig Iron, Sand Scrap and Masonry Drill Tip)	101.04	820.49
	<u>8,968.59</u>	<u>7,976.36</u>
TOTAL	<u><u>8,968.59</u></u>	<u><u>7,976.36</u></u>
23. CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN PROGRESS AND STOCK-IN-TRADE		
Inventory at the end of the year:		
Finished Goods / Stock-in-Trade	4,062.45	4,771.23
Semi-Finished Goods	2,777.06	3,026.91
Scrap etc.	1,810.53	1,731.95
	<u>8,650.04</u>	<u>9,530.09</u>
Less:		
Inventory at the beginning of the year:		
Finished Goods / Stock-in-Trade	4,771.23	4,957.93
Semi-Finished Goods	3,026.91	3,820.55
Scrap etc.	1,731.95	1,820.28
	<u>9,530.09</u>	<u>10,598.76</u>
	<u>(880.05)</u>	<u>(1,068.67)</u>
Variation in excise duty on closing and opening stock of Finished Goods	85.65	27.37
TOTAL	<u><u>794.40</u></u>	<u><u>1,041.30</u></u>



NOTES TO THE FINANCIAL STATEMENTS

	(₹ in Lacs)	
	For the year ended 31 March 2013	For the year ended 31 March 2012
24. EMPLOYEE BENEFIT EXPENSES		
Salaries and Wages	1,394.09	1,354.24
Contribution to Other Funds	71.70	86.67
Staff Welfare Expenses	133.16	126.46
TOTAL	1,598.95	1,567.37
25. FINANCE COST		
Interest Expenses	2,868.97	2,254.43
Other borrowing costs	635.60	909.93
TOTAL	3,504.57	3,164.36
26. OTHER EXPENSES		
Manufacturing Expenses		
Consumption of Stores and Spares	410.96	680.73
Power, Fuel and Water	849.04	1,053.48
Repairs to: (Excludes Stores and Spares issued)		
(a) Buildings	26.00	28.48
(b) Machinery	41.21	42.35
Conversion, Octroi and other manufacturing expenses	178.25	430.07
	1,505.46	2,235.11
Selling and Distribution Expenses		
Freight, Forwarding and Handling Expenses	747.92	2,423.99
Commission	45.63	150.43
	793.55	2,574.42
Establishment Expenses		
Rent (Net)	112.55	47.09
Insurance	5.59	3.48
Rates and Taxes	27.27	20.43
Miscellaneous Expenditure	677.42	730.04
Payment to Auditors'		
(A) Statutory Auditors: (excluding service tax)		
(a) Audit Fees	9.00	9.00
(b) Limited review fees	1.50	1.50
(c) Other Services,	2.75	1.50
(d) for reimbursement of Expenses	0.39	0.16
(B) Cost Audit Fees	1.50	1.50
Other repairs	23.30	26.92
Loss on Fixed Assets sold/discarded	-	1.91
Bad debts, irrecoverable advances and claims written off	-	2.00
TOTAL	3,160.28	5,655.06

**NOTES TO THE FINANCIAL STATEMENTS**

		(₹ in Lacs)			
		For the year ended 31 March 2013		For the year ended 31 March 2012	
		(₹ in Lacs)	%	(₹ in Lacs)	%
27. IMPORTED AND INDIGENOUS CONSUMPTION					
	Raw Material (including components)				
	Imported	-	0.00	1,191.38	4.22
	Indigenous	15,149.88	100.00	27,053.81	95.78
	TOTAL	15,149.88	100.00	28,245.19	100.00
	Spares				
	Imported	10.07	2.45	2.50	2.05
	Indigenous	400.89	97.55	119.68	97.95
	TOTAL	410.96	100.00	122.18	100.00

		(₹ in Lacs)	
		For the year ended 31 March 2013	For the year ended 31 March 2012
28. VALUE OF IMPORTS ON CIF BASIS IN RESPECT OF			
	Raw Material (including Canalised items)	10.07	1,191.38
	Spare Parts	343.42	3.68
	TOTAL	353.49	1,195.06
29. EXPENDITURE IN FOREIGN CURRENCY ON ACCOUNT OF			
	Commission	6.23	42.08
	Interest and Bank Charges	7.26	144.90
	Others	9.67	38.21
	TOTAL	23.16	225.19
30. EARNINGS IN FOREIGN CURRENCY			
	F.O.B. Value of exports	3,591.93	15,188.01
	TOTAL	3,591.93	15,188.01

31. ACCOUNTING POLICIES**(a) Basis of Accounting**

The Financial statements are prepared under the historical cost convention in accordance with the generally accepted accounting principles, the applicable mandatory Accounting Standards and the relevant provisions of the Companies Act 1956.

(b) Use of Estimates

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

(c) Fixed Assets:**(i) Gross Block:**

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

(ii) Depreciation/Amortisation:

a) The Company provides depreciation on the Straight Line Method over the useful life of assets or at the rates and in the manner specified in Schedule XIV of the Companies Act, 1956.

b) Cost of leasehold land is amortised over the period of lease.

(d) Borrowing cost:

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



NOTES TO THE FINANCIAL STATEMENTS

(e) Investments:

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

(f) Inventories:

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

(g) Recognition of Income and Expenditure:

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

(h) Research and Development Expenditure:

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

(i) Employee Benefits:

- (i) Short Term Employee Benefits are recognized as an expense at the undiscounted amount in the Statement of Profit and Loss of the year in which the related service is rendered.

(ii) Retirement Benefits:

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

(j) Foreign Currency Transactions:

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

(k) Expenses on New Projects:

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

(l) Taxes on Income:

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

(m) Impairment of Assets:

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

NOTES TO THE FINANCIAL STATEMENTS

impairment loss is reckoned by reducing the carrying amount to its recoverable amount. If there is an indication at the balance sheet date that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount, subject to a maximum of depreciable historical cost.

(n) Provisions, Contingent Liabilities and Contingent Assets:

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

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

33. The outflow of the resources in respect of pending disputed matters in respect of Sales Tax and Excise Duty would depend on the ultimate outcome of the disputes lying before various authorities amounting to ₹ 294.11 lacs (previous year ₹ 478.50 lacs). however company has made the provision to the full extent. The Company has taken legal and other steps necessary to protect its position in respect of these claims.

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

A. The Company has recognized ₹ 71.70 lacs (Previous Year ₹ 86.67 lacs) in the statement of Profit and Loss for the year ended 31st March, 2013 under Defined Contribution Plan.

B. Defined Benefit Plans:

Contribution to Gratuity:

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

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

(₹ in lacs)

S No.	Particulars	2012-13	2011-12
(a)	Changes in the Present Value of the Defined Benefits Obligation		
(i)	Present value of Defined Benefit Obligation at the beginning of the year	424.28	434.89
(ii)	Interest Cost	37.12	35.88
(iii)	Current Service cost	20.21	21.00
(iv)	Benefits paid	(106.58)	(54.06)
(v)	Actuarial (Gain)/Loss	31.04	(13.43)
(vi)	Present Value of Defined Benefit Obligation at the End of the year.	406.07	424.28
(b)	Balance Sheet Reconciliation		
(i)	Net Liability at the beginning of the year	317.70	380.83
(ii)	Expense recognized	88.38	43.45
(iii)	Net Liability at the end of the year.	406.08	424.28
(c)	Amounts recognized in the Profit & Loss account		
(i)	Current Service Cost	20.21	21.00
(ii)	Interest Cost	37.12	35.88
(iii)	Net Actuarial (Gain)/Loss	31.04	(13.43)
(iv)	Expenses Recognised in the Statement of Profit and Loss A/c	88.38	43.45
(d)	Actuarial Assumption		
(i)	Discount rate	N.A	N.A
(ii)	Expected rate of return on Plan Assets	8.25%	8.75%
(iii)	The estimate of future salary increases considered in actuarial valuation take account of inflation, seniority, promotion, and other relevant factors such as supply and demand factors in the employment market.	5.5%	5.5%



NOTES TO THE FINANCIAL STATEMENTS

35. Related Party Disclosures:

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

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

Sr.No.	Name of the Related Party	Relationship	
1	Zenith (USA) Inc.(Wholly owned)	Subsidiary	
2	Zenith Middle East FZE (Wholly owned)		
3	Birla Precision Technologies Ltd.	Enterprises Owned or significantly influenced by key management personnel or their relatives where transactions have taken place	
4	Birla Power Solutions Ltd.		
5	Ashok Birla Apollo Hospital Private Ltd.		
6	Birla Bombay Pvt.Ltd.		
7	Birla Cotsyn (India) Ltd.		
8	Godavari Corporation Pvt.Ltd.		
9	Shearson Investment & Trading Co.Pvt.Ltd.		
10	Birla Viking Travels Ltd.		
11	Birla Shloka Edutech Ltd.		
12	BirlaBrother Private Ltd.		
13	Birla Art Lifestyle Pvt. Ltd.		
14	Birla Wellness & Healthcare Pvt. Ltd.		
15	Abhiram Steels Pvt. Ltd.		
16	Abhiram Hotels & Resorts Pvt. Ltd.		
17	Asian Distributors Pvt. Ltd.		
18	Melstar Information Technologies Ltd.		
19	Birla Aircon Engineering Services Pvt. Ltd.		
20	Vijay PuraanJay Minerals Pvt. Ltd.		
21	Birla Kerala Vaidyashala Pvt.Ltd.		
22	Birla Terrajoule Pvt. Ltd.		
23	Birla Surya Ltd.		
24	Shri Yashovardhan Birla -Chairman		Key Management Personnel
25	Shri M.S. Arora -Managing Director		



NOTES TO THE FINANCIAL STATEMENTS

(₹ in lacs)

Net Balance of Receivable, Payable, Deposits, Loan etc.			Balance Carried to Balance Sheet (Net)		Balance Carried to Balance Sheet (Net)	
			as at 31-03-2013		as at 31-03-2012	
			Receivable	Payable	Receivable	Payable
i) Subsidiary	a)	Zenith (USA) Inc.(Wholly owned)	868.97	-	706.97	-
	b)	Zenith Middle East FZE (Wholly owned)	684.45	-	621.55	-
ii) Key Management Personnel		Shri Yashovardhan Birla -Chairman	-	-	-	-
		Shri M.S. Arora -Managing Director	-	-	-	-
iii) Enterprises Owned or significantly influenced by key management personnel or their relatives.	1	Birla Precision Technologies Ltd.	274.71		1,892.27	-
	2	Birla Power Solutions Ltd. - other	402.83		361.23	-
	3	Birla Bombay Pvt.Ltd.	-	47.50	-	43.03
	4	Birla Cotsyn (India) Ltd.	959.43	-	335.60	-
	5	Shearson Investment & Trading Co.	235.32	-	388.70	-
	6	Godavari Corporation Pvt.Ltd.	1,351.33	-	1,235.68	-
	7	Birla Viking Travels Ltd.	15.76	-	10.40	-
	8	Birla Shloka Edutech Ltd.		123.45	-	123.45
	9	Asian Distributors Pvt. Ltd.	81.57	-	-	4.43
	10	Melstar Information Technologies Ltd.	2.56	-	2.56	-
	11	Abhirama Steel Pvt. Ltd	5.00	-	0.24	-
	12	Birla Surya Ltd.	750.00	-		-

Note: Related Party relationship is as identified by the Company based on available information and relied upon by the auditors

(b) Transactions with related parties

(₹ in lacs)

	Subsidiaries		Key Management Personnel		Enterprise owned and significantly influenced by Key Management personnel or their relatives	
	31/03/2013	31/03/2012	31/03/2013	31/03/2012	31/03/2013	31/03/2012
Sale of Goods	757.09	5,086.41	-	-	160.88	2,162.05
Purchase of Goods	-	-	-	-	931.21	1,714.16
Commission paid	-	17.47	-	-	-	-
Travel Agency	-	-	-	-	20.42	33.35
Service charges paid	-	-	-	-	-	240.00
Service charges received	-	-	-	-	111.35	196.09
Rent Paid	-	-	-	-	-	33.09
Inter Corporate Deposit - Paid	-	-	-	-	1,532.00	-
Interest received	-	-	-	-	341.99	522.42
Inter Corporate Deposit – Recd.	-	-	-	-	175.00	1,837.82
Inter Corporate Deposit - Refund Received	-	-	-	-	486.00	-
Inter Corporate Deposit/ Loan – Re Paid	-	-	-	-	65.00	-
Advance Paid	-	-	-	-	5.00	-
Other	-	-	-	-	-	70.91
Remuneration	-	-	130.47	130.78	-	-



NOTES TO THE FINANCIAL STATEMENTS

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

(₹ in Lacs)

SI No.	Particulars	2012-13	2011-12
1	Sale of Goods		
	Zenith (USA) Inc.	757.09	5,086.41
	Birla Precision Technologies Ltd.	44.82	2,162.05
	Birla Accucast Ltd.	116.06	
	Indian Tools Mfg	-	
2	Commission paid		
	Zenith (USA) Inc.	-	17.47
3	Purchase of Goods		
	Birla Power Solutions Ltd.	917.44	1,710.83
	Birla Precision Technologies Ltd.	5.64	
	Abhiram Steel P Ltd.	8.13	
4	Inter Corporate Deposit - Received		
	Birla Power Solutions Ltd.	175.00	895.95
	Birla Precision Technologies Ltd.	-	941.87
	Birla Cotsyn India Ltd.	-	-
	Asian Distributors Pvt Ltd.	-	-
	Shearson Investment & Trading Company	-	-
5	Inter Corporate Deposit - GIVEN		
	Birla Surya Ltd.	750.00	-
	Birla Cotsyn	496.00	-
	Shearson Investment & Trading Company	200.00	-
	Asian Distributors Pvt Ltd.	86.00	-
6	Interest Received		
	Birla Power Solutions Ltd.	173.56	173.70
	Godavari Corporation Pvt.Ltd.	115.64	115.96
	Shearson Investment & Trading Company	46.62	-
	Birla Cotsyn India Ltd.(new)	6.17	-
7	Other Services		
	Birla Power Solutions Ltd.	12.48	-
	Birla Viking Travels Pvt Ltd.	20.42	-
	Birla Precision Technologies Ltd.	98.87	-
8	ICD Refund Received		
	Birla Cotsyn India Ltd.	86.00	-
	Shearson Investment & Trading Company	400.00	-
9	Loan/ICD -RE PAID		
	Birla Power Solutions Ltd.	65.00	-
10	Advance - PAID		
	Abhiram Steels Pvt. Ltd.	5.00	-
11	Remuneration Paid	130.47	130.87

36. (i) Assignment of Debts under Short Term loans and Advances represents debts for which the Company has entered into deeds of assignment for transfer of debts outstanding and receivable by the Company, to the purchaser of the debts.
- (ii) In the opinion of the Board, Current Assets, Loans and Advances have a value on realisation in the ordinary course of business at least equal to the amount at which they are stated.
37. During the year 2006-07 the Company made a Follow on Public Issue and consequently raised an amount of ₹ 13100 Lacs.

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

**NOTES TO THE FINANCIAL STATEMENTS**

(₹ in lacs)

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

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

38. Disclosures in respect of Derivatives Instruments:

- Derivative Instruments Outstanding as on 31st March, 2013 ₹ Nil
- Foreign Currency Exposure that are not hedged by forward contracts as at 31st March, 2013.

	Amount (USD) 2012-13	Amount (USD) 2011-12	Amount (EURO) 2012-13	Amount (EURO) 2011-12	Amount (AUD) 2012-13	Amount (AUD) 2011-12
1 Term Loan	6528353.34	54,33,333	-	-	-	-
2 Debtors	3,069,006.63	26,77,349	83768.00	-	209653.00	300
3 Other Payable	10,94,235.00	10,91,615	-	-	-	-
4 Other Receivables	12,62,011.00	12,62,011	-	-	-	-

39. Computation for Earning Per Share

(₹ in Lacs)

	2012-13	2011-12
Profit for the Year	(4469.14)	153.71
Weighted average Number of Equity Share	13,12,80,448	13,12,80,448
TOTAL	13,12,80,448	13,12,80,448
Earning per share	(3.40)	0.12

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

Pursuant to the above, effect of exchange difference on long term foreign currency monetary items, so far as they relate to acquisition of depreciable capital assets, have been adjusted to the cost of such assets and depreciated over their remaining useful lives. Accordingly, net exchange loss relating to the financial year 2012-13 amounting to ₹ 170.30 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.

- Bank Balance includes ₹ 7889.29 lacs with a bank for which statement of accounts/confirmation as at 31/03/2013 is awaited.
- In accordance with Accounting Standard – 17 “Segment Reporting”, segment information has been given in the consolidated financial statement of the Company and therefore, no separate disclosure on segment information is given in these financial statements.
- Previous year figures have been reclassified to conform to this year’s classification.

As per our attached report of even date**FOR THAKUR,VAIDYANATH AIYAR & CO.**Chartered Accountants
Firm Registration No.: 000038N**By Order of the Board****M.S. Arora**
Managing Director**P.V.R. Murthy**
Director**C.V. Parameswar**Partner
Membership No: 11541
Mumbai, 27th May, 2013



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

Name of the Subsidiary	Period of the Subsidiary Company	No. of Equity Shares	Percentage of Holding	The Net aggregate amount of Subsidiary's Profit/Losses so far as it concerns the members of the Holding Company not dealt with in the Holding Company's Accounts		The Net aggregate amount of the Profit/Losses of Subsidiary which has been dealt with in the account of the Holding Company	
				For the Current Period	For Previous Period since it became Subsidiary	For the Current Period	For Previous Periods since it became Subsidiary
Zenith (USA) Inc.	1st January 2012 to 31st December 2012.	1000 Shares (No par value - Nominal value US\$ 30000)	100%	US\$ (11,88,592)	US\$ (6,73,196)	N.A.	N.A.
Zenith Middle East FZE	1st April 2012 to 31st March 2013.	2 Share of UAE Dirhams 2.22 Million	100%	UAE Dhs. (122669)	UAE Dhs. 78,934	N.A.	N.A.

By Order of the Board

M.S. Arora
Managing Director

P.V.R. Murthy
Director

Mumbai, 27th May, 2013



INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
of ZENITH BIRLA (INDIA) LIMITED

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of ZENITH BIRLA (INDIA) LIMITED ("the Company), and its subsidiaries, (collectively referred to as "The Group") which comprise the consolidated Balance Sheet as at March 31, 2013, and the consolidated Statement of Profit and Loss and the consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements.

The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Group preparation and presentation of the consolidated financial statements that give a true and fair view in order to

design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

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

Opinion

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

- in the case of the consolidated Balance Sheet, of the state of affairs of the Group as at March 31, 2013;
- in the case of the consolidated Statement of Profit and Loss, of the loss of the Group for the year ended on that date; and
- in the case of the consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

Other Matters

We did not audit the financial statements of two wholly owned foreign subsidiaries included in the consolidated financial statements, which constitute total assets of ₹1245.06 lacs and net assets of ₹(134.72) lacs as at March 31, 2013, total revenues of ₹709.34 lacs, net loss of ₹652.88 lacs and net cash flows amounting to ₹(18.6) lacs for the year then ended.

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

Since the financial statements of one of the foreign subsidiary which were compiled by the management for the financial year ended 31st March, 2013 were not audited as at 31st March, 2013, any adjustments to their balances could have consequential effect on the attached consolidated financial statements. However the size of this foreign subsidiary in the consolidated position is not significant in relative term.

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

C .V. Parameswar
Partner
Membership No. 11541

Place: Mumbai

Date: 27th May, 2013



CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2013

Particulars	Note No.	(₹ in Lacs)	
		As at 31 March, 2013	As at 31 March, 2012
I. EQUITY AND LIABILITIES			
1. Shareholders' Funds			
Share Capital	1	13,128.04	13,128.04
Reserves and Surplus	2	11,035.75	16,157.77
Money received against Share Warrants		494.88	494.88
		<u>24,658.67</u>	<u>29,780.69</u>
2. Non-Current Liabilities			
Long-Term borrowings	3	2,839.42	4,741.30
Deferred Tax Liabilities (Net)	4	504.86	504.86
Other Long-Term Liabilities	5	912.73	899.92
Long-Term Provisions	6	961.26	970.75
		<u>5,218.27</u>	<u>7,116.83</u>
3. Current Liabilities			
Short Term Borrowings	7	17,594.20	8,772.25
Trade Payables	8	15,409.11	19,670.17
Other Current Liabilities	9	6,731.29	3,571.95
Short-Term Provisions	10	3,837.49	2,465.66
		<u>43,572.09</u>	<u>34,480.03</u>
TOTAL		<u><u>73,449.04</u></u>	<u><u>71,377.55</u></u>
II. ASSETS			
Non-Current Assets			
1. Fixed Assets			
(i) Tangible Assets		10,827.75	9,075.02
(ii) Intangible Assets		12.93	17.24
(iii) Capital work-in-progress		2,015.60	3,511.58
Non-Current Investments	12	4.90	4.90
Long-Term Loans and Advances	13	4,408.14	4,172.98
		<u>17,269.32</u>	<u>16,781.72</u>
2. Current Assets			
Inventories	14	11,310.88	13,913.82
Trade receivables	15	5,835.39	7,058.42
Cash and Cash Equivalents	16	9,153.25	9,398.98
Short-Term Loans and Advances	17	29,880.20	24,224.61
		<u>56,178.56</u>	<u>54,595.83</u>
TOTAL		<u><u>73,449.04</u></u>	<u><u>71,377.55</u></u>
Significant Accounting Policies Notes on Financial Statements		1 to 39	

As per our attached report of even date

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

C.V. Parameswar

Partner
Membership No: 11541
Mumbai, 27th May, 2013

By Order of the Board

M.S. Arora
Managing Director

P.V.R. Murthy
Director

**CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2013****(₹ in Lacs)**

Particulars	Note No.	For the year ended 31 March 2013	For the year ended 31 March 2012
I. INCOME			
Revenue From Operations (gross)	20	29,694.49	50,563.93
Less : Excise Duty		2,346.63	4,354.43
		27,347.86	46,209.50
II. Other Income	21	1,864.31	2,200.58
III. Total Revenue (I + II)		29,212.17	48,410.08
IV. EXPENSES			
Cost of Materials consumed	22	15,149.88	28,245.19
Purchase of Stock in Trade	23	9,048.75	8,824.99
Changes in Inventories of Finished Good			
Work-in-Progress and Stock-in-Trade	24	1,170.03	319.14
Employee Benefits expenses	25	1,682.87	1,648.18
Finance Costs	26	3,518.86	3,170.36
Depreciation and Amortization Expenses		548.96	508.29
Other Expenses	27	3,211.31	5,666.05
Total Expenses		34,330.66	48,382.20
V. PROFIT BEFORE TAX		(5,118.49)	27.88
VI. Tax Expenses			
Current Tax		-	50.00
Deferred Tax		-	59.53
Wealth Tax		0.68	0.78
Tax in respect of earlier years		2.88	-
		3.56	110.31
VII. PROFIT FOR THE YEAR (V -VI)		(5,122.05)	(82.43)
Earning per Equity Share of face value of ₹. 10 each			
Basic and Diluted (in ₹)		(3.90)	(0.06)
Significant Accounting Policies Notes on Financial Statements	I to 39		

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

Chartered Accountants

Firm Registration No.: 000038N

By Order of the Board**M.S. Arora**

Managing Director

P.V.R. Murthy

Director

C.V. Parameswar

Partner

Membership No: 11541

Mumbai, 27th May, 2013



CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2013

(₹ in Lacs)

	For the year ended 31 March 2013	For the year ended 31 March 2012
A. CASH FLOW FROM OPERATING ACTIVITIES :		
Net Profit before Tax as per Profit and Loss Account	(5,118.49)	27.88
Add/(Deduct):		
Depreciation and Amortisation expense	548.96	508.29
Loss on Sale / Discard of Assets (Net)	(3.49)	1.91
Finance Cost	3,518.86	3,170.36
Interest Income	(1,237.36)	(1,197.11)
Dividend Income	(0.06)	(0.06)
Net gain on sale of Investment (Net)	-	(0.15)
Prior period items		
	2,826.91	2,483.24
Operating Cash Profit before Working Capital Changes	(2,291.58)	2,511.12
Add/(Deduct):		
Trade and other Receivables	(3,168.12)	(5,273.15)
Inventories	2,602.94	2,223.19
Trade and Payables	678.21	2,862.65
	113.03	(187.31)
CASH GENERATED FROM OPERATIONS	(2,178.55)	2,323.81
Add: Tax Payments	(46.26)	(300.60)
NET CASH FLOW FROM OPERATING ACTIVITIES	(2,224.81)	2,023.21
B. CASH FLOW FROM INVESTING ACTIVITIES :		
Inflow		
Sale of Fixed Assets	415.37	2.87
Sale of Current Investments (Net)	-	100.00
Dividend from Current Investments	0.06	0.06
Net gain on sale of Investment (Net)	-	0.15
Inter Corporate Deposits and Loans (Including Interest) (Net)	(174.48)	1,174.75
	240.95	1,277.83
Outflow		
Acquisition of Fixed Assets	1,430.73	1,794.02
Investment in other Long Term Investments	-	-
Purchase of Current Investments (Net)	-	-
Inter Corporate Deposits and Loans (Including Interest) (Net)	-	-
	1,430.73	1,794.02
NET CASH FLOW FROM INVESTING ACTIVITIES	(1,189.78)	(516.19)



(₹ in Lacs)

	For the year ended 31 March 2013	For the year ended 31 March 2012
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C. CASH FLOW FROM FINANCING ACTIVITIES :**Inflow**

Increase in Share Capital after ignoring non Cash	-	-
Borrowings (Net of repayments)	7,137.57	2,022.35
	7,137.57	2,022.35

Outflow

Finance Charges (Net)	3,665.82	3,128.52
Dividend paid	-	-
Borrowings (Net of repayments)	-	-
Share Issue Expenses	-	-
	3,665.82	3,128.52

NET CASH FLOW FROM FINANCING ACTIVITIES**3,471.75** (1,106.17)**NET INCREASE/ (DECREASE) IN CASH AND CASH EQUIVALENTS
(A+B+C)****57.15** 400.85**CASH AND CASH EQUIVALENTS AS AT THE BEGINNING OF THE YEAR****8,003.04** 7,602.19**CASH AND CASH EQUIVALENTS AS AT YEAR END****8,060.19** 8,003.04**Reconciliation of Cash and Cash Equivalents as at year end:-**

Cash and Cash Equivalents as per Note No. 17	9,153.25	9,398.98
Less: Balance in Fixed Deposit accounts kept as margin money with the bankers	(1,093.06)	(1,395.94)
	8,060.19	8,003.04

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

Chartered Accountants

Firm Registration No.: 000038N

C.V. Parameswar

Partner

Membership No: 11541

Mumbai, 27th May, 2013

By Order of the Board**M.S. Arora**

Managing Director

P.V.R. Murthy

Director



CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS

		(₹ in Lacs)	
		As at 31 March 2013	As at 31 March 2012
I. SHARE CAPITAL			
AUTHORISED:			
15,55,00,000 Equity Share of 10/- each (15,55,00,000)		15,550.00	15,550.00
ISSUED, SUBSCRIBED & FULLY PAID UP			
13,12,80,448 Equity Share of 10/- each (13,12,80,448)		13,128.04	13,128.04
TOTAL		13,128.04	13,128.04
I.1 The reconciliation of the number of shares outstanding is set out below:		No. of Shares	No. of Shares
Shares outstanding at the beginning of the year		131,280,448	131,280,448
Shares outstanding at the end of the year		131,280,448	131,280,448
I.2 The details of Shareholders holding more than 5% share		No. of % held Share	No. of % held Share
Bank of New York Mellon		10382472 7.91	15632472 11.91
Focus Shares & Securities Pvt Ltd.		7500000 5.71	- -
Shearson Investment Trading Company Pvt. Ltd.		2481193 1.89	11923193 9.08
Godavari Corporation Pvt. Ltd.		1354632 1.03	7464926 5.69
I.3 2,16,20,529 Equity Shares out of the Issued, Subscribed and Paid up Share (2,16,20,529) capital were allotted as Bonus Share in the last five years by capitalisation of Securities Premium and Reserves.			
I.4 1,36,70,315 Equity Shares out of the Issued, Subscribed and Paid up Share (1,36,70,315) capital were allotted during the last five years pursuant to a scheme of amalgamation without payment being received in cash.			
I.5 5,59,17,060 Equity Shares out of the Issued, Subscribed and Paid up Share (5,59,17,060) capital were allotted in the last five years on conversion/exercise of warrants and against Global Depository Receipts.			
I.6 On 10-01-2011 the Company issued 1,08,10,000 Convertible Equity Share Warrants which were convertible into 1 Equity Share of ₹ 10 each at a price calculated in accordance with SEBI regulation. 25% of the issue price was payable at the time of allotment of warrants and the balance 75% at the time of allotment of Equity Shares. On 25-03-2011, 15,60,000 warrants were converted into Equity Shares. The remaining 92,50,000 warrants were convertible into Equity Share before 09-07-2012. The company is taking steps to seek extension for conversion of warrants.			
2. RESERVES AND SURPLUS			
Securities Premium Reserve			
Balance as per last account		14,308.30	14,308.30
General Reserve:			
Balance as per last account		91.29	91.29
Surplus in Statement of Profit and Loss			
Balance as per last account		1,758.19	1,840.61
Add: Net Profit for the current year		(5,122.04)	(82.43)
		(3,363.84)	1,758.18
Closing Balance		(3,363.84)	1,758.18
TOTAL		11,035.75	16,157.77

**CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS**

(₹ in Lacs)

As at	As at
31 March 2013	31 March 2012

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

From Banks	181.61	194.91
From Others	1,432.25	2,165.62
Long term maturities of finance lease obligations	27.46	-

SUB TOTAL A

1,641.31	2,360.53
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NOTE: Terms of Borrowing

	Nature of Security	Original Amount of Borrowing ₹/ Lacs	Tenor at inception (in years)	Terms of Repayment	Month in which last Instalment is due	Repayment Schedule Instalments ₹/ Lacs	Balance as on 31st March, 2013 ₹ / Lacs	Balance as on 31st March, 2012 ₹ / Lacs	Prevailing Interest Rate Per Annum
	Secured								
1	Term Loan from Bank is secured by mortgage of Thane Office Building against which the loan has been taken.	300.00	10	Monthly	Dec-14	1.15	199.01	210.47	15%
2	Loan from others is secured by First charge (hypothecation) of all movable assets, including Specific Plant & 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 & Machinery.	4500.00	8.5	Quarterly	Jul-15	153	2302.48	2779.50	3 Month Libor + 3.25%
3	Long Term maturities of Finance lease obligations are secured by hypothecation of specific vehicles against which the loan has been taken	33.76	3-4	Monthly	Jun -16	0.97	32.25	5.63	12.25%
	Sub-Total						2533.74	2995.60	
	Less: Current Maturities of Long Term Debt (Refer Note 9(a))						892.43	635.07	
	Total						1641.31	2360.53	

(₹ in Lacs)

As at	As at
31 March 2013	31 March 2012

Unsecured

Deferred payment Liabilities	150.00	150.00
Deposits	1,048.11	2,230.77
Loans and Advances from related parties (Refer Note No. 32)	-	-

SUB TOTAL B

1,198.11	2,380.77
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TOTAL A+B

2,839.42	4,741.30
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CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS

(₹ in Lacs)

	As at 31 March 2013	As at 31 March 2012
4. DEFERRED TAX LIABILITY (NET)		
Deferred Tax Liability		
On account of Depreciation	671.85	671.85
Deferred Tax Assets		
Disallowance under the Income Tax Act, 1961	166.99	166.99
TOTAL	504.86	504.86
5. OTHER LONG TERM LIABILITIES		
Others	912.73	899.92
TOTAL	912.73	899.92
6. LONG TERM PROVISIONS		
Provision for Employee Benefits		
Gratuity	400.86	415.41
Leave Encashment	81.90	76.84
Provision for Contingencies	478.50	478.50
TOTAL	961.26	970.75
7. SHORT TERM BORROWINGS		
Secured		
Loans repayable on demand		
From Banks	16,345.51	6,662.90
From Others		
Foreign Currency Loans - Buyers Credit	1,246.43	1,167.48
7.1 Loans repayable on demand from Banks are secured by hypothecation of inventories and /or book debts and export incentives recoverable etc. and collaterally secured by way of first charge on the fixed assets.		
7.2 Foreign Currency Loan- Buyers Credit is secured by first charge on the assets purchased from the loan.		
Unsecured		
Loans and Advances from related parties. (Refer Note No. 32)	2.26	941.87
TOTAL	17,594.20	8,772.25

**CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS**

(₹ in Lacs)

	As at 31 March 2013	As at 31 March 2012
8. TRADE PAYABLES		
Micro, Small and Medium Enterprises (*)	-	-
Others (including ₹ 3976.73 Lacs due to related parties. Refer Note no. 32)	15,409.11	19,670.17
TOTAL	15,409.11	19,670.17
(*) There are no Micro and Small enterprises to whom the Company owes amounts which are outstanding as at 31st March 2013. This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 (MSME) has been determined on the basis of and to the extent information is available with the Company. No interest is paid / payable during the year to any enterprise registered under the MSME.		
9. OTHER CURRENT LIABILITIES		
Current Maturities of Long Term Debts	892.41	635.07
Current Maturities of Deposit	2,292.02	1,089.07
Interest accrued but not due on borrowings	71.84	164.60
Unclaimed Dividends	40.18	40.27
Advance from Customers	674.02	386.88
Interest payable on Fixed Deposit	336.17	116.22
Other payables *	2,478.85	1,139.84
TOTAL	6,731.29	3,571.95
* includes ₹ 1460 lacs advances against sales of land, ₹ 134.24 lacs Export obligation steel.		
There is no amount due and outstanding as on 31st March, 2013, to be credited to Investors Education and Protection Fund.		
10. SHORT TERM PROVISIONS		
Provision for Employee Benefits		
Gratuity	8.26	8.87
Leave Encashment	1.59	1.59
Salary & Reimbursements	47.34	47.64
Contribution to Provident Fund	1.73	3.42
Provision for Wealth Tax	2.48	3.89
Dividend Tax on Dividend	359.08	359.08
Provision for Excise Duty	355.63	441.29
Creditors for Services	501.92	524.94
Provision for outstanding expenses	2,414.16	969.80
Provision Others *	145.30	105.14
TOTAL	3,837.49	2,465.66
* includes ₹ 107.72 lacs provision for interest on dividend tax		



CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS

11. FIXED ASSETS

(₹ in Lacs)

DESCRIPTION	GROSS BLOCK			DEPRECIATION BLOCK			NET BLOCK			
	As at 01 April 2012	Additions/ Adjustment	Deductions/ Adjustment	Balance as at 31 March 2013	Balance as at 01 April 2012	Adjustment / Deductions	For the year	Upto 31 March 2013	Balance as at 31 March 2013	Balance as at 31 March 2012
TANGIBLE ASSETS										
OWN ASSETS:										
1. Freehold Land	1,824.42	-	-	1,824.42	-	-	-	-	1,824.42	1,824.42
2. Leasehold Land	199.23	-	-	199.23	21.84	-	2.28	24.12	175.11	177.39
3.+ Buildings	4,938.94	75.35	-	5,014.29	920.20	-	128.33	1,048.53	3,965.76	4,018.74
4. Plant and Machinery	4,797.20	2,601.89	409.84	6,989.25	2,225.47	0.02	341.05	2,566.50	4,422.75	2,571.71
5. Furniture, Fixtures and Equipments	391.97	0.82	-	392.79	134.11	-	24.20	158.31	234.48	257.87
6. Vehicles	189.50	29.04	5.44	213.10	80.13	3.38	18.06	94.81	118.29	109.37
7. Office Equipments	22.91	1.47	-	24.38	5.90	-	1.07	6.97	17.42	17.01
8. Computer	193.05	0.64	-	193.69	165.99	-	11.76	177.75	15.94	26.06
Sub Total	12,557.22	2,709.21	415.28	14,851.15	3,553.64	3.40	526.75	4,076.99	10,774.16	9,003.58
LEASED ASSETS:										
Improvement on Lease hold Premises	89.30	-	-	89.30	17.86	-	17.86	35.72	53.58	71.44
Sub Total	89.30	-	-	89.30	17.86	-	17.86	35.72	53.58	71.44
Total (A)	12,646.52	2,709.21	415.28	14,940.45	3,571.50	3.40	544.61	4,112.71	10,827.74	9,075.02
INTANGIBLE ASSETS										
Software	21.55	-	-	21.55	4.31	-	4.31	8.62	12.93	17.24
Total (B)	21.55	-	-	21.55	4.31	-	4.31	8.62	12.93	17.24
Total (A+B)	12,668.07	2,709.21	415.28	14,962.00	3,575.82	3.40	548.92	4,121.33	10,840.67	9,092.26
Previous Year	12,544.56	139.51	16.00	12,668.07	3,078.74	11.22	508.29	3,575.81	9,092.26	
Capital Work-in-Progress									2,015.60	3,511.58

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

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

(c) Refer Note No. 30 is regard to pending transfer of title.

**CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS**

(₹ in Lacs)

	As at 31 March, 2013	As at 31 March, 2012
12. NON CURRENT INVESTMENTS		
TRADE INVESTMENT		
In Equity Shares - Quoted, fully paid up		
4,35,350 Birla Transasia Carpets Limited of ₹ 10/-each	63.69	63.69
(4,35,350) Less: Provision for diminution in value	<u>63.69</u>	<u>63.69</u>
	-	-
In Equity Shares of Associate Company		
Unquoted fully paid up		
39,000 Birla Energy Infra Limited of ₹ 10/- each (39000)	3.90	3.90
OTHER INVESTMENT - Unquoted fully paid up		
236 US \$ 1,000 each of P.T. Horizon Syntex, Indonesia, continue to be held in the (236) name of erstwhile The India Tool Manufacturers Limited and the same are still in process of being transferred in the name of the Company pending receipt of the necessary approval from Reserve Bank of India	19.31	19.31
Less: Provision for diminution in value	<u>19.31</u>	<u>19.31</u>
	-	-
2,000 TIMA CETP Co-Op Society Ltd. of ₹ 10/- each (2000)	0.20	0.20
2,000 The Shamrao Vithal Co-op Bank Ltd. of ₹ 25/- each (2000)	0.50	0.50
In Government Securities - Unquoted		
National Savings Certificates	0.30	0.30
TOTAL	<u>4.90</u>	<u>4.90</u>
Aggregate amount of Quoted Investments	-	-
Market Value of Quoted Investments	220.72	284.94
Aggregate amount of Unquoted Investments	4.90	4.90
Aggregate provision for diminution in value of Investments	83.00	83.00
13. LONG TERM LOANS AND ADVANCES		
(Unsecured and Considered good)		
Capital Advances	3,819.38	3,811.66
Security Deposits	342.63	154.29
Advance Income Tax (Net of Provision)	205.62	166.52
Other Loans and Advances (includes deposits received and advances recoverable)	40.51	40.51
	<u>4,408.14</u>	<u>4,172.98</u>
Other Loans and Advances Considered Doubtful	160.48	160.48
Less: Provision for doubtful advances	<u>160.48</u>	<u>160.48</u>
	-	-
TOTAL	<u>4,408.14</u>	<u>4,172.98</u>



CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS

(₹ in Lacs)

	As at 31 March, 2013	As at 31 March, 2012
14. INVENTORIES (at lower of Cost and Net Realisable value)		
Raw Materials	672.24	1,324.19
Raw Materials-in-process	654.59	658.67
Raw Material in Transit	396.31	912.52
Semi-Finished Goods	2,777.06	3,026.91
Finished Goods	3,040.19	4,207.03
Stock-in-Trade	1,319.60	1,286.36
Stores and Spare Parts	640.35	766.18
Others (Scrap)	1,810.54	1,731.96
TOTAL	11,310.88	13,913.82
15. TRADE RECEIVABLES		
Outstanding for a period exceeding six months from the date they become due for payment (unsecured)		
(a) Considered good	2,323.25	3,391.35
(b) Considered doubtful	150.00	150.00
Less: Provision for doubtful debts	150.00	150.00
	-	-
Other Receivables (unsecured)		
Considered good	3,512.14	3,667.07
*(including ₹ 2327.41 Lacs due to related parties. Refer Note no. 32)		
TOTAL	5,835.39	7,058.42
16. CASH AND CASH EQUIVALENTS		
Balances with Banks	8,003.72	7,859.27
Unclaimed Dividend	40.19	40.27
Margin Money*	1,093.06	1,395.94
Cheques, Drafts on hand	5.25	96.31
Cash on hand	11.03	7.19
TOTAL	9,153.25	9,398.98
* Includes FDR of ₹ 178.85 lacs with maturity of more than 12 months. Margin money against Bank LCs, Public FD etc.		
17. SHORT TERM LOANS AND ADVANCES (Unsecured and Considered good)		
Loans and Advances to related parties (Refer Note No. 32)	7,114.99	5,750.64
Balance with Port Trust, Customs and Excise	611.38	613.52
Advance to Suppliers	5,407.33	3,642.61
Advance to Employees	69.07	67.56
Inter Corporate Deposit	7,872.98	7,307.71
Export Incentive Receivable	145.23	469.49
VAT recoverable	1,844.66	1,915.05
Advances Others *	6,814.57	4,458.03
TOTAL	29,880.20	24,224.61
* includes ₹ 2141.05 lacs assignment of debts and ₹ 1869.50 lacs advances recoverable etc.		
18. Contingent Liabilities and Commitments (to the extend not provided for)		
Guarantees given by the Bank on behalf of the Company	2,720.17	3,973.60
Estimated amount of Contracts remaining to be executed on Capital Account and not provided for (net of advances)		
TOTAL	3,372.23	4,151.43
	6,092.40	8,125.03

**CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS**

	(₹ in Lacs)	
	For the year ended 31 March 2013	For the year ended 31 March 2012
19. REVENUE FROM OPERATIONS		
Sale of Products	28,677.32	47,467.29
Other Operating Revenues		
(a) Sales of Scrap	760.09	1,563.63
(b) Export Incentives	257.08	1,533.01
	<u>1,017.17</u>	<u>3,096.64</u>
TOTAL	<u>29,694.49</u>	<u>50,563.93</u>
20. OTHER INCOME		
Interest Income	1,237.36	1,197.11
Dividend Income	0.06	0.06
Net gain on sale of Investments	-	0.15
Surplus on Sale of Fixed Assets	3.49	-
Excess provision written back (Net)	9.22	22.13
Net Gain on Foreign Currency Translation and Transaction	401.79	775.01
Other Non-Operating Income	212.39	206.12
	<u>1,864.31</u>	<u>2,200.58</u>
TOTAL	<u>1,864.31</u>	<u>2,200.58</u>
21. COST OF MATERIALS CONSUMED		
Hot Rolled Steel	13,306.84	24952.07
G.P. Coil	-	1,048.52
Zinc and Zinc Alloy	560.33	2220.39
Others	1,282.71	24.21
	<u>15,149.88</u>	<u>28,245.19</u>
TOTAL	<u>15,149.88</u>	<u>28,245.19</u>
22. PURCHASE OF STOCK IN TRADE		
H.R/C.R/G.P Coil and GI Sheet	8,670.19	5,509.53
Pipes	80.16	848.63
Steel Products	-	934.21
M.S. Pipe, Tube and Bar	197.36	712.13
Other (Pig Iron, Sand Scrap and Masonry Drill Tip)	101.04	820.49
	<u>9,048.75</u>	<u>8,824.99</u>
TOTAL	<u>9,048.75</u>	<u>8,824.99</u>
23. CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN PROGRESS AND STOCK-IN-TRADE		
Inventory at the end of the year:		
Finished Goods / Stock-in-Trade	4,408.98	5,493.39
Semi-Finished Goods	2,777.06	3,026.91
Scrap etc.	1,810.53	1,731.95
	<u>8,996.57</u>	<u>10,252.25</u>
Less:		
Inventory at the beginning of the year:		
Finished Goods / Stock-in-Trade	5,493.39	4,957.93
Semi-Finished Goods	2,306.91	3,820.55
Scrap etc.	1,731.95	1,820.28
	<u>10,252.25</u>	<u>10,598.76</u>
	<u>(1,255.68)</u>	<u>(346.51)</u>
Variation in excise duty on closing and opening stock of Finished Goods	85.65	27.37
TOTAL	<u>1,170.03</u>	<u>319.14</u>



CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS

	(₹ in Lacs)	
	For the year ended 31 March 2013	For the year ended 31 March 2012
24. EMPLOYEE BENEFIT EXPENSES		
Salaries and Wages	1,474.35	1,435.05
Contribution to Other Funds	71.70	86.67
Staff Welfare Expenses	136.82	126.46
TOTAL	1,682.87	1,648.18
26. FINANCE COST		
Interest Expenses	2,881.62	2,257.30
Other borrowing costs	637.24	913.06
TOTAL	3,518.86	3,170.36
27. OTHER EXPENSES		
Manufacturing Expenses		
Consumption of Stores and Spares	410.96	680.73
Power, Fuel and Water	849.04	1,053.48
Repairs to: (Excludes Stores and Spares issued)		
(a) Buildings	26.00	28.48
(b) Machinery	41.21	42.35
Conversion, Octroi and other manufacturing expenses	178.25	430.07
	1,505.46	2,235.11
Selling and Distribution Expenses		
Freight, Forwarding and Handling Expenses	747.92	2,423.99
Commission	47.43	131.81
	795.35	2,555.80
Establishment Expenses		
Rent (Net)	119.49	53.41
Insurance	7.39	5.37
Rates and Taxes	32.95	22.21
Miscellaneous Expenditure	709.15	748.20
Payment to Auditors'		
(A) Statutory Auditors:		
(a) Audit Fees (excluding service tax)	12.04	10.30
(b) Limited review fees	1.50	1.50
(c) Other Services,	2.75	1.50
(d) for reimbursement of Expenses	0.39	0.16
(B) Cost Audit Fees	1.50	1.50
Other repairs	23.34	26.92
Loss on Fixed Assets sold/discarded	-	1.91
Bad debts, irrecoverable advances and claims written off	-	2.16
TOTAL	3,211.31	5,666.05



CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS

28. Accounting Policies

(a) Basis of preparation of Financial Statements:

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

(b) Principles of Consolidation:

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

(c) Fixed Assets:

(i) Gross Block:

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

(ii) Depreciation/Amortisation:

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

(d) Borrowing cost:

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

(e) Investments:

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

(f) Inventories:

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

(g) Recognition of Income and Expenditure:

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



CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS

(h) Research and Development Expenditure:

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

(i) Employee Benefits:

(i) Short Term Employee Benefits are recognized as an expense at the undiscounted amount in the Profit and Loss Account of the year in which the related service is rendered.

(ii) Retirement Benefits:

- (a) Retirement benefits in the form of Provident Fund/ Family Pension Fund and Superannuation Fund, which are Defined Contribution Plans, are accounted on accrual basis and charged to the profit and loss account of the year.
- (b) Retirement benefits in the form of Gratuity, which is Defined Benefit Plan and the long term employee benefit in the form of Leave Encashment are determined and accrued on the basis of an independent actuarial valuation applying the Projected Unit Credit Method.
- (c) Actuarial gains/losses arising during the year are recognized in the profit and loss account of the year.

(j) Foreign Currency Transactions:

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

(k) Expenses on New Projects:

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

(l) Taxes on Income:

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

(m) Impairment of Assets:

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

(n) Provisions, Contingent Liabilities and Contingent Assets:

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

29. (a) Subsidiaries

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

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



CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS

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

- 30.* The title deeds for land (freehold and leasehold), building, residential flats, licenses, agreements, loan documents, and some of the bank accounts etc. are in the process of being transferred in the name of the Company on amalgamation of Tungabhadra Holdings Private Limited. Stamp duty and other levies arising out of the Scheme of Amalgamation, if any, shall be accounted on determination and completion of transfer formalities.
31. The outflow of the resources in respect of pending disputed matters in respect of Sales Tax and Excise Duty would depend on the ultimate outcome of the disputes lying before various authorities amounting to ₹ 294.11 lacs (previous year ₹ 478.51 lacs). The Company has taken legal and other steps necessary to protect its position in respect of these claims.

32. Related Party Disclosures:

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

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

Sr.No.	Name of the Related Party	Relationship
1	Birla Precision Technologies Ltd.	Enterprises Owned or significantly influenced by key management personnel or their relatives where transactions have taken place
2	Birla Power Solutions Ltd.	
3	Ashok Birla Apollo Hospital Private Ltd.	
4	Birla Bombay Pvt.Ltd.	
5	Birla Cotsyn (India) Ltd.	
6	Godavari Corporation Pvt.Ltd.	
7	Shearson Investment & Trading Co.Pvt.Ltd.	
8	Birla Viking Travels Ltd.	
9	Birla Shloka Edutech Ltd.	
10	BirlaBrother Private Ltd.	
11	Birla Art Lifestyle Pvt. Ltd.	
12	Birla Wellness & Healthcare Pvt. Ltd.	
13	Abhiram Steels Pvt. Ltd.	
14	Abhiram Hotels & Resorts Pvt. Ltd.	
15	Asian Distributors Pvt. Ltd.	
16	Melstar Information Technologies Ltd.	
17	Birla Aircon Engineering Services Pvt. Ltd.	
18	Vijay Puraanjay Minerals Pvt. Ltd.	
19	Birla Kerala Vaidyashala Pvt.Ltd.	
20	Birla Terrajoule Pvt. Ltd.	
21	Birla Surya Ltd.	
22	Shri Yashovardhan Birla -Chairman	Key Management Personnel
23	Shri M.S. Arora -Managing Director	



Net Balance of Receivable, Payable, Deposits, Loan etc.			Balance Carried to Balance Sheet (Net)		Balance Carried to Balance Sheet (Net)	
			as at 31-03-2013		as at 31-03-2012	
			Receivable	Payable	Receivable	Payable
i) Key Management Personnel		Shri Yashovardhan Birla -Chairman	-	-	-	-
		Shri M.S. Arora -Managing Director	-	-	-	-
ii) Enterprises Owned or significantly influenced by key management personnel or their relatives.	1	Birla Precision Technologies Ltd.	274.71		1,892.27	-
	2	Birla Power Solutions Ltd. - other	402.83		361.23	-
	3	Birla Bombay Pvt.Ltd.	-	47.50	-	43.03
	4	Birla Cotsyn (India) Ltd.	959.43	-	335.60	-
	5	Shearson Investment & Trading Co.	235.32	-	388.70	-
	6	Godavari Corporation Pvt.Ltd.	1,351.33	-	1,235.68	-
	7	Birla Viking Travels Ltd.	15.76	-	10.40	-
	8	Birla Shloka Edutech Ltd.		123.45	-	123.45
	9	Asian Distributors Pvt. Ltd.	81.57	-	-	4.43
	10	Melstar Information Technologies Ltd.	2.56	-	2.56	-
	11	Abhirama Steel Pvt. Ltd	5.00	-	0.24	-
	12	Birla Surya Ltd.	750.00	-		-

Note: Related Party relationship is as identified by the Company based on available information and relied upon by the auditors.

(b) Transactions with related parties

(₹ in Lacs)

	Key Management Personnel		Enterprise owned and significantly influenced by Key Management personnel or their relatives	
	31/03/2013	31/03/2012	31/03/2013	31/03/2012
Sale of Goods	-	-	160.88	2,162.05
Purchase of Goods	-	-	931.21	1,714.16
Commission paid	-	-	-	-
Travel Agency	-	-	20.42	33.35
Service charges paid	-	-	-	240.00
Service charges received	-	-	111.35	196.09
Rent Paid	-	-	-	33.09
Inter Corporate Deposit - Paid	-	-	1,532.00	-
Interest received	-	-	341.99	522.42
Inter Corporate Deposit – Recd.	-	-	175.00	1,837.82
Inter Corporate Deposit - Refund Received	-	-	486.00	-
Inter Corporate Deposit/ Loan – Re Paid	-	-	65.00	-
Advance Paid	-	-	5.00	-
Other	-	-	-	70.91
Remuneration	130.47	130.78	-	-



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

SI No.	Particulars	(` in Lacs)	
		2012-13	2011-12
1	Sale of Goods		
	Birla Precision Technologies Ltd.	44.82	2,162.05
	Birla Accucast Ltd.	116.06	
2	Purchase of Goods		
	Birla Power Solutions Ltd.	917.44	1,710.83
	Birla Precision Technologies Ltd.	5.64	
	Abhiram Steel P Ltd.	8.13	
3	Inter Corporate Deposit - Received		
	Birla Power Solutions Ltd.	175.00	895.95
	Birla Precision Technologies Ltd.	-	941.87
	Birla Cotsyn India Ltd.	-	-
	Asian Distributors Pvt Ltd.	-	-
	Shearson Investment & Trading Company	-	-
4	Inter Corporate Deposit - GIVEN		
	Birla Surya Ltd.	750.00	-
	Birla Cotsyn	496.00	-
	Shearson Investment & Trading Company	200.00	-
	Asian Distributors Pvt Ltd.	86.00	-
5	Interest Received		
	Birla Power Solutions Ltd.	173.56	173.70
	Godavari Corporation Pvt.Ltd.	115.64	115.96
	Shearson Investment & Trading Company	46.62	-
	Birla Cotsyn India Ltd.(new)	6.17	-
6	Other Services		
	Birla Power Solutions Ltd.	12.48	-
	Birla Viking Travels Pvt Ltd.	20.42	-
	Birla Precision Technologies Ltd.	98.87	-
7	ICD Refund Received		
	Birla Cotsyn India Ltd.	86.00	-
	Shearson Investment & Trading Company	400.00	-
8	Loan/ICD -RE PAID		
	Birla Power Solutions Ltd.	65.00	-
9	Advance - PAID		
	Abhiram Steels Pvt. Ltd.	5.00	-
10	Remuneration Paid	130.47	130.87

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



- 34 During the year 2006-07 the Company made a Follow on Public Issue and consequently raised an amount of ₹ 13100 Lacs. The shareholders of the company at the Annual General Meeting held on 17th September, 2012 approved variation in utilisation of follow on public offer proceeds, so that the company can also utilize the proceeds for. Manufacturing of SAW & ERW pipes at Chennai or at such other locations may be decided by the Board. Out of ₹ 13500 lacs, ₹ 8036 lacs will be utilized from the unutilized proceeds of public issue and balance ₹ 5464 lacs will be from unutilized proceeds of GDR issue. The detail of utilization of proceeds of ₹ 13500 lakh is given hereunder:

(₹ in Lacs)

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

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

35. **Computation for Earning Per Share**

(₹ in Lacs)

	2012-13	2011-12
Profit for the Year	(5122.70)	82.43
Weighted average Number of Equity Share	13,12,80,448	1312780448
Add: Increase on conversion of Global Depository Receipts	-	-
Increase on Bonus Shares Issued	-	-
Conversion of Preferential Warrants	-	-
	13,12,80,448	13,12,80,448
Earning per share	(3.90)	(0.06)

36. **Segment Information**

A. PRIMARY BUSINESS SEGMENT

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

B. SECONDARY SEGMENT – Geographical by Customers

(₹ in Lacs)

	Year to date figures for Current year 31.03.2013
1 Segment Revenue	
a) In India	25,775.29
b) Outside India	3,919.20
Total	29,694.49
2 Carrying Cost of Assets by Location of Assets	
a) In India	83,636.31
b) Outside India	2,041.70
Unallocated	85,678.01
Total	(12,228.97)
	73,449.04
3 Addition to Assets and Intangible Assets	
a) In India	1,007.51
b) Outside India	-
Total	1,007.51



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

Pursuant to the above, effect of exchange difference on long term foreign currency monetary items, so far as they relate to acquisition of depreciable capital assets, have been adjusted to the cost of such assets and depreciated over their remaining useful lives. Accordingly, net exchange loss relating to the financial year 2011-12 amounting to ₹ 387.82 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.

38. The details of subsidiaries in terms of General circular No. 2/2011 Dated 8th February, 2011 issued by Government of India, Ministry of Corporate Affairs under Section 212 (8) of the Companies Act, 1956, are disclosed in Annexure I to these financial statements.

39. Previous year figures have been reclassified to conform to this year's classification.

As per our attached report of even date

FOR THAKUR,VAIDYANATH AIYAR & CO.

Chartered Accountants

Firm Registration No.: 000038N

By Order of the Board

M.S. Arora

Managing Director

P.V.R. Murthy

Director

C.V. Parameswar

Partner

Membership No: 11541

Mumbai, 27th May, 2013



Annexure - I

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

Particulars		Foreign Subsidiaries (₹ In lacs)	
		Zenith USA Inc.	Zenith Middle East Fze
1	Share Capital	2.28	257.31
2	Reserves and Surplus	(1175.65)	(218.64)
3	Total Assets	996.18	248.88
4	Total Liabilities	2169.55	210.23
5	Details of Investments		
	Government Securities	-	-
	Shares (excluding subsidiaries)	-	-
	Mutual Funds	-	-
6	Turnover and Other Income	706.58	2.75
7	Profit Before Taxation	(638.02)	(14.85)
8	Provision for Taxation	-	-
9	Profit After Taxation	(638.02)	(14.85)
10	Proposed Dividend	-	-

Note:- a) Item No. 3 to 5 are translated at exchange rate as on 31st March, 2013 - US Dollars = ₹ 54.30

b) Item No. 6 to 10 are translated at annual average exchange rate - US Dollars = ₹ 52.73.

BOOK-POST

If undelivered, please return to:

ZENITH BIRLA (INDIA) LIMITED

Vedant Commercial Complex, Bldg. No. S-2,
2nd Floor, Vartak Nagar, Pokhran Road No. 1
Thane (West), 400 606.
Tel. No.: 6793 3000, Fax No.: 6793 3111