



Annexure – B

REPORT ON CORPORATE GOVERNANCE

Corporate Governance is globally recognized as a fundamental component for the sustained growth of every corporate entity. Sound practices and responsible corporate behavior contribute to superior long-term performance of companies. Adoption to changing times is the key to corporate growth and long term survival. In fact, better governance practices enable corporate to introduce more effective internal controls suitable to changing and growing nature of business operations. In India, Corporates have adopted better governance practices and have demonstrated openness in their dealings with stakeholders across the board. This has been augmented by regulatory authorities introducing and improving governance practices for Indian corporate over the last decade.

1. Company's Philosophy on Code of Corporate Governance:

At Zenith Birla (India) Limited, thrust is to achieve good conduct and governance by ensuring truth, transparency, accountability and responsibility in all dealings with employees, shareholders, consumers, suppliers and community at large. The Corporate Governance is ongoing process and the Company has always focused on good corporate governance, which is key driver of sustainable corporate growth, long term value creation and trust. Even in fiercely competitive business environment, the Management and Employees of the Company are committed to uphold the core values of transparency, integrity, honesty and accountability.

Corporate Governance is an ongoing measure of superior delivery of Company's objects with a view to translate opportunities into reality. It involves leveraging its resources and aligning its activities to consumers need, shareholder value creation and employee growth, thereby satisfying all its stakeholders while minimizing risks. The Company has adopted the Code of Conduct and Business Ethics for Employees, Board Members and Senior management Personnel and also the Whistle Blower Policy in due compliance of Clause 49 of the Listing agreement with the Stock Exchanges and in pursuit of excellence in Corporate Governance. The Company believes in timely and adequate information and protection to minority shareholders.

Above all else, we believe that Corporate Governance must balance individual interest with corporate goals and operate within accepted norms of propriety, equity, fair play and sense of responsibility & justice. Achieving this balance depends upon how accountable and transparent the Company is. Accountability improves decision making. Transparency helps to explain the rationale behind decisions and thereby builds Stakeholders' confidence.

2. Board of Directors

(A) Composition of Board:

As on 31st March, 2015, the Board of Directors has 4 (four) members, out of which 2 (two) are an Independent Director, 2 (Two) are Non-Executive, Non-Independent Directors. 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 31.03.2015 | *No. of other directorships as on 31.3.2015 | #No. of other Committee positions | | No. of Board Meetings attended during the year | Attendance at the 52nd Annual General Meeting held on 27.09.2014 |
|--|----------------------------------|-------------------------------------|---|-----------------------------------|--------|--|--|
| | | | | Chairman | Member | | |
| Shri Ashish Mahendrakar (Appointed w.e.f. 14/08/2014) | Non-Executive Non-Independent | NIL | 14 | - | 3 | 3 | Yes |
| Shri Satish V Jadhav (Appointed w.e.f. 14/08/2014) | Non-Executive, Independent | Nil | 2 | - | 3 | 3 | Yes |



| Name of Directors | Category of Directorship | No. of shares held as on 31.03.2015 | *No. of other directorships as on 31.3.2015 | #No. of other Committee positions | | No. of Board Meetings attended during the year | Attendance at the 52nd Annual General Meeting held on 27.09.2014 |
|--|--------------------------------|-------------------------------------|---|-----------------------------------|--------|--|--|
| | | | | Chairman | Member | | |
| Shri Anirudha Waghmare (Appointed w.e.f. 30/09/2014) | Non-Executive, Non Independent | Nil | 1 | - | - | 2 | No |
| Shri Ameya Jagushte (Resigned w.e.f.02/12/2014) | Non-Executive, Independent | Nil | N.A. | 2 | 2 | 2 | Yes |
| Shri Ashok Saaliyan (Appointed w.e.f.01/12/2014) | Non-Executive, Independent | Nil | N.A. | 1 | 1 | 1 | No |
| Shri Pushkar Natu(resigned w.e.f. 14.08.2014) | Executive, Non-Independent | Nil | - | - | - | 1 | No |
| Shri Yashovardhan Birla (resigned on 14.08.2014) | Non-Executive, Non Independent | 1,05,984 | 1 | 1 | - | 1 | No |
| Shri Jignesh Mehta (resigned w.e.f. 14.08.2014) | Non-Executive, Independent | Nil | 2 | - | - | - | No |
| Shri Rubin Malkani(resigned.w.e.f. 14.08.2014) | Non-Executive, Independent | Nil | 7 | - | - | - | No |

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

Shri Pushkar Natu and Shri Yashovardhan Birla, being Directors were related to each other.

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

Four 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:

| Sr. No. | Date of Meeting |
|---------|-----------------|
| 1 | 14.06.2014 |
| 2 | 14.08.2014 |
| 3 | 14.11.2014 |
| 4 | 13.02.2015 |

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

c. Information placed before the Board of Directors:

All such matters as are statutorily required as per Annexure to Clause 49 and also matters relating to Corporate Plans, Mobilisation of Funds, Investments/Loans, Risk Management Policy, Capital Expenditure etc. are considered by the Board. Besides, the following information is also regularly placed before the Board for its consideration:

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



10. Risk Assessment Analysis

The Board periodically reviews compliance report of all applicable laws to the Company. Steps are taken by the Company to rectify the instances of non-compliance, if any.

During F.Y. 2014-15, the Company did not have any material pecuniary relationship or transactions with Non-Executive Directors.

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

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

This is to confirm that the Company has adopted a Code of Conduct for its employees including the Directors. In addition, the Company has adopted a Code of Conduct for its Non-Executive Directors and Independent Directors. These Codes are available on the Company's website.

I confirm that the Company has in respect of the year ended March 31, 2015, received from the Senior Management Team of the Company and the Members of the Board a declaration of compliance with the Code of Conduct as applicable to them.

For the purpose of this declaration, Senior Management Team means the Chief Financial Officer, employees in the Executive Vice President cadre and the Company Secretary as on March 31, 2015.

Sd/-

PUSHKAR NATU

Chief Executive Officer

Place : Mumbai

Date : 14.08.2015

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.



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

| Name of the Director | Mr. Harish Kori | Mr. Ashok Saaliyan | Mrs Minal Pote |
|---|--|---|--|
| Date of Birth | 19/01/1981 | 21/11/1987 | 05/09/1975 |
| Date of Appointment | 05/08/2015 | 01/12/2014 | 21/04/2015 |
| Qualification | B.Com | B.Com | B.com |
| Expertise in specific functional area | Mr. Harish Kori aged 34 Years is B.Com having 8 years of experience in the field of marketing. | Mr. Ashok Saaliyan aged 27 years is B.com having 4 years of experience in field of finance. | Mrs. Minal Pote aged 40 Years is B.Com having experience of more than 10 years in field of accounts and finance. |
| Directorship held in other companies | I | NIL | NIL |
| Committee positions held in other companies (C = Chairman; M = Member) | NIL | NIL | NIL |
| No. of Shares held in the Company | NIL | NIL | NIL |

Note :

1. Only two committees namely, Audit Committee and Stakeholders Relationship Committee have been considered.
2. Directorships of foreign companies and section 8 companies are not considered.

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 / Chief Executive Officer and the Company Secretary of the Company regarding compliance of all applicable laws on quarterly basis.

3. Audit Committee

a) Composition, Meetings and attendance during the year:

The Audit Committee invites such of the executives, as it considers appropriate (and particularly the head of the finance function) to be present at its meetings. Chief Executive Officer 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.

- i. The audit committee of the Company is constituted in line with the provisions of Clause 49 of the Listing Agreements entered into with the stock exchanges read with Section 177 of the Act.



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

Reviewing Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;

Recommend the appointment, remuneration and terms of appointment of auditors of the Company;

Approval of payment to statutory auditors for any other services rendered by the statutory auditors;

Reviewing, with the management, the annual financial statements and auditors' report thereon before submission to the board for approval, with particular reference to:

Matters required to be included in the director's responsibility statement to be included in the board's report in terms of clause (c) of sub-section 3 of section 134 of the Act

Changes, if any, in accounting policies and practices and reasons for the same

Major accounting entries involving estimates based on the exercise of judgment by Management

Significant adjustments made in the financial statements arising out of audit findings

Compliance with listing and other legal requirements relating to financial statements

Disclosure of any related party transactions

Qualifications in the draft audit report

Reviewing, with the management, the quarterly financial statements before submission to the board for approval;

Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the board to take up steps in this matter;

Review and monitor the auditors' independence and performance, and effectiveness of audit process;

Approval or any subsequent modification of transactions of the Company with related parties;

Scrutiny of inter-corporate loans and investments;

Valuation of undertakings or assets of the Company, wherever it is necessary;

Evaluation of internal financial controls and risk management systems;

Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;

Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;

Discussion with internal auditors of any significant findings and follow up there on;

Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;

Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;

To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;



Establish a vigil mechanism for directors and employees to report genuine concerns in such manner as may be prescribed;

To review the functioning of whistle blower mechanism.

Approval of appointment of CFO;

The audit committee may call for the comments of the auditors about internal control systems, the scope of audit, including the observations of the auditors and review of financial statement before their submission to the board and may also discuss any related issues with the internal and statutory auditors and the management of the Company;

Carrying out any other function as is mentioned in the terms of reference of the audit committee;

Oversee financial reporting controls and process for material subsidiaries;

To mandatorily review the following information:

Management discussion and analysis of financial condition and results of operations;

Statement of significant related party transactions (as defined by the audit committee), submitted by management;

Management letters / letters of internal control weaknesses issued by the statutory auditors;

Internal audit reports relating to internal control weaknesses; and

The appointment, removal and terms of remuneration of the internal auditor.

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

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

Shri Ameya Jagushte (upto 14/11/2014) and Shri Ashok Saaliyan (from 13/02/2015), being Chairman of the Committee are Non-Executive Independent Director.

During the year ended 31st March, 2015, the Committee met 4 times on 14th August 2014 at 2.00 pm, 14 August, 2014 at 3.30 pm, 14th November 2014, and 13th February 2015.

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 Ameya Jagushte (Chairman) w.e.f. 14.08.2014 to 14.11.2014 | Independent Non-Executive | 3 |
| Shri Ashok Saaliyan (Chairman) w.e.f. 13.02.2015 | Independent Non-Executive | 1 |
| Shri Ashish Mahendrakar | Non Executive & Non-Independent | 4 |

- iv. The previous annual general meeting (AGM) of the Company was held on September 27, 2014 and was attended by Mr. Ameya Jagushte, Chairman of the audit committee.
- v. The Audit Committee Meetings are usually held at the Registered Office of the Company and are normally attended by Chief Executive Officer, Chief financial Officer of the Company, representatives of the Statutory Auditors, Internal Auditors and Cost auditors. The Company Secretary acts as the secretary to the audit committee.

4. Vigil Mechanism/Whistle Blower Policy

The Company has adopted Whistle Blower policy, which was further aligned with the requirements under the Companies Act, 2013 and the Clause 49 of the Listing agreement and approved by the Audit Committee and the Board of Directors of the Company. The said policy provides for mechanism for all the employees of the Company to approach the Chairman of the Audit Committee of the Company and make protective disclosures about the unethical behavior, actual or suspected fraud and violation of the Company's Code of Conduct and business ethics. Under the policy, each employee of the Company has an assured access to the Chairman of the Audit Committee.



5. Nomination and remuneration committee, Remuneration Policy and payments.

- i. The Company had a nomination committee and selection committee of directors. The Company had renamed and reconstituted the said Committee as the nomination and Remuneration Committee on August 14, 2014, pursuant to the provisions of the Act and clause 49 of the Listing Agreement.

- ii. The broad terms of reference of the Nomination and Remuneration Committee are as under:

Recommend to the board the set up and composition of the board and its committees. including the “*formulation of the criteria for determining qualifications, positive attributes and independence of a director*”. The committee will consider periodically reviewing the composition of the board with the objective of achieving an optimum balance of size, skills, independence, knowledge, age, gender and experience.

Recommend to the board the appointment or reappointment of directors.

Devise a policy on board diversity.

Recommend to the board appointment of key managerial personnel (“KMP” as defined by the Act) and executive team members of the Company (as defined by this committee).

Carry out evaluation of every director’s performance and support the board and independent directors in evaluation of the performance of the board, its committees and individual directors. This shall include “*formulation of criteria for evaluation of independent directors and the board*”.

Recommend to the board the remuneration policy for directors, executive team or key managerial personnel as well as the rest of the employees.

On an annual basis, recommend to the board the remuneration payable to the directors and oversee the remuneration to executive team or key managerial personnel of the Company.

Oversee familiarization programmes for directors.

Oversee the human resource philosophy, human resource and people strategy and human resource practices including those for leadership development, rewards and recognition, talent management and succession planning (specifically for the board, key managerial personnel and executive team).

Provide guidelines for remuneration of directors on material subsidiaries.

Recommend to the board on voting pattern for appointment and remuneration of directors on the boards of its material subsidiary companies.

Performing such other duties and responsibilities as may be consistent with the provisions of the committee charter.

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

| Name of Members & Designation in Committee | Category in the Board | No. of Meeting held | No. of Meetings attended during the F.Y.2014-15 |
|--|-------------------------------|---------------------|---|
| 1. Satish jadhav | Non-Executive Independent | 1 | 1 |
| 2. Ashish Mahendrakar | Non-Executive Non Independent | 1 | 1 |
| 3. Ameya Jagushte | Non-Executive Independent | 1 | 1 |

During the year, one meeting of the nomination and remuneration committee were held on August 14, 2014 and was attended by, members of the Nomination & Remuneration Committee.

- iv. The Company does not have any employee stock option scheme.
- v. Remuneration policy:

Remuneration policy in the Company is designed to create a high performance culture. It enables the Company to attract, retain and motivate employees to achieve results. Our business model promotes customer centricity and



requires employee mobility to address project needs. The remuneration policy supports such mobility through pay models that are compliant to local regulations.

The Company has policy to pay remuneration by way of salary, benefits, perquisites and allowances (fixed component) to its “Key Managerial Personnel”. Annual increments are decided by the nomination and remuneration committee (NRC) within the salary scale approved by the members of the Company and is effective April 1 each year.

During the year 2014-15, the Company paid sitting fees of ₹ 20,000 per meeting to its non-executive directors for attending meetings of the board and ₹ 10,000/- for attending meetings of audit committee of the Board. The Company also reimburses the out-of-pocket expenses incurred by the directors for attending the meetings.

vi. Details of sitting fees for the year ended March 31, 2015:

| Name of Director | Sitting Fees paid during 1 st April, 2014 to 31 st March, 2015 (₹ In Lakhs) |
|-------------------------|---|
| Shri Ashish Mahendrakar | 0.90 |
| Shri Satish Jadhav | 0.90 |
| Shri Ameya Jagushte | 0.60 |
| Shri Anirudha Waghmare | 0.40 |
| Shri Ashok Saaliyan | 0.30 |

vii. None of the Directors is holding equity shares of the Company as on 31.03.2015

6. Board Sub-Committees for Shareholders

Stakeholders' relationship committee

- The Company had a shareholders / investors grievance committee of directors to look into the redressal of complaints of investors such as transfer or credit of shares, non-receipt of dividend / notices / annual reports, etc. The nomenclature of the said committee was changed to stakeholders' relationship committee in the light of provisions of the Act and revised clause 49 of the Listing Agreement.
- The composition of the Stakeholders' Relationship Committee and the details of meetings attended by its members are given below:

| Name of the Member | Category | Position in Committee | No. of Meetings attended |
|----------------------------|-------------------------------|-----------------------|--------------------------|
| 1. Shri Rubeen Malkani | Non-Executive Independent | Chairman | 4 |
| 2. Shri Pushkar Natu | Whole Time Director | Member | 4 |
| 3. Shri Ashish Mahendrakar | Non-Executive Non Independent | Chairman | 6 |
| 4. Shri Satish jadhav | Non-Executive Independent | Member | 6 |

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

- The Company has always valued its customer relationships. This philosophy has been extended to Stakeholders relationship. It focuses on servicing the needs of various stakeholders viz. investors, Depositors, analysts, brokers and the general public. The Committee also monitors implementation and compliance with Company's Code of Conduct for Prohibition of Insider Trading in pursuance to SEBI (Prohibition of Insider Trading) Regulations.
- Name, designation and address of Compliance Officer:

Mr. Vimal Prakash Dubey
Company Secretary
Zenith Birla(India)Limited
5th Floor, Industry House
Churchgate Reclamation
Mumbai 400 020
Telephone: 91-22-22026340



- v. Details of investor complaints received and redressed during the year 2014-15 are as follows:

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

| Type of Complaints | No. of Complaints | | |
|---|-------------------|-----------|----------|
| | Received | Resolved | Pending |
| Non receipt of Certificates after transfer / after exchange | 5 | 5 | - |
| Non receipt of Dividend Warrants | 7 | 7 | - |
| Non receipt of Annual Report | 6 | 6 | - |
| Non receipt of Bonus Shares | 1 | 1 | - |
| Non receipt of Demat Credit | 2 | 2 | - |
| Non receipt of Demat Rejection Documents | 4 | 4 | - |
| Non receipt of Exchange Share Certificates | 1 | 1 | - |
| Stock Exchange | 3 | 3 | - |
| SEBI | 1 | 1 | - |
| Total | 30 | 30 | - |

7. Subsidiary Company

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

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

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

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

8. General Body Meetings

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

| Year | AGM | Location | Day, Date & Time |
|-----------|------------------|--|-----------------------------------|
| 2013-2014 | 52 nd | Gopi Birla Memorial School, Walkeshwar Road, 68, Walkeshwar, Malabar Hill Mumbai – 400 006. | Saturday, 27.09.2014 at 3.30 p.m. |
| 2012-2013 | 51 st | Hall of Culture, Discovery of India Building, Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai – 400 018 | Monday, 24.09.2013 at 3.30 p.m. |
| 2011-2012 | 50 th | Hall of Culture, Discovery of India Building, Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai – 400 018 | Monday, 17.09.2012 at 3.30 p.m. |

(b) Extra Ordinary General Meeting

There was no Extra Ordinary General Meeting held during the Financial Year 2014-15

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

| Date of AGM | Particulars of Special Resolutions Passed |
|-------------|---|
| 2013-2014 | <ol style="list-style-type: none"> To reconfirm authority to Board of Directors for Borrowings upto ₹ 600 crores To Approve Creation of Charge / Security over the assets / undertaking of the company, in respect of Borrowings. Ratification of Cost Auditor's Remuneration. |



| | |
|---------|--|
| 2012-13 | Issue of Warrants to the Promoters & Promoter Group on preferential allotment basis. |
| 2011-12 | Reappointment of Shri M. S. Arora, Managing Director of the Company for another term of 3 years. |

(d) Postal Ballot

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

9. DISCLOSURES:

i. Disclosures on materially significant related party transactions i.e. the Company's transactions that are of material nature, with its promoters, Directors and the management, their relatives or subsidiaries, among others that may have potential conflict with the Company's interests at large:

The Board has received disclosures from key managerial personnel relating to material, financial and commercial transactions where they and / or relatives have personal interest. There were no materially significant related party transactions i.e. transactions of material nature, with its promoters, the Directors or the management, their subsidiaries or relatives etc. that may have potential conflict with the interest of the Company at large. Related Party Transactions have been included in the notes to the Annual Accounts of the Company for the year ended 31st March, 2015.

The board has approved a policy for related party transactions which has been uploaded on the Company's website at the following link http://www.zenithsteelpipes.com/investors/corp_governance/Documents/_Related_Party_Transactions_Policy.pdf

ii. Details of non-compliance by the Company, penalties, and strictures imposed on the Company by the stock exchanges or the securities and exchange board of India or any statutory authority, on any matter related to capital markets, during the last three years 2012-13, 2013-14 and 2014-15 respectively:

The Company has complied with requirements of the Stock Exchanges, SEBI and other authorities on all matters relating to capital markets during the last three years. No penalties or strictures have been imposed on the company by the stock exchanges, SEBI or other statutory authorities relating to the above.

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

iv. All mandatory requirements as per clause 49 of the listing agreement have been complied with by the company.

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

10. Reconciliation of Share Capital:

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

Pursuant to Clause 47 (c) of the Listing agreement with the Stock Exchanges, certificate, on half yearly basis, have been issued by a Company Secretary in Practice for due compliance of share transfer formalities of the Company.

11. Means of Communication:

a. Results: The unaudited quarterly financial statements are announced within forty-five days of the end of each quarter and the audited annual results are announced within sixty days from the end of the last quarter. The aforesaid financial statements after being taken on record by the Audit Committee and Board of Directors are communicated to the Stock Exchanges where the shares of the Company are listed.



Quarterly and Annual Results are published in newspapers viz The 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.

b. Management Discussion & Analysis Report

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

c. Company's Corporate Website:

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

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

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.

12. General Shareholder's Information:

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

1. Annual General Meeting

| | |
|------------------|--|
| Day, Date & Time | : Saturday, 26th September, 2015 at 11.00 a.m. |
| Venue | Gopi Birla Memorial School, 68, Walkeshwar Road, Walkeshwar Malabar Hill, Mumbai-400 006 |

2. Financial Calendar for the year 2015-16 (Tentative)

| | |
|-----------------------------------|---|
| Accounting Year | : April 1, 2015 to March 31, 2016 |
| First Quarter Results | : On or before 14 th August, 2015 |
| Second Quarter Results | : On or before 14 th November, 2015 |
| Third Quarter Results | : On or before 14 th February, 2016 |
| Fourth Quarter and Annual Results | : On or before 30 th May, 2016 |
| Mailing of Annual Report | : July/August, 2016 |
| Annual General Meeting | : On or before 30th September, 2016 |
| Book Closure Date | : From Saturday, 19th September 2015 to Saturday, 26 th September, 2015 (both days inclusive). |
| Registered Office | : Dalamal House, 1st Floor, 206, J. B. Marg, Nariman Point, Mumbai – 400 021. |



- 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: Due to financial crunch, Listing Fees for the year 2014-15 have not been paid to Bombay Stock Exchange Limited and the National Stock Exchange of India Limited

- 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

Dividend policy:

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

Stock Price Data and Comparison to broad –based indices:

- (a) Market Price Data: High, Low during each month in the financial year.

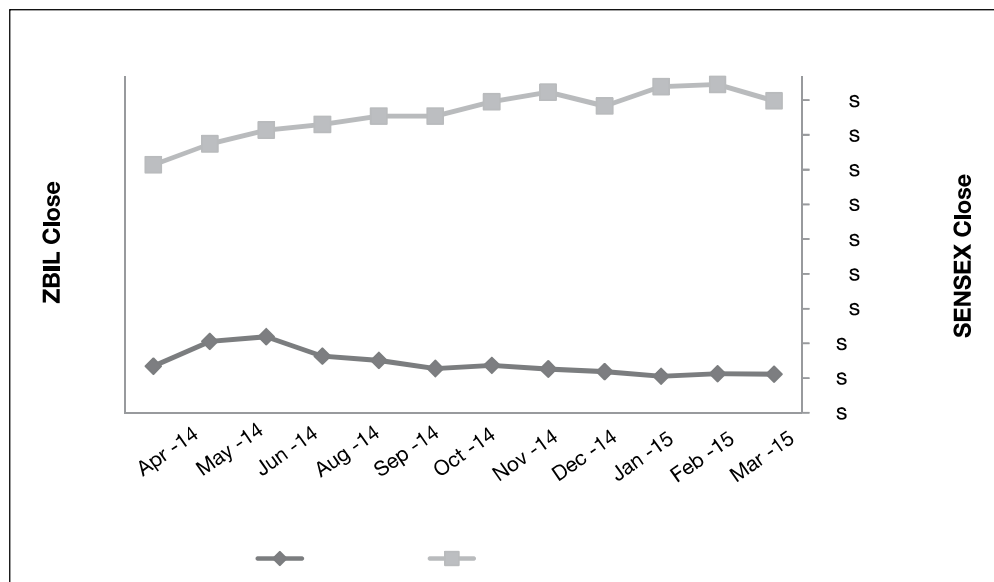
Monthly High/ Low of market price of the Company's shares traded on the Bombay Stock Exchange Ltd. (BSE) and National Stock Exchange of India Limited (NSE) during the financial year ended 31st March, 2014 is furnished below:

| Months | NSE | | BSE | | Months | NSE | | BSE | |
|-----------------|-------------|------------|-------------|------------|----------------|-------------|------------|-------------|------------|
| | High (₹) | Low (₹) | High (₹) | Low (₹) | | High (₹) | Low (₹) | High (₹) | Low (₹) |
| April, 2014 | 1.30 | 1.00 | 1.38 | 0.95 | October, 2014 | 1.20 | 0.95 | 1.22 | 0.97 |
| May, 2014 | 1.95 | 1.00 | 2.05 | 1.01 | November, 2014 | 1.25 | 1.00 | 1.30 | 1.01 |
| June, 2014 | 2.20 | 1.60 | 2.22 | 1.55 | December, 2014 | 1.10 | 0.85 | 1.25 | 0.80 |
| July, 2014 | 1.90 | 1.30 | 1.92 | 1.21 | January, 2015 | 1.10 | 0.85 | 1.28 | 0.83 |
| August, 2014 | 1.45 | 1.20 | 1.49 | 1.21 | February, 2015 | 1.00 | 0.80 | 1.00 | 0.77 |
| September, 2014 | 1.40 | 1.00 | 1.50 | 0.96 | March, 2015 | 1.00 | 0.80 | 1.00 | 0.78 |

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



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



Registrar & Share Transfer Agents

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

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

Share Transfer System

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

In compliance with 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.

Distribution of Shareholding as on 31st March, 2015

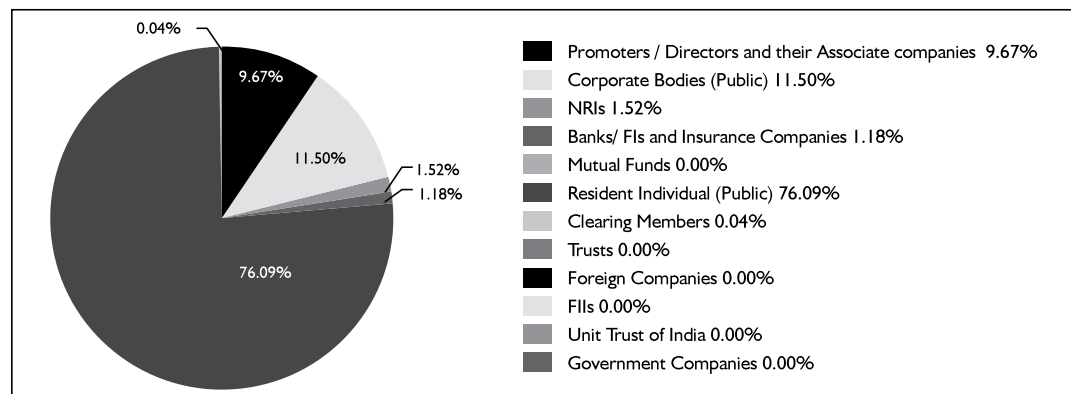
| No. of Equity Shares held | Total No. of Shareholders | No. of Shares held | Percentage Shareholding In % |
|---------------------------|---------------------------|--------------------|------------------------------|
| 1 to 500 | 64559 | 4406966 | 3.356 |
| 501 to 1000 | 3967 | 3167258 | 2.412 |
| 1001 to 2000 | 2732 | 4149311 | 3.160 |
| 2001 to 3000 | 1132 | 2924568 | 2.227 |
| 3001 to 4000 | 567 | 2068900 | 1.575 |



| | | | |
|-----------------|--------------|------------------|------------|
| 4001 to 5000 | 570 | 2740752 | 2.087 |
| 5001 to 10000 | 1042 | 7935900 | 6.045 |
| 10001 and above | 1153 | 103886793 | 79.133 |
| Total | 75722 | 131280448 | 100 |

Share holding Pattern of the Company as on 31st March, 2015(including Demat)

| Categories | No. of Shareholders | No. of shares held | Percentage of total Shares |
|---|---------------------|--------------------|----------------------------|
| Promoters / Directors and their Associate companies | 14 | 12698273 | 9.67 |
| Corporate Bodies (Public) | 517 | 15080003 | 11.50 |
| NRIs | 313 | 1999036 | 1.52 |
| Banks/ FIs and Insurance Companies | 48 | 1552517 | 1.18 |
| Mutual Funds | 4 | 650 | 0.00 |
| Resident Individual (Public) | 74790 | 99896651 | 76.09 |
| Clearing Members | 25 | 48968 | 0.04 |
| Trusts | 8 | 1318 | 0.00 |
| Foreign Companies | 0 | 0 | 0 |
| FIs | - | - | - |
| Unit Trust of India | 2 | 3015 | 0.00 |
| Government Companies | 1 | 17 | 0.00 |
| Total | 75722 | 131280448 | 100.00 |



Shareholding of Non executive Directors of the Company as on 31st March, 2015

| Name of the Non Executive Directors | No. of shares held | Percentage of total Shares |
|-------------------------------------|--------------------|----------------------------|
| Mr Ashish Mahendrakar | Nil | Nil |
| Mr Satish Jadhav | Nil | Nil |
| Mr Anirudha Waghmare | Nil | Nil |
| Mr Ashok Saaliyan | Nil | Nil |
| Total | Nil | Nil |

Dematerialization of shares and liquidity:

98.86% of the total Equity Capital is held in dematerialized form with NSDL and CDSL as on 31.03.2015. Trading in Equity Shares of the Company is permitted only in dematerialized form as per notification issued by Securities and Exchange Board of India (SEBI).



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

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

Plant Location

- a) Khopoli Unit
Tal Khopoli
Dist. Raigad,
Maharashtra-410203
 - b) Tarapur Unit
G-38/39, M.I.D.C.
Tarapur -401506
Dist. Thane
Maharashtra- 401506
 - c) Murbad Unit
Survey (Gut) No. 440/441,
Nhavé, Kakadpada,
Murbad District, Thane,
Maharashtra
 - d) Kancheepuram Unit
Padalam Sugar Mill road, S.No. 99/3A-3J, 4,5,6, & 103/4/5/6, Kolambakkam Village, Madhuranthakam Taluk, Kancheepuram Dist-603308
 - e) Trichy Mobile Unit
SH No. 71, Survey No. 782, Village: Kalugar Thogainmala, Taluka: Kulithalai, Dist: Karur-639 120, Tamil Nadu
- Address for Correspondence** For Investor Correspondence and Compliance related query
Mr. Vimal Prakash Dubey
Company Secretary & Compliance Officer
159, Industry House, 5th Floor,
Churchgate Reclamation, Mumbai-400 020
Tel No. 022-22026340
Fax No. 022-22047835
e.mail: vimald@zenithsteelpipes.com

Equity shares in the suspense account:

In accordance with the requirement of Clause 5A(I) of the Listing Agreements entered into with the stock exchanges, the Company reports the following details in respect of equity shares lying in the suspense account which were issued in dematerialized form pursuant to the public issue of the Company:

| | |
|---|-------------|
| Aggregate No. of Share Holders whose shares are lying in the Suspense Account as on 01.04.2014 | 8 |
| Aggregate No. of Shares are lying in the Suspense Account as on 01.04.2014 | 1449 |
| Number of shareholders who approached issuer for transfer of shares from Suspense Account during the year | Nil |
| Number of shareholders to whom shares were transferred from Suspense Account during the year | Nil |
| Aggregate No. of Share Holders whose shares are lying in the Suspense Account as on 31.03.2015 | 8 |
| Aggregate No. of Shares are lying in the Suspense Account as on 31.03.2015 | 1449 |

Information required under revised Clause 5A (II) of the Listing Agreement with respect to shares issued in physical form which and remains unclaimed

The Company is in the process of opening of Suspense Account in the Dematerialized account with one of the depository.

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

Pursuant to sections 205A and 205C of the Companies Act, 1956 and other applicable provisions, if any, of the Act, all unclaimed / unpaid dividend, remaining unclaimed / unpaid for a period of seven years from the date they became due for payment, in relation to the Company, have been transferred to the IEPF established by the Central Government. No claim shall lie against the IEPF or the Company for the amounts so transferred prior to March 31, 2015, nor shall any payment be made in respect of such claims

The due dates for transfer to IEPF of the dividend remaining unclaimed since 2007-08 are provided hereunder:

| Date of dividend declaration | For the year ended | Due for transfer to Investor Education and Protection Fund |
|-------------------------------------|---------------------------|---|
| 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.

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 2014-15.

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

- I. We have reviewed the Financial Statements and Cash Flow Statement for the year ended on 31st March, 2015 and that to the best of our knowledge and belief:
 - I. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - II. these statements together present a true & fair view of the Company's affairs and are in compliance with existing Accounting Standards, applicable Laws and Regulations.
2. To the best of our knowledge and belief, there were no transactions entered into by the Company during the year, which were fraudulent, illegal or which violated the Company's Code of Conduct.
3. We are responsible for establishing and maintaining internal control for the financial reporting and we have;
 - (a) Evaluated the effectiveness of internal control system of the Company pertaining to financial reporting
 - (b) Not found any deficiencies in the design or operation of the internal control.
4. We have indicated to the Company's Statutory Auditors, internal auditors and the audit committee of the Board of Directors
 - (a) Significant changes that have occurred in the internal control over financial reporting during the year;
 - (b) There have been no significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements;
 - (c) There have been no instances of significant fraud nor there was any involvement of the management or an employee having a significant role in the Company's internal control system over financial reporting; and
 - (d) There were no deficiencies in the design or operation of internal controls, which could adversely affect the Company's ability to record, process, summarize and report financial data nor there were any material weakness in internal controls over financial reporting nor any corrective actions with regards to deficiencies, as there were none.
5. We declare that all the Board members and senior management personnel have affirmed compliance with the code of conduct for the current year.

For Zenith Birla (India) Limited

Place: Mumbai
Date: 14.08.2015

Sd/-
Pushkar Natu
Chief Executive Officer

Sd/-
B. Girvanesh
Chief Financial Officer



CERTIFICATE ON 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 on 31st March, 2015, as stipulated in clause 49 of the Listing Agreement of the said Company with stock exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring compliance of the conditions of the Corporate Governance as stipulated in clause 49 of the above mentioned Listing Agreement. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has generally complied in all material respects with the conditions of Corporate Governance as stipulated in the clause 49 of Listing Agreement, except the following

1. has not complied with the 49 (II) (A) (I) in respect of appointment of Women Director as on 31st March 2015.
2. has not complied with the provisions of Clause 49 (III) (B), in respect of number of meeting of Audit Committee Meetings.
The gap between two Audit Committee meetings held during the audit period elapsed for more than 4 months.

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

Place: Mumbai
Date: 12th August, 2015

For **Roy Jacob & Co**
Company Secretaries

Sd/-
(Roy Jacob)
Proprietor